



State of Alabama
The Alabama Board of Electrical Contractors

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MINUTES
Special/Called Board Meeting
June 17, 2024
DRAFT

The Alabama Board of Electrical Contractors met on Monday, June 17, 2024, at 10:00 a.m. at the Board's office located at 2777 Zelda Road in Montgomery, Alabama. Board members in attendance at the special/called meeting were Mr. Jeremy Atchley (Board Chair), Mr. Shon Rogers (Board Vice Chair), Mr. Terry Wallace (member), Mr. Robert Lamborne (member), Mr. Theodore Blunt (member), Mr. Johnny Grimes (member), Mr. Mac McCreless (member), and Mr. Ben Freeman (member). One vacancy exists on the Board. Others present were Mr. Keith Warren (Executive Director), Mrs. Hendon Coody (Board General Counsel), Mr. Randy Barrows (Board Administrator), Mr. Mike James (Investigator), Mr. Brannon Littleton (Chief Financial Officer), Ms. Karen Harlow (Legal Assistant), and Ms. Renee' Reames (recording secretary). The guests present were Ms. Charla Doucet, CPA, and Mr. Alva Lambert.

CALL TO ORDER

The meeting was called to order at 10:15 a.m. by Mr. Jeremy Atchley, Board Chair. Mr. Warren called member roll and reported that a quorum was present to conduct business. The meeting was advertised on the Board's website, www.aecb.alabama.gov, and the Secretary of State's website, www.sos.alabama.gov, in accordance with requirements of the Alabama Open Meetings Act. Mr. Warren read the Opening Statement regarding Roberts' Rules of Order and the Alabama Open Meetings Act. Travel expense reports were submitted by attending Board members and accepted by the Board.

APPROVAL OF MEETING MINUTES

Chairman Atchley presented a copy of the proposed agenda for the June 17, 2024, meeting and there were no changes.

ADOPTION OF MINUTES

Chairman Atchley presented for the Board's approval a copy of the minutes from the May 20, 2024, regular meeting of the Board. The Board members were provided with a copy of the May minutes prior to the meeting for their review. Mr. Grimes asked about the requirements for content in meeting minutes, and he indicated that the minutes lacked the comments by Mr. Warren responding to his statement about being contacted by Mr. Pat McWhorter about the sale of Smith Warren. Mrs. Coody explained that the minutes should include the official actions of the Board along with discussion, when necessary, to substantiate and make clear official action or decisions of the Board. Mr. McCreless asked that the minutes be amended on this matter.

DRAFT

MOTION: Mr. McCreless made the motion that the May 20, 2024, meeting minutes be amended to include Mr. Warren's comments and the revised minutes be considered at the next Board meeting. The motion was seconded by Mr. Freeman and unanimously approved by the Board.

Chairman Atchley reported that he had five (5) comments written at the May meeting that had been made by Mr. Warren during the discussion of the sale of Smith Warren:

- (1) Mr. Warren stated that he had been in discussion with Mr. McWhorter about the sale of Smith Warren.
- (2) Mr. Warren stated that he had committed political suicide, and the Board should not be connected with his name.
- (3) Mr. Warren stated that he was ready to step out and assume a position with a national organization.
- (4) Mr. Warren stated that he would sale everything and move out of town.
- (5) Mr. Warren stated that he would do everything necessary for a smooth transition of the Board in the sale of Smith Warren.

Mr. Warren disagreed about the statement of his political suicide, reporting that he had stated that he had been attacked politically, making it a political suicide. He indicated that he had been caught off guard by Mr. Grimes' question since he had not been asked about it before the meeting. He indicated that he reported at the May meeting that no negotiations were made to sale the business, nothing had been finalized, and if going forth with the offer, it would take time. Mr. Warren indicated that he did have an opportunity with a national organization to provide management services.

Chairman Atchley indicated that, at this meeting, the Board wanted to look at everything that had been done and make corrections. Mr. Warren said that everything was personal to him, that his career was on the line and protecting the staff of Smith Warren.

The Board discussed the statement of political suicide, indicating that it was different in the letter that Mr. Warren had sent to the Board after the May meeting. Mr. Atchley stated that in recording the events of the May meeting, it should reflect the events as it was of that date and Mr. Warren agreed. Mr. Warren stated that he had re-evaluated the situation after the May meeting and wrote the letter, after having thought about what to do about the political pressure on him and the effect on the Board. Mr. Warren again stated that he was not prepared at the May meeting to answer the question about having met with Mr. McWhorter about the offer to buy the business since nothing was final and he was continuing Smith Warren.

SPECIAL BUSINESS

Alva Lambert:

Mr. Alva Lambert appeared to address the Board. Mr. Littleton distributed a list prepared by Mr. Lambert of the duties he performed. Mrs. Coody asked that a copy of the list of duties be added to the minutes.

MOTION: Mr. Grimes made the motion to add to the Board's minutes the list of duties performed by Mr. Lambert, as provided in the handout. The motion was seconded by Mr. McCreless and unanimously approved by the Board.

Mr. Lambert gave a general review of the list of duties he performed, indicating that he did not need to go in-depth on legislative issues, but he did highlight meetings with the Sunset Committee members, Board of Adjustment, developing rapport and relationships with various legislators, etc. Mr. Lambert commented on the meetings he had in Mobile with those who knew Senator Elliott and was working toward improving relationships. He also reported that he had an opportunity to meet with a member of the Governor's staff to discuss the Governor's Panel on Efficiency as well as the proposed legislative bill to consolidate occupational boards. He indicated that it was said that the legislative bill was too large to effectuate, and it was realistic to consolidate 1 to 3 boards at a single time and there was still the question of whether it would be efficient in cost vs. management of boards. He also commented that the hours reflected on his timesheet were mostly in the legislative relations. Mrs. Coody indicated that the timesheet period should be corrected to reflect May 2023, when Mr. Lambert was first employed by the Board. Mr. Lambert thanked the Board and offered to be available in the future to assist the Board.

Charla Doucet, CPA:

Mrs. Coody introduced Ms. Charla Doucet, CPA, who had been asked by the Board's audit search committee to assist in the review of the Board's financial records. Ms. Doucet gave an overview of her educational and employment background and presented a financial summary that included the revenue, expenses and fund balances of the Board for fiscal year 2023 and current fiscal year 2024 as of May 31, 2024. She also reported a cash balance of \$158,704.98 at the beginning of the fiscal year 2024, along with a \$120,464.97 deficient in receipts over expenses as of May 31, 2024, resulting in a \$38,240.01 cash balance for the same period. She explained that the Board had appropriation authority of \$925,000 annually during fiscal years 2023 and 2024, but the Board could only spend funds on-hand that were available through revenue. She indicated that she did not have access to the Board's upcoming expenses, and the information she had had been obtained from public information. She explained that should the Board receive higher revenue in FY 2024, which was currently based on FY 2023 revenue received through licensure activities, then the report projections would change.

She inquired about Board expenditures related to Key Asset Lifecycle, Kalm Services, Alabama Interactive, etc. and Mr. Warren explained the relationship of Kalm Services as a Network provider as an expense of Smith Warren, separate from Kalm providing licensee database services as a Board expense. The Board discussed outstanding Board invoices and Mr. Littleton indicated that he would provide a list of outstanding invoices to the Board. Ms. Doucet also inquired about Thomson-Reuters expenses and Mr. Warren explained that the Thomson-Reuters' Westlaw publication was used for legal research regarding regulations, statute and cases and the current Westlaw subscription service allowed for 2 staff and 2 attorney membership. Mr. Warren indicated that he could look at reducing the subscription cost.

Mr. Atchley inquired to Mr. Warren about the purchase of a vehicle and hiring a new consultant that had not been utilized before and the negative effects to the budget. He also inquired about assuming more debt when the outstanding invoices from FY 2023 had not been paid. Mr. Warren expressed regret in not paying closer attention to those matters and was pressed to hire new staff to assist in the finance department during the absence of the former CFO due to health reasons. He explained that the Board was not a checkbook agency of the State, and Smith Warren staff entered the financial transaction of the Board into the State's accounting system, STAARS.

Mr. Grimes asked about the accuracy of the Board's financial statement. Ms. Doucet explained that, in her review, the financial statements lacked projections to give a full financial overview and the Board was approving activities that had already occurred, as reported in the financial statements. She again explained that with an appropriation budget of \$925,000, the Board could only spend what was available through revenue. She reported on the cash balance from FY 2023 into FY 2024, reporting \$70,000 in unpaid invoices from FY 2023 as part of the 13th accounting period reporting activities, and she asked to see the Board of Adjustment claims for FY 2023. Ms. Doucet reported on her experience with setting up another State Board, indicating that a Board could manage itself and directly employ staff. Mrs. Coody thanked Ms. Doucet for her time and financial analysis and indicated to the Board that Ms. Doucet's services were on loan from the State Personnel Department without charge to the Board. Mrs. Coody presented a signed copy of Ms. Doucet's report to Chairman Atchley and were made part of the meeting minutes as recommended by Mrs. Coody. The Board thanked Ms. Doucet and she left the meeting.

Mr. Warren recommended that the Board consider appointing a Finance Committee for future oversight and asked Mr. Littleton to present his financial report.

Before continuing with the business meeting, Chairman Atchley called a recess of the Board at 11:30 a.m. for approximately 15 minutes.

Chairman Atchley reconvened the meeting at 11:43 a.m.

Brannon Littleton, CFO:

Mr. Littleton presented a written report of FY 2024's third quarter status and fourth quarter projections. As the new CFO with Smith Warren, he gave an overview of his education and experience. He explained that many of the unpaid invoices from FY 2023 were paid in the first quarter of FY 2024, after having been processed through the Board of Adjustment and the State's new Form 500 process established through Act 2023-500. He reported that historically the Board's financial statements had shown allocations, expenses, and revenue; however, there were no projections regarding remaining funds. The Board considered the unpaid invoices for Ms. Coody and Prov, and other vendors on the list (copy of report in official Book of Minutes). Mr. Warren reported on some invoices being held until the vendor corrected some discrepancies and which vendors were contractual and non-contractual.

Mr. Warren inquired about the Board approving a minimum dollar in expenditures, recurring or singular expenditures, or presenting all expenditures to the Board for approval. It was the consensus of the Board to approve all future expenditures.

Mr. McCreless asked about establishing three vendor priorities of the Board: (1) legal counsel fees, (2) investigator services, and (3) Prov examination service fees. Ms. Coody reported that she expected to meet her contractual capped fees before the end of the year and the Board would need to decide about continuing legal services. Mr. Warren reported that he had spoken with Mr. Sorensen at Prov about working with him to receive payment and Mr. Warren explained that some of Prov invoices were due to billing for services while a contract was not in place, due to Prov missing the deadline to submit a contract proposal. The Board discussed other options to avoid delays in reimbursing Prov for services, e.g., examination fees paid directly by the applicant, resulting in absence of processing fee to the Board, expediting the process between exam approval by the Board-receive payment from the applicant-applicant taking exam, etc. and subsequent modifications to the Board's rules to accommodate any changes in procedures.

Mr. Littleton reported a third quarter budget shortage of \$71,628.54. He also reported on the new fourth quarter allotted budget of \$182,500, potential revenue, estimated 4th quarter expenses and prior quarter deficit, with a projected cash balance of \$52,118.36, to be rolled over into FY 2025. With these projections, Mr. Littleton recommended the following action items:

- To share the burden of responsibility for the budgetary shortage by Smith Warren canceling September's invoice to free up budget funds to pay other vendors.
- Smith Warren offer a 10% reduction in 2025 management fees.
- The Board to work with all vendors to encourage a reduction of fees as much as possible for the remainder of FY 2024.
- Travel and Board compensation be minimal for the remainder of FY 2024.
- A finance committee comprised of Board members be formed for regular review of cash receipts, accounts payable and anticipated cash balances.
- Operational plans due in July 2024 for FY 2025 be modified in consideration of sizeable amount of anticipated Board of Adjustment and/or Form 500 submissions in October 2024.
- The Board create an easier path to licensure, thereby increasing its fee collection during 4th quarter, ensuring cash available during the first quarter of FY 2025 for any Form 500 submissions.

Mrs. Coody commented on the role of the investigator in providing content and work for the Board's legal counsel in resolving complaints. The Board reviewed the three vendor priorities recommended earlier by Mr. McCreless.

The outstanding and projected expenses were discussed further by the Board, and consideration was given to Mr. Littleton's recommended action items. Mr. Warren reported that the 2024 Ford vehicle had no outstanding balance. He recommended that the Board hire a full-time investigator dedicated to the Board to give more legality in the field, keep the new vehicle, and transfer Investigator Mike James to another Board. Ms. Coody asked about the 2017 Tahoe being sold and deposited as Board funds.

Mr. Grimes recommended that Smith Warren waive monthly fees for several months and allow those funds to pay outstanding invoices. Mr. Warren committed to suspending management fees to pay outstanding invoices and indicated that he would meet with the CFO and present a final recommendation to the Board.

Chairman Atchley called a recess of the Board at 1:15 p.m. for approximately 40 minutes for lunch.

Chairman Atchley reconvened the business meeting at 1:55 p.m.

Mr. Warren indicated that it was his responsibility to attend to operational details of the Board and he reported on his meeting with the CFO which included:

- The Legal Counsel outstanding May invoice to be paid during the June meeting.
- Mr. Warren committed to paying all outstanding invoices before submitting the management fee invoice and provided a written statement to the Board of his commitment.
- Mr. Warren to report at the July meeting on the status of all invoices.
- Mr. Warren's assurance to bring all expenses to the Board prior to purchase and would include a projected financial forecast. He indicated that he had observed other Boards making major purchases in the fourth quarter of the year, when budget forecasts were more certain.

- Recommendation of a 10% reduction in management fees in FY 2025.
- Transfer and sale of the 2017 Tahoe as Board income.
- Cancel the Board's Westlaw subscription. Mrs. Coody indicated that she would obtain a sole user Westlaw account and half of the cost charged to the Board.

Chairman Atchley reviewed the action items presented by Mr. Littleton and earlier discussions by the Board:

- Minimize Board travel or strike all together.
- Create a finance committee, which may not be needed if all expenses were brought before the full Board.
- Creation of FY 2025 operational plan would be considered while current invoices were being paid.
- Create easier path to licensure –applicants assumed payment of online convenience fee when processing licensing fees. Mr. Warren reminded the Board that Provisional licensing fees were suspended, with the last fees collected in June 2023, and had resumed collection in June 2024 for renewal of annual license effective July 1, 2024.

Mr. Warren commented on the statements made during the past legislative session about the Board's illegal activities and stated that the labeling of illegal activities resonated throughout the legislative session. He stated that the illegal activities were referring to the issuance of Provisional licenses, which the Board attempted to correct legislatively during several past sessions. He asked for the opportunity to correct the problems and continue serving the Board. Mr. Warren indicated that he would like the opportunity to do a better job, and build relationships, offer better public relations on behalf of the Board and give further consideration to lobbyist representation.

Executive Session:

Mrs. Coody recommended the Board move into Executive Session. Mr. Grimes made a motion that the Board move to Executive Session for the purpose of protecting the good name and reputation of the Executive Director. Mr. Freeman seconded the motion. Ms. Coody certified that the Executive Session could be called for this purpose. The following roll call votes were recorded on the motion: Mr. Shon Rogers, aye, Mr. Terry Wallace, aye, Mr. Robert Lamborne, aye, Mr. Theodore Blunt, aye, Mr. Johnny Grimes, aye, Mr. Mac McCreless, aye and Mr. Ben Freeman, aye. The Board moved to Executive Session at 2:18 p.m. The staff and guest left the meeting. Mr. _____ made the motion to end the Executive Session and return to the business meeting. The motion was seconded by Mr. _____ and unanimously approved by the Board. Chairman Atchley reconvened the regular business meeting at 3:42 p.m.

Chairman Atchley called a recess of the Board at 3:42 p.m. for approximately 5 minutes. Chairman Atchley reconvened the business meeting at 3:48 p.m. The staff of Smith Warren joined the meeting.

MOTION: Mr. Grimes made the motion to accept the letter from Mr. Warren to immediately suspend requests for payment of services by Smith Warren for the remainder of FY 2024, to provide documentation of payment of invoices and that subsequent payment requests for FY 2024 Smith Warren fees would be subject to Board approval. The motion was seconded by Mr. Rogers and unanimously approved by the Board (letter on file in the official Book of Minutes).

Audit:

Ms. Coody reported that the Attorney General's office suggested that the Board request a full forensic audit from the Department of Public Examiners, as funds were not sufficient to pay for an external audit.

MOTION: Mr. Rogers made the motion to request a forensic audit by the Department of Public Examiners. The motion was seconded by Mr. Wallace and unanimously approved by the Board. Mrs. Coody reported that she would write the letter to request an audit. Mr. Warren reported that he would forward a copy of his certificate of insurance to Mrs. Coody for the Board's records.

Chairman Atchley thanked Mr. Warren for his letter to work toward correcting the financial condition of the Board.

ADJOURNMENT

Chairman Atchley reminded the members that the next regular meeting was the Board was scheduled July 22, 2024.

Chairman Atchley adjourned the meeting at 3:50 p.m.

Respectfully submitted,

Jeremy Atchley
Board Chair

Keith E. Warren
Executive Director

/rr

Approved _____ / _____rr