

Summit/Medina Workforce Development Board

FINANCE COMMITTEE

MEETING MINUTES

August, 9 2016

OhioMeansJobs Summit County Center

1040 E. Tallmadge Avenue, Room 127

Akron, OH 44310

WDB Members Present: Jeff Bissell; Sharlene Chesnes, Board Vice Chair; Mark Derrig; Anthony Esposito, Board Chair; David Prentice

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

A. Call to Order

- The meeting was called to order at 2:10 PM by Anthony Esposito, Chair of the Summit/Medina Workforce Development Board (WDB). Present Board members, guests and staff were introduced.

B. Appointments

- Esposito opened discussion on appointing a Finance Committee chair and asked for volunteers.
 - i. Mark Derrig, Legislative Chair and Chief Steward, CWA Local 4302, recommended Jeff Bissell, CFO and Treasurer, NMG Aerospace, to fill the Committee Chair.
- Esposito appointed Jeff Bissell to the Chair of the Finance Committee.

C. New Business

- **Discussion of the Finance Committees' purpose and responsibilities**
 - i. Marshall expressed that since Area 2 is now adherent to WIOA, the role of the Board is expanded to include the hiring of Board staff, procurement of contracts, and the management of costs associated with Area 2's operation. Thus, the Finance Committee becomes a necessity.
 - ii. Derrig asked two questions regarding the Committee's role: 1) if the committee's primary function is to determine the amount of funding each provider, staff member, related entities, etc., and; 2) if there is an established budget and time frame for selecting Board staff.
 1. Addressing question 1, Marshall expressed that the finance committee will provide finance directives to Board's staff and will gather fiscal information to aid in decision making. Addressing question 2, Marshall referenced the last Full Board meeting and expressed that funding amounts are allocated for specific purposes, including administrative funding. There is no timeframe for Finance Committee to select staff.

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2. Terri Burns, Chief Financial Officer, SCDJFS, expressed that hiring cannot occur until both counties approve the Council of Governments (COG).
 - a. Marshall added that a very loose timeline for the formation of the COG was provided at the Full WDB meeting on July 13, 2016. According to this timeline, the COG would ideally be up and running by October 1, 2016.
 3. William Hanigan, Director, OhioMeansJobs Medina County, expressed that the state understands the complex nature of the situation Area 2 is currently operating under. As a result, no state mandated timeline has been issued.
- iii. Bissell inquired about who will “sign the checks” related to WDB activities.
1. Burns expressed that once the COG is formed and the WDB Director is hired, the Director will be charged with approving payments while Area 2’s COG fiscal agent (Summit County Finance) will process the payment. Until then, Medina County Job and Family Services (MCDJFS) and SCDJFS will complete payment approval and processing.
- **Discussion of the purpose of funding allocations and the amounts for current timeframe**
 - i. Burns opened discussion on the Finalized Financial Summary for June 2016.
 1. The meeting’s financial summary is a finalized version of the preliminary financial summary discussed at the Full Board meeting on July 13, 2016. The major difference between the documents is in the accruals and obligations portion, with the finalized summary’s accruals and obligations decreasing by \$114,000.00. The preliminary June 2016 summary presented on July 13 had inflated accruals and obligations figures as provider invoices had not been received at that time. The finalized June summary amends the inflation by reflecting the actual, rather than anticipated, expenses.
 2. Currently, \$1.1 million is unspent – \$27,000.00 attributed to Connecting the Dots will not roll forward – and approximately \$1.075 million will roll over.
 - **WIOA Allocation Projection, 2016 – 2017**
 - i. Burns began discussion on the WIOA Allocation Projection for 2016 – 2017
 1. Current funding allocations include \$3.4 million. for Area 2
 2. \$344,308.60 – representing 10% of each County’s funding award – is allocated for administrative expenses.
 - a. Derrig inquired if the administrative allocation is meant to represent the total cap for the cost of “running the business” –

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supplies, computers, rent, etc. Burns said this is correct, and a key factor related to the administrative allocation is that unspent administrative funds can be reallocated to Program Allocations but Program Allocations cannot be reallocated to Administrative.

3. Bissell inquired about the meaning of the terms used in Burns' financial summary. Terms discussed included:
 - a. *Encumbrance*
 - b. *Obligation*
 - c. *Reservation*
 4. Burns and Bissell discussed how to format the financial summaries to promote more clarity.
 5. Derrig inquired if the state dictates the encumbered funding amounts for specific programs such as On-The-Job Training (OJTs) or Individual Training Accounts (ITAs).
 - a. Marshall expressed that the state dictates the funding allocation for the larger WIOA categories, i.e. Adult, Dislocated, Youth, etc. The localities take the Adult, Dislocated, and Youth allocations and determine the percentage of each allocation that will be used for programs like ITAs and OJTs.
 6. Bissell inquired about the meaning of the term operations as it relates to the Financial Summaries.
 - a. Burns expressed that operations refers to the SCDJFS staff whose work includes providing services to those clients who are also served by contracted providers. The amount is determined through a quarterly random sample of the work conducted by these staff members. The state collects the data and calculates the "operations" estimate. Thus, the operations amount reflects anticipated expenditures.
 - b. Hanigan suggested that a motion be made to the Full Board to approve a \$150,000.00 encumbrance for operations
- **The WDB Budget**
 - i. Burns opened discussion on the need for a budget for the Board. Burns furnished a document breaking down possible staffing arrangements, including positions and three different pay levels.
 1. Sharlene Chesnes, Vice Chair of the Board, inquired about the matrix used for determining pay levels.

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- a. Burns expressed that the rates of pay outlined in the document are based on commiserate positions within Summit County.
 - b. Derrig asked if the figures presented reflect director salaries within Summit County. Marshall and Hanigan confirmed they do.
 - c. Marshall expressed that the Board staff will be included on Summit County's payroll and will thus receive the same benefits offered to Summit County employees.
 - d. Burns expressed that salary amounts can be changed by the Board at the body's discretion.
2. Bissell asked if the process for the hiring of the Board's staff has been determined.
 - a. Marshall expressed that the Board has to determine the staffing arrangement via the ad hoc hiring committee
 - b. Esposito expressed that the Executive Director will be hired first, and will thus be helpful in determining the remaining composition of the Board's staff.
3. Derrig inquired about the Area 2 entity that will employ the Board Staff
 - a. Marshall expressed the Board's staff will be employed by the COG.
4. Bissell asked which Board committee is responsible for hiring, creating of job descriptions, etc.
 - a. Hanigan expressed that the Ad Hoc hiring committee will assume a lot of the hiring-related responsibilities, including development of job descriptions and screening of applicants. Ultimately, the hiring decision is made by the Executive Committee, comprised of the Board's Chair and Vice Chair. Citing the funding reductions of 15.9% for Area 2 and 26% for Medina County, Hanigan encouraged those present to budget staff salaries in a way that prevents layoffs in the future.
5. Addressing reductions, Burns explained that funding allocations are determined biannually, with total annual budgets including the biannual allocations and any rollover from the previous year. The finance committee must anticipate budget fluctuations in establishing its long term fiscal outlook.
6. Burns discussed the Fiscal agent fee charged by Summit County as an expense that must be considered in determining the Board's budget. The Fiscal Agent Fee is used to cover the expenses incurred by the Summit County staff tasked with completing the Board's data entry, audits, monthly state reports, payroll, etc.

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- a. Bissell asked about the approximate cost of the fiscal agent fee. Burns said a final amount has not been tabulated, but provided an estimate of approximately \$60,000.00. Burns stressed that these fees still need to be verified.
 7. Marshall explained that there are now two fiscal agents designated in the COG. This is because the Medina County Prosecutor and the state felt that more separation between JFS and the COG was needed. As such, there is WIOA fiscal agent (SCDJFS) and a COG fiscal agent (Summit County Office of Budget and Management).
- **OWA/NAWB Membership**
 - i. Chesnes opened discussion on the benefits and merits of Area 2 joining the Ohio Workforce Association (OWA) and the National Association of Workforce Board (NAWB) as a due-paying member.
 1. Marshall expressed that OWA and NAWB association dues should be factored in as the benefits of membership outweigh the cost of dues.
 - a. **OWA Membership dues for Area 2 are \$4,903.00.**
 - Dues cover all services provided by OWA, including access to expert advice and a designated OWA lobbyist at the state level.
 - b. **NAWB Membership dues for Area 2 are \$1,700.00.**
 - Dues go to efforts that help bridge the gap between national and local workforce development initiatives.
 2. Marshall expressed that carry-over funds will cover the dues. Marshall suggested that those present approve the payment of membership dues for one year. After the first year, membership can be reevaluated.
 - ii. Esposito made a motion for the finance committee to allocate \$6,603.00 for payment of OWA/NAWB membership dues. The motion was seconded by Bissell. All members present voted in favor of the funding allocation, with no objections or abstentions.

D. Good of the Order

- **Schedule for Finance Committee**
 - i. Burns opened discussion on scheduling future Finance Committee meetings.
 1. Burns suggested that the Finance Committee should meet prior to the Full Board Meeting on September 14, 2016. If the Finance Committee wishes to review financials at the Full Board Meeting, this would need to be discussed ahead of time. In terms of when Financial Summaries are available, Burns expressed that the previous month's numbers are due on the 18th of the current month. As such, the most-current figures that can

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be discussed at the Full Board meeting are for July 2016. Burns added that she is pushing to get financials in place by the 3rd Wednesday of each month.

2. The Finance Committee members present suggested rescheduling November's meeting for the end of November/beginning of December. It was determined that November's Full Board meeting will be held on Wednesday, November 30, 2016 at the OhioMeansJobs Center in Summit County. This will allow the finance committee to present October's numbers to the Full Board.
3. Chesnes asked what time of the day works best for Finance Committee meetings. All those present agreed that meeting early in the morning, by 8:00 AM, works best with their schedules.

E. Meeting Adjournment

- Mark Derrig moved to adjourn the meeting. Chesnes seconded the motion. The meeting adjourned at 3:40 PM.

Respectfully submitted,

Daniel Grantham, Executive Assistant

Summit County Department of Job & Family Services