

**DRAFT MINUTES**  
**CAREER SOURCE PALM BEACH COUNTY, INC.**  
**FINANCIAL PLANNING COMMITTEE MEETING**  
**Friday, February 7, 2025**

**I. CALL MEETING TO ORDER, WELCOME**

The meeting was audio and video recorded with a written transcript. Dave Markarian welcomed attendees and called the meeting to order at 9:00 a.m. Committee members present, Dave Markarian, Christopher Cothran, George Elmore, Alyssa Freeman, David Talley and Kenneth Rehns, Board Counsel. Committee members absent, Jay Boggess. Staff members present, Julia Dattolo, Erica Scarpati, Steven Gustafson, Gerard Melville and Mary Mullen-Butler. Guests present, Michelle Barth with Moss, Krusick & Associates, LLC.

**II. AGENDA APPROVAL**

- a. Proposed Amendments: Dave Markarian asked if there were any amendments to the agenda. There were none.
- b. Approval of Agenda: Dave Markarian called for a motion to approve the agenda.

Motion: Christopher Cothran  
Second: George Elmore  
The motion was approved unanimously.

**III. PUBLIC COMMENTS:** Dave Markarian asked if there were any public comments. There were none.

**IV. ITEMS FOR APPROVAL**

- a. Minutes from October 4, 2024: Dave Markarian asked the committee to review the October 4<sup>th</sup> minutes and after reviewing them, asked if there were any amendments, notations, or edits. Hearing none, he called for a motion to approve.

Motion: George Elmore  
Second: Christopher Cothran  
The motion was approved unanimously.

- b. Financial Monitoring Quality Assurance Report – LWDB 21 Program Year 2023-2024 as of November 18, 2024, by FloridaCommerce: Julia Dattolo directed the committee members to the Executive Summary on page 3. She reported that CareerSource Palm Beach County underwent financial monitoring by the Florida Department of Commerce, which reviewed financial operations, management practices, internal controls, and record-keeping. The report found that CareerSource was operating in compliance.

Dave Markarian asked the committee if they had any questions. Hearing none, he called for a motion to approve.

Motion: Alyssa Freeman  
Second: Christopher Cothran  
The motion was approved unanimously.

- c. Approval of Investment Plan of Unrestricted Funds: Julia Dattolo provided an update on the previously approved plan to invest \$250,000 of unrestricted funds. Initially, they considered the Community Foundation but, after due diligence, found concerns. They also explored options with a private equity firm and PNC Bank. After further evaluation, they decided to proceed with Dynamic Wealth, a private equity firm, which offered a more favorable investment strategy with returns expected between 7-10%. Erica Scarpati explained that the firm's approach minimizes risk which is offset by a cap on the return rate. Dave Markarian said since the board has already approved the investment, no further vote is required, but the committee was informed of the final decision.

d. (Presentation & Approval) Audit: CareerSource Palm Beach County, Inc. Financial Report for the Fiscal Years Ended June 30, 2024, and 2023 by Moss, Krusick & Associates, LLC: Michelle Barth, audit manager at Moss & Associates, presented the results of the audit: The audit was clean, with no issues or findings. At year-end (June 30, 2024), CareerSource had a cash balance of \$2 million, equating to two months of operating cash on hand, which is a strong financial position. General and administrative expenses were at 10% of total expenses, well below the threshold of concern (15-20%). The audit included compliance testing for federal funding, and CareerSource qualified as a "low-risk auditee," a distinction achieved by only about a third of organizations undergoing a single audit.

Dave Markarian asked the committee if they had any questions. Hearing none, he called for a motion to approve.

Motion: George Elmore

Second: Christopher Cothran

The motion was approved unanimously.

#### V. REVIEW FINANCIALS

- December 31, 2024, Financials (Summary, Schedule 1 Actual vs. Budget, Schedule 2 Grant Funding, Schedule 3 Palm Beach Workforce Development Consortium (PBWDC), Status of 30% Training and Unrestricted Funds: Erica Scarpati provided a financial summary as of December 31, 2024. Total expenses were \$5.575 million, reflecting a significant decrease from the previous year. Staff costs were down \$533,000 (12%), due to reduced staffing. Overall expenses decreased by \$1 million, helping offset reductions in funding allocations. Communication, outreach, and purchasing costs were also down. Consulting expenses increased slightly due to a specific project.

A copy of the unrestricted funds was handed out to the committee members. Erica Scarpati said we obviously have a large bucket of unrestricted funds, but we do limit what we spend it on. There are certain things that we cannot use other funding for, so you'll find that the unrestricted funds are typically used for food. Meetings that someone attends, which often include food, require that we carve out a little bit that we charge to unrestricted. Ms. Scarpati also noted that this report will be provided to the committee members on a quarterly basis.

A breakdown of funding sources was reviewed, highlighting which programs would carry funds forward. A key compliance metric was discussed. Workforce Innovation and Opportunity Act (WIOA) training requirements mandate that 30% of WIOA Adult and Dislocated funds must be spent on training. At the time of the meeting, CareerSource had only reached 21.18%, primarily due to a slowdown in Individual Training Account (ITA) spending. Julia Dattolo noted that while unemployment is low, CareerSource is counteracting this by increasing funding for incumbent worker training (helping businesses upskill employees). Steven Gustafson explained a shift in strategy, focusing on placing unemployed individuals into high-demand job training programs rather than simply reducing student debt for existing enrollees. This transition caused a temporary slowdown but is expected to accelerate.

#### VI. ADJOURNMENT: **Dave Markarian** asked the committee members if there was any further business, thoughts or concerns. There was none. The meeting was adjourned at 9:23 a.m. The next Financial Planning Committee meeting will be held on April 11, 2025, at 8:45 a.m.