

**SUMMIT/MEDINA WORKFORCE DEVELOPMENT BOARD
FINANCE COMMITTEE MEETING MINUTES
OF
DECEMBER 13, 2017**

Summit & Medina Workforce Area Council of Governments (SAMWA COG) Offices
191 South Main Street
Akron, Ohio 44308

Summit/Medina Workforce Development Board (WDB)/Finance Committee Members Present: Jeff Bissell, Finance Committee Chair;
Mark Derrig
Anthony Esposito, WDB Chair
David Prentice

WDB Members calling in: Sharlene Chesnes, WDB Vice Chair

Summit & Medina Workforce Area Council of Governments (SAMWA COG) Staff Present: Daniel Grantham, Operations Coordinator
Christine Marshall, Executive Director

Area 2 Fiscal Agent Staff Present: Terri Burns, CFO, County of Summit Dept. of Job & Family Services (CSDJFS)
Thomas Jalbert, Fiscal Officer 1, CSDJFS
Mark Milhoan, Fiscal Reporting Officer, CSDJFS
Phillip Montgomery, CFO, CSDJFS
Brian Nelsen, Director, County of Summit Dept. Finance & Budget (CSDFB)

Guests Present: Chad Gorfido, Rea & Associates (R&A)
Annie Yoder, R&A

I. CALL TO ORDER

- a. The meeting began in informal session at 8:10 AM and was formally called to order by Bissell at 8:20 AM. WDB members, SAMWA COG staff, Fiscal Agent staff, and R&A staff were introduced.

II. APPROVAL OF MINUTES

- a. Bissell motioned to approve the Finance Committee's 10/3/2017 meeting minutes. Derrig seconded the motion. With no objections, the motion carried.

III. REPORTS

- a. Review of Financial Reports as of 9/30/2017 & 10/31/2017, by County, Area & Contract Providers
- Marshall made the following observations regarding the Comprehensive Case Management Employment Program's (CCMEP) Workforce Innovation and Opportunity Act (WIOA) Youth (WIOA-Y) providers:
 - Hattie Larlham (HL), Summit County's CCMEP provider for youth with disabilities, has a greater contract balance due to only serving a few CCMEP participants.
 - Akron Urban League (AUL) provides CCMEP services in Summit County while Jobs for Ohio's Graduates (JOG) provides CCMEP services in Medina and Summit Counties. Underspending on these contracts can be partially attributed to:
 - Summit County's "Hub Model" – before CCMEP, WIOA-Y providers conducted youth intake services. Under CCMEP, intake is the sole responsibility of CSDJFS staff. CSDJFS staff refer CCMEP youth to the appropriate provider upon completion of an Individual Opportunity Plan. With intake not a part of the providers' delivery of services there is a change in what is being billed. WIOA intake contributes to CSDJFS' Random Moment Sampling (RMS) hits.
 - CCMEP Funding – CCMEP leverages both WIOA-Y and Temporary Assistance for Needy Families (TANF) funding. Participants can be TANF or WIOA-Y eligible, therefore, providers deliver and bill for services through either their TANF or WIOA contract. This often reduces spending against their WIOA awards.
 - Nature of Services – Many CCMEP WIOA participants are working on long-term goals (ex.

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obtaining a GED). Billing for longer-term services traditionally occurs later in the Program Year (PY).

- In general, the CCMEP hub model's expenditure trends demonstrates a need to procure for specific services rather than providing all required WIOA-Y services through a provider contracts.

IV. OLD/UNFINISHED BUSINESS

a. Status of the Final Operating Budget for State Fiscal Year (SFY) 2018/PY 2017

- Marshall prompted the Finance Committee that its recommendations on SFY 2018's Preliminary Operating Budget were made on 6/27/2017. The SAMWA COG adopted the recommended Budget on 6/28/2017 via Resolution 2017-20. To date, a final SFY 2018 Budget has not been adopted.
- Burns asked the team from R&A whether to adopt a finalized Calendar Year (CY) or SFY Budget.
 - Gorfido expressed that Council of Governments structures are required by law to adopt budgets. In addition, if a Local Area's bylaws require that Area to adopt annual budgets, that Area must do so regardless of its structure.
 - Yoder expressed that as a component unit of Summit County, the SAMWA COG must report budgets on a gap basis.
- Citing the CY basis of CSDFB's fiscal systems, Nelsen suggested reappropriating SFY budget balances into new CYs via SAMWA COG resolutions. To do so, a budget and reappropriations should be brought to the SAMWA COG in January. Going forward, these actions would be repeated biannually at the start of SFYs (June/July) and CYs (December/January).
- Citing the biennial basis of the State of Ohio's financial tracking system (CFIS), Burns suggested retaining a SFY budgeting model and reappropriating funds at the start of CYs.
- Citing his company's budgeting practices, Bissell suggested setting annual budgets. The Finance Committee will be meet each quarter and is able review the budget against actual expenditures.
- Motion – Bissell motioned to proceed with the creation of a finalized SFY budget with reappropriations against that budget occurring at the start of CYs. Bissell's motion was seconded by Prentice. With no objections, the motion carried.

V. NEW BUSINESS

a. Review of the WIOA Summer Youth Employment Program (SYEP) 2017 Invoice

- Jalbert expressed that final expenses for WIOA SYEP participants, including WIOA-Y wages, supervisor wages and mileage, total \$44,984.98. Most SYEP participants were eligible under TANF, resulting in a total WIOA-Y enrollment of approximately 100 individuals.
- Burns expressed that the Committee's motion to approve payment allows CSDJFS to be reimbursed.
- Marshall expressed this invoice is beyond the threshold of SAMWA COG Executive Director's approval threshold. This is why approval of payment is being brought to the Finance Committee.
- Motion – Bissell made a motion to approve payment on the final WIOA-Y SYEP invoice for 2017. Derrig seconded the motion. With no objections, the motion carried. The invoice was signed by Eposito.

b. Discussion with Rea & Associates

- Yoder and Gorfido reviewed R&A's Area 2-related work with the Finance Committee. R&A's engagement began in early 2017 when the firm began reviewing the SAMWA COG's structure and practices to ensure compliance with expectations set forth by the Auditor of the State of Ohio (AOS), as identified in the Ohio Revised Code (ORC). R&A's findings include:
 - Financial Reporting
 - R&A confirmed with the AOS that the SAMWA COG is considered a component unit of Summit County. This is because the majority of the SAMWA COG Board-appointed WDB members are Summit County appointees. The WDB's makeup reflects Summit County's larger population relative to Medina County. As such, the SAMWA COG's first year of operation will end on 12/31/2017, in alignment with the CSDFB's fiscal schedule.
 - R&A discussed preparing the SAMWA COG's Year-end financial statements. These statements should be completed by April 2018.
 - Burns said she has the financial statements "under control."

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- Federal Compliance
 - The SAMWA COG is in compliance with Federal procurement requirements. R&A suggested amending the SAMWA COG's procurement methods to match those identified in the Code of Federal Regulations (CFR), specifically 2 CFR 200. In accordance with this recommendation, on 12/4/17, Resolution 2017-39 was passed to match the SAMWA COG's procurement method levels with those identified in 2 CFR 200. Doing provides the SAMWA COG with greater flexibility when purchasing and/or contracting services.
- WDB Conflict of Interest Statements (COI)
 - The SAMWA COG is in compliance with the WDB's COI requirements.
- Random Moment Sampling (RMS)
 - Burns expressed that her team has RMS requirements under control.
- Insurance
 - The SAMWA COG is in good standing with all required insurance policies.
- Areas of Risk
 - R & A consulted with other Workforce Areas to identify risk areas. The most commonly identified auditory risk area relates to subrecipients requirements and monitoring (i.e. the difference between subrecipients and vendors). While this is a common risk area, Yoder expressed that R&A has no recommendations on the matter, saying Area 2 "was on a roll."
 - Chesnes asked about subrecipient monitoring. Marshall shared her past involvement and experience monitoring and cited no concerns with meeting this requirement.
- Schedule of Expenditures of Federal Awards (SEFA)
 - The SEFA is a schedule that is essential to conducting audits at any organization that receives federal awards/grants. Grants not appearing on an organization's SEFA are subject to federal auditing. Nelsen expressed a desire to complete a SAMWA COG SEFA.
- Bissell asked if R&A had any additional recommendations.
 - Yoder expressed that the Finance Committee, WDB and SAMWA COG are on the right track, Best practices, such as reviewing R&A's findings and the Finance Committee's periodic review of Financial Reports, are already in place. Yoder requested that updates on Area 2 activities.
- Bissell thanked R&A for their work and agreed to update R&A staff on Area 2 activities as necessary.

VI. GOOD OF THE ORDER/ANNOUNCEMENTS

- a. Introduction of Mr. Phil Montgomery, CSDJFS' new CFO
 - Montgomery introduced himself as an auditor by trade. He provided details on his 12 years of professional experience in the area, including work for the City of Akron and Summit County's private sector. Burns will assume her new role as CSDJFS' director on 2/1/2018.
 - Bissell thanked Burns for her WDB and Finance Committee-related work.
- b. 2018 Finance Committee meeting schedule
 - Based upon Bissell's recommendation and the Committee's approval of it, the Finance Committee will now meet quarterly on the Wednesday before quarterly WDB meetings. This will provide the Finance Committee with enough time to prepare its report to the full WDB. The dates for 2018 are as follows:
 - 2/7/2018 at 8:00 AM (SAMWA COG Offices)
 - 5/2/2018 at 8:00 AM (SAMWA COG Offices)
 - 8/1/2018 at 8:00 AM (SAMWA COG Offices)
 - 11/7/2018 at 8:00 AM (SAMWA COG Offices)

VII. ADJOURNMENT

- a. Bissell made a motion to adjourn the meeting. Derrig seconded Bissell's motion. With no objections, the meeting adjourned at 9:10 AM.

*Respectfully Submitted,
Daniel Grantham
Operations Coordinator, SAMWA COG*