

**Minutes of the
Florida Engineers Management Corporation
Board of Directors Meeting
Wednesday, October 14, 2009, 2009
Beginning at 10:00 a.m.
Ponte Vedra Beach, Florida**

- A. Call to Order and Pledge of Allegiance.

Board Members Present:

Robert Lombardo, P.E., Chair
Gary Kuhl, P.E., Vice Chair
Ernest Cox, III, P.E.
Roger Jeffery, P.E.
Melvin Anderson, Ph.D., P.E.
Bert Combs, Esquire
Robert Hosay, Esquire

Staff Present:

Carrie Flynn, President
John J. Rimes, III, Esquire, Vice President
Zana Raybon, FBPE Assistant Executive Director
Deborah Head, Comptroller
Wendy Gregory, Interim Executive Assistant/Complaints Analyst

- B. Introduction of guests or visitors.

John C. Burke, P.E., Chair FBPE Board
Dennis Barton, Engineering Educators

- C. Approval of the Agenda.

Upon motion by Mr. Cox seconded by Mr. Jeffery, the agenda was approved.

- D. Approval of the Consent Agenda.
(Items denoted with an asterisk are included in the Consent Agenda)

1. Minutes of the FEMC Board Meeting held June 17, 2009

Upon motion by Mr. Kuhl, seconded by Mr. Cox the Consent Agenda was approved. The motion passed.

Mr. Lombardo discussed the Minutes of the July Board Operations Committee and noted an error when the Committee appointed Mr. Rimes as Vice President of FEMC. Mr. Lombardo believed the appointment should be an action of the full Board and he called for a motion.

Upon motion by Mr. Kuhl seconded by Dr. Anderson, the Board approved John Rimes as Vice President of FEMC.

E. President's Report

1. Annual Report

Ms. Flynn advised the Board of issuance of the annual report for 2009. As noted previously the most important information is the first two pages which summarizes by numbers total legal cases, examinations administered, number of applicants passing and failing examination and total number of licenses issued, etc.

Mr. Jeffery asked and Ms. Flynn confirmed no comments received from the Department at this time.

2. Term Limits of FEMC Board Members

Ms. Flynn called attention to expiration of terms for Mr. Jeffery, Mr. Hosay and Mr. Combs. She asked Mr. Jeffery if he recalled the FBPE meeting in which his request to be reappointed was addressed. Mr. Jeffery indicated it was December of 2008. Ms. Flynn indicated she would review the Minutes of the December 2008 Board Meeting to determine whether the reappointment occurred. If the action did not occur it will be presented in the December Board meeting.

Ms. Flynn noted the reappointment of Mr. Hosay and Mr. Combs is under the authority of the Secretary of DBPR. Mr. Hosay indicated he would check with the Secretary and forward the response received for placement on the December Board agenda.

Mr. Lombardo asked if it would be for a four year terms. Ms. Flynn indicated it would be for four years and no member could serve more than two consecutive terms.

Ms. Flynn advised the Board of some recent organizational changes in the Board office staff. Frances Ingram resigned her position with FEMC and Wendy Gregory will be assuming a position as complaint analyst in legal. In analyzing the future of FEMC and realizing the need to set goals and

objectives for future operation, Ms. Flynn advised the Board of her decision to retire sometime in 2011. She would like some flexibility regarding the actual date and all factors would be considered in the decision.

Mr. Jeffery asked if it might be possible to have a past Executive Director stay on in some sort of consultant capacity. Mr. Hosay noted his appreciation of having the opportunity for succession plan and supported the idea of retaining Ms. Flynn for a time in a consultant or contractual capacity.

Ms. Flynn indicated her agreement to discuss options at such time as necessary.

Mr. Hosay asked Ms. Flynn if the Board should be proactive with regard to the Annual Report and the benefits of asking the Department if they had any comments.

Ms. Flynn agreed to check with Mr. Harrell. She also advised the Board of receipt of an email from Mr. Harrell announcing the appointment of a new contract monitor. The new contract monitor will be Amy Toman and an introductory meeting will be scheduled in the near future.

Mr. Hosay noted with the anticipation of a tighter budget and tougher times, FEMC should be more proactive in determining any potential problems with the Department.

F. Financial Report

1. Review of Annual Audit

Ms. Head acknowledged her responsibility in failing to advise Ms. Flynn of the deficit in last years' budget. During the last few months of the prior fiscal year, she was heavily involved in other responsibilities which took time away from accounting. This resulted in failure to keep the accounting updated.

Ms. Head noted FEMC received an unqualified opinion for the audit, the highest level of assurance. There were four significant deficiencies noted in the audit. The primary deficiency was a net deficit of \$171,000, followed by failure to audit licenses, penalties for late payroll tax deposits and inability to track back-up documentation in preparation of quarterly reports. Management's responses to the deficiencies and a plan for correcting the issues are included in the audit.

The estimated deficit was discovered in the last part of May. Ms. Head presented a schedule of the line items with unfavorable variances equaling the \$171,000 which included severance packages; accrued leave balances for long-time employees, prosecution consultants, payment for human resource contractor, board meeting expenses, renewal expenses, and the hiring of an outside consulting firm for IT services.

Management has instituted certain procedures to ensure FEMC will not encounter this type of financial situation again. Ms. Head, Ms. Flynn, Mr. Rimes, and Ms. Raybon meet on a weekly basis to discuss cash flow and expenses. Board meeting expenses, including travel reimbursements for board members and staff, and prosecution consultants are also tracked weekly on a spreadsheet.

2. Updated hiring and turnover report

There have been fourteen (14) employees hired by FEMC, and twelve (12) employees have either separated or been terminated from FEMC in the period July 1, 2008-September 30, 2009. This number included part time employees hired for renewal for the last renewal.

3. Updated training schedule

FEMC employees have received Affirmative Action and Anti-Discrimination and Harassment Training by a certified Human Resource contractor. The managers participated in an Effective Supervision workshop.

4. Customer Service Satisfaction Survey Results

Forty-two (42) customer service satisfaction surveys were received from March 12, 2009 to September 30, 2009. All surveys rated licensure, and five surveys rated all departments. FEMC received an average score of 9.13 out of a possible score of 10 with 10 as the number occurring most often. The website is the only category which did not receive an average of at least 90% satisfaction.

5. Variable Income Statement as of September 30, 2009

Net operating income is \$14,707, and expenses are at 24% for the first quarter. Salaries have a favorable variance as FEMC has two open positions. Consultant expense has an unfavorable variance due to added expenses for the audit because of the renewal year, extended hours for the computer consulting firm, and prosecution consultants.

6. Comparative Income Statement as of September 30, 2009

The \$23,644 net income variance for the first quarter is due to consultant expenses: added expenses for the audit because of the renewal year, extended hours for the computer consulting firm, and prosecution consultants.

G. Vice President's Report

1. 300 day old case report

Mr. Rimes noted contractual requirement to reduce the number of year old cases by approximately 33% by the end of this last quarter. FEMC has exceeded the goal as the numbers were reduced 50%. Statistics support FEMC continued reduction of cases by the end of the year. Mr. Rimes has set a goal to get cases to Probable Cause before the 300 days time line.

From a legal standpoint the number of present cases is within all time lines for processing. As discussed, FEMC will hit a number of substantive engineering cases in the first quarter and second quarter of 2010. This is a result of having to hold opening of new cases until the operating budget is reestablished with sufficient cash flow. The FBPE will continue to receive less substantive cases through the end of the year. Mr. Rimes advised the Board of his review of all cases to reduce the number of cases sent to experts. His knowledge of laws and rules allows for this option.

Mr. Rimes advised the Board of his opinion regarding the state's budget for 2010-2011. The state is facing budget issues overall and in the next legislative session the legislature may be looking for different sources of income. There may be more funds taken from trust funds. There is also the possibility if FEMC slows down too much on prosecution there may be concerns. To avoid situations of concern, Mr. Rimes noted his plan to have Wendy assume a more active role as the Complaint Analyst. He has already given her cases dealing with unlicensed activity and cases which do not require a great deal of substantive knowledge to process. This provides assistance for immediate processing of those cases which can be processed rapidly and are minor in nature. The full time investigator and the part time investigator can focus on those cases requiring detailed investigations. Mr. Rimes confirmed the resignation of Jack Beamish. After his resignation and due to certain series of events, Jack is now working for FEMC part-time with a 20 hour per week.

Mr. Lombardo asked Mr. Rimes to reinstate the procedure of producing charts and graphs outlining the status of legal cases for the next Board meeting.

Mr. Jeffery asked about the case load. Mr. Rimes noted usually in the summer cases are higher; however, they did not increase this summer. This may be due to the economy.

Mr. Hosay expressed his concern with the drastic cuts in cases being sent to consultants. FEMC should be responsible for processing of all complaints. Mr. Rimes reaffirmed the slowdown is temporary and as soon as budget concerns are satisfied a full scale operation will resume. He stressed the need for FEMC to avoid another close of year situation with deficit spending. He reassured the Board for addressing many cases without requirement of an expert at the initial stage of investigation.

Mr. Lombardo advised Mr. Rimes to keep the Operations Committee, up-to-date on the decisions on cases as it relates to budget.

Mr. Rimes noted Shannon McCoy has been hired to take over the Probable Cause and Probation desk and she is performing well.

H. FBPE Assistant Executive Director's Report

1. Google Analytics

Ms. Raybon advised the Board of this free service offered by Google. It monitors the activity on your website. How many people visit, where do they come from, how long are they on the website.

Mr. Hosay asked if the report can show peaks and valleys. Ms. Raybon explained they are looking at a one month time frame and more than likely is explained by morning and evening hours.

I. Unfinished Business

1. Personnel Issues

Ms. Flynn briefly explained changes within the office. With the resignation of Frances Ingram, Brian Lynch has been appointed as Manager of Applications & Licensure. With Ms. Ingram's departure the biggest challenge is the overall processes involved with continuing education. To move forward there will be a great deal of effort to become acquainted with all areas of responsibility. FEMC staff will continue with plans to cross train on every desk to avoid problems when an employee leaves. Ms. Raybon and Mr. Lynch are to develop procedures on this effort.

Ms. Flynn advised the Board of the status on many of the recommendations from the climate survey. Ms. Flynn confirmed she and

Mr. Rimes are providing support to Ms. Head in reviewing and making determinations on financial issues. She will review possible assignments to be taken from Ms. Head to allow time to be spent on the budget. Ms. Raybon and Mr. Lynch will be working on continuing education to become aware of the processing of applications and issues with providers. Mr. Rimes has reviewed all desks in legal and has reassigned certain duties. FEMC will be creating an affirmative action plan once budget allows for the implementation.

Ms. Flynn noted issues with the quarterly report for this quarter. FEMC was unable to state 100% compliance with the contract in the area of application processing. There appears to be three applications out of compliance. Each analyst has now completed an audit of their files to make sure all files are processed in specified time frames.

Mr. Lombardo advised the Board of the Board Operations Committee coordinated efforts to work with Ms. Flynn regarding the outcome of the climate survey and recommendations with the goal of achieving an organizational chart and plans to address certain areas of deficiencies.

Mr. Lombardo noted over the past several weeks he had many opportunities to get into discussions on personnel issues. He advised the Board on how Ms. Chastain was selected to perform the climate survey. She had conducted an investigation on a personnel complaint earlier in the year. In reading the report it was clear the legal department had major issues. It is a compliment to FEMC to have such a significant number of responses to the survey. One of the best things is employees feel safe in their environment. As a result of that survey actions were taken and we are going to move forward now in a positive direction. It has been a very stressful time over the past few months. We will be monitoring those changes to make sure goals and objectives are met.

Dr. Anderson noted cross training is important and you can't have cross training until you have stability within the company. Mr. Lombardo noted Ms. Flynn should forward the organizational chart to the FEMC Board Members.

Ms. Cox asked if our current budget reflects the recap including the overages from last year. Ms. Head indicated that it did not reflect that recap. Mr. Cox asked Ms. Head if the budget for next year is affected by what the Legislature may or may not do.

Ms. Flynn noted the budget is set by contract under the authority of the Department of Business and Professional Regulation. The only possible affect on our budget is through legislative cuts carried out by the Department.

Mr. Cox noted problems appeared with the end of the first quarter. Mr. Cox asked when the revised budget would be complete. Ms. Head indicated present work on this project.

Mr. Lombardo asked each member review the Board Member list, note any changes and forward those changes to staff.

Mr. Lombardo announced discussion of the annual Holiday Party. Ms. Head has agreed to have us come to her home for the party. It will cost each Board Member \$100 per person. Mr. Burke will be discussing this with the FBPE in their meeting.

Ms. Flynn will work with Mr. Burke on the collection of funds.

J. New Business.

None

K. Adjourn.

Upon motion by Dr. Anderson seconded by Mr. Cox the meeting was adjourned.