

Summit/Medina Workforce Development Board

FINANCE COMMITTEE MEETING MINUTES

November 1, 2016

OhioMeansJobs Summit County, JFS Conference Room
1040 E. Tallmadge Ave, Akron, OH 44310

Committee Members Present: Jeff Bissell; Sharlene Chesnes (*phone*); Mark Derrig;
Anthony Esposito (*phone*); David Prentice

Guests and Staff Present: Terri Burns; Daniel Grantham; Christine Marshall

A. CALL TO ORDER

- The meeting was called to order at 8:14 AM by Jeff Bissell, Finance Committee Chair, with an introduction of present Workforce Development Board (WDB) members and Area 2 staff.

B. APPROVAL OF MINUTES

- Bissell made a motion to approve the 9/12/2016 Committee meeting minutes. The motion was seconded by Mark Derrig. The 9/12/2016 minutes were thus approved.

C. REPORTS

• Review of Financial Reports

- i. Terri Burns, Chief Financial Officer, Summit County Department of Job and Family Services (SCDJFS) presented Financial Reports as of 9/30/2016. Burns noted that the September report does not include Federal Fiscal Year (FFY) funds. This allocation will be distributed before and available for review at the November 2016 Finance Committee meeting and the last WDB meeting of 2016.
 - o **Total Area 2 WIOA Grants**
 - a. WIOA Program Grants
 - ❖ 2016-17 Allocation (Year 1 [State Fiscal Year (SFY)17]) = \$1,426,175.00.
 - ❖ 2015-16 Carryover (Year 2 [SFY16] Funds) = \$1,099,083.70.
 - ❖ Total available WIOA Program Grants for SFY17: \$2,525,258.70.
 - b. WIOA Administrative Grants
 - ❖ 2016-17 Allocation (SFY17) = \$158,464.00.
 - ❖ 2015-16 Carry over (SFY16) = \$343,301.32.
 - ❖ Total available WIOA Admin. Grants for SFY17= \$501,765.32.
 - c. Other Grants
 - ❖ SFY17 OhioMeansJobs Center (OMJC) Resource Sharing = \$210,650.00.
 - ❖ Federally mandated OMJC rebranding – “American Job Center” = \$7,000.00.
 - ❖ Total Other Grants available for SFY17 = \$217,650.00.
 - o **Area 2 Accruals & Obligations**
 - a. WIOA Program Grants
 - ❖ Available balance before accruals and obligations = \$1,972,825.15.
 - ❖ Area 2 disbursed funds for July-Sept. '16 = \$552,433.50.
 - ❖ Year 1 accruals and obligations = \$1,551,517.89.
 - ❖ Available to expend after accruals and obligations = \$421,307.26.
 - WIOA Adult = \$0.00.
 - WIOA Dislocated Worker = \$0.00.
 - WIOA Youth = \$421,307.26.

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- b. WIOA Administrative Grants
 - ❖ Available Balance before accruals and obligations = \$486,512.08.
 - ❖ Funds distributed July-Sept. 16=\$15,252.24.
 - ❖ Year 1 Accruals and Obligations = \$0.00.
 - ❖ Available to expend after accruals and obligations: \$486,512.08.
 - c. Other Grants
 - ❖ Available Balance before Accruals and Obligations = \$217,650.00.
 - ❖ Area 2 Disbursed Funds for July-Sept 16 = \$0.00.
 - ❖ Year 1 accruals and obligations = \$0.00.
 - ❖ Available to expend after accruals and obligations = \$217,650.00.
- ii. Bissell requested further clarification regarding accruals vs. obligations.
- o Burns expressed the following:
 - a. Accruals: funds for which an invoice is submitted and/or the service period is complete. If an invoice is submitted, Finance accrues for the amount invoiced. If an invoice has not been submitted but a service was provided and/or the service period has ended, Finance bases the accrual for the service period on the unspent contract balance.
 - b. Obligations: funds which service providers are entitled to for future and/or currently open service periods. Obligations include Individual Training Accounts (ITAs), On-the-Job Training (OJTs) and the funds remaining in a contract after YTD disbursements.
- As such, while Area 2's obligations are greater than the amount of funding currently on-hand, Ohio Department of Job and Family Services' (ODJFS) method for distributing funds ensures that monies Area 2 is obligated to pay will be available by year's end. Moreover, when FFY allocations become available after 10/01/2016, the Finance Committee will have a better picture of the fiscal outlook for Year 1.
- o Bissell asked about the possibility of having a SFY/FFY allocation reduced or withheld.
 - a. Christine Marshall, Deputy Director of Workforce Development, SCDJFS, expressed that it is extremely rare for the amount to decrease after the annual allocation is announced by ODJFS. An event like a Federal Government shutdown may cause a decrease in the total allocation, at which point the WDB approaches the providers to renegotiate contracted funding amounts.
 - b. Burns added that all contracts include a clause which stipulates that the contract may be terminated at any time due to a lack of funding.
- iii. To get a clearer picture of who and how funding is used, Bissell expressed that he would like to see a list of providers currently under contract in Area 2.
- o Marshall expressed that the WDB staff will likely be tasked with monitoring provider-based expenditures.
 - o Marshall suggested that, for budgeting purposes, it would be helpful to include more detail about ITAs and OJTs – i.e. the money available to companies and training providers throughout the year. OJTs and ITAs are a great marketing tool for the OMJ system because individuals and the business community are most aware of and interested in these services.
 - o Burns expressed that OJTs and ITAs are a challenge from a budgeting perspective. As the service period is individualized, it may cross over from one year to the next.

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- iii. Bissell suggested exploring options for a purchasing system that might assuage difficulties in gathering fiscal information.
 - o Burns expressed that the state and county systems Banner and CFIS provide recording keeping capabilities similar to QuickBooks.

D. OLD/UNFINISHED BUSINESS

• Discussion of Administrative Budget

- i. Bissell shared the working recommendations made towards establishing an administrative budget. First, while the WDB will not have a staff until at least January 2017, budgeting for SFY 2017 (7/1/2016-6/30/2017) will be done to reflect the entire year. In addition, Bissell expressed that prior its finalization, the working administrative budget should utilize high figures to establish a ceiling. He noted that this was appropriate given that in SFY 2017, Area 2 will not incur a full year of expenses related to the Executive Director/WDB staff.
- ii. **Items to be Budgeted**
 - o Staff
 - a. Executive Director = \$80,000-\$100,000.00 annually.
 - b. Program Analyst = \$47,000-\$55,000.00 annually.
 - c. Part Time Administrative Assistant = \$37,600-\$47,600.00 annually.
 - o Fiscal Agent Fee = \$60,000.00 annually.
 - o Rent = \$12,000-\$20,000.00 annually for ≈1,000 square feet of space.
 - a. Marshall expressed that rent free options are being explored by Council of Governments (COG) members: Summit County Executive Ilene Shapiro and Medina County Commissioner Adam Friedrich. Shapiro believes there is an option for housing WDB staff within the Ohio Building in Akron. Friedrich believes there is space at Medina County's administrative building to host WDB staff offices as well. Under this arrangement, the WDB staff would have two offices, alternating between them.
 - ❖ Marshall expressed that OMJ Medina and OMJ Summit cannot serve as WDB office spaces. The WDB staff monitors service performance and cannot get involved with actual service delivery. Working out of either OMJC risks such interference.
 - b. Burns inquired if the Committee was comfortable removing rent from future calculations of the administrative budget. Derrig and Marshall expressed that they did not think it wise to do so until space(s) are finalized.
 - o Membership Fees for the Ohio Workforce Association (OWA) and the National Association of Workforce Boards (NAWB) = \$6,603.00.
 - a. Bissell inquired about the benefits of OWA and NAWB membership. Marshall expressed that both OWA and NAWB work to keep WDBs abreast of state/federal workforce-related activity, provide a voice to the areas at the state and federal legislature, and that OWA has its own finance committee.
 - o Audit Expenses = \$3,000-\$4,000.00 + insurance of \$1,000.00-\$3,000.00.
- iii. Bissell expressed that with 3 staff at the top of their respective pay grades, the expected Administrative Budget would be **\$404,000.00; ≈58.8% of the \$687,000.00 total available in administrative funds.**
 - o Marshall suggested to the Committee that the full-time Program Analyst's primary task is to manage the procurement process and monitor performance. The part-time

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Administrative Assistant would complete the WDB-related work currently performed by Daniel Grantham, Executive Assistant, SCDJFS.

- Sharlene Chesnes, Board Vice Chair, expressed that the Director would determine the need for staff, their functions, whether they are full- or part-time, and that the suggestions made here are only suggestions. Chesnes also brought up office furniture, supplies, and other items that could be donated. She added that the COG is willing to help in some of these areas.

- iv. Bissell addressed sustaining a budget into the future. Bissell suggested that as time goes on, the Finance Committee should establish percentile limits for different of expense categories. Based on his estimates, doing so could allow for carryover which could maintain an operating budget of ≈\$400,000.00 for 3-4 years.

- v. Bissell addressed creating an IT infrastructure for the WDB, particularly specialized softwares and systems. He suggested budgeting for a consultant that could help the WDB determine its IT needs.

E. GOOD OF THE ORDER

- Noting the Full WDB meeting scheduled for 11/30/2016, Burns asked those present about dates on which to hold the November 2016 Finance Committee meeting. The primary purpose of this meeting will be to review financials and finalize the presentation of that information to the Board's membership. Those present agreed to a 7:30 AM meeting on Tuesday, 11/22/2016 at OMJ Summit.

F. MEETING ADJOURNMENT

- Derrig motioned to adjourn the meeting. Bissell seconded the motion. The meeting was adjourned at 9:22 pm.

Respectfully submitted,

Daniel Grantham, Executive Assistant

Summit County Department of Job & Family Services