

# GREAT LAKES BAY MICHIGAN WORKS!

## Finance Committee

Report – August 28, 2017

### CONS BOARD MEMBERS PRESENT

Mr. Vaughn Begick  
Ms. Jan Bunting  
Mr. James Geisler  
Mr. George Green  
Mr. Tom Herek  
Mr. Michael Webster  
Ms. Margaret McAvoy  
Mr. Scott Noesen  
Mr. Carl Ruth  
Mr. Chuck Stack  
Ms. Kathy Dwan  
Mr. Amos O'Neal

### WDB MEMBERS PRESENT

Dr. Kelley Peatross  
Ms. Carrie Prosowski  
Mr. Jeff Adamo  
Mr. Dan Wortman  
Mr. Michael Colby  
Mr. Bob Peters  
Ms. Colleen Markel  
Mr. Brian Sheets  
Mr. Don Schurr  
Mr. Chad Wurtzel  
Bp. Larry Camel

### CONS BD MEMBERS NOT PRESENT

Mr. Michael Lutz

### WDB MEMBERS NOT PRESENT

Mr. John Kaczynski  
Ms. Jennifer Hayes  
Mr. George Yost  
Mr. Erik Rodriguez  
Mr. Chris Taylor  
Mr. Brian McBride

### MWA STAFF

Ed Oberski  
Ray Ogden  
Sarah Walker  
Lisa Kleekamp  
AnnMarie Batkoski  
Sheril Tarrant  
Kristen Wenzel  
Esther Sanders  
Craig Clark

### GUESTS

Georges Wright, SVRC  
Warren Frank, Public  
Anna Willman-Onstott, Delta College  
Olga Pilar, SVRC  
Jim McLoskey, Rep. for Sen. Mike Green  
Suanne Tasker, GIRESD  
Jim Horton, MMI  
Don Johnson, Midland ESA  
Jennifer Carroll, Delta College

#### ITEM #1: CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Co-Chair C. Ruth called the meeting to order Monday, August 28, 2017 at 3:30 p.m. The meeting was held at the Great Hall Banquet and Convention Center, 5121 Bay City Road Midland, Michigan 48642.

#### ITEM #2: ROLL CALL

The above members were present and a quorum was present.

#### ITEM #3: APPROVAL OF AGENDA

Co-Chair C. Ruth presented the agenda to the Board. There were no amendments to the Agenda.

**Minutes Approved**  
@ November 13, 2017 Finance Comm. /  
Joint Board Meeting  
*Sarah Walker*

**A. O'Neal moved and G. Green supported:**

To approve the agenda as it was presented.

**The motion was approved by voice vote.**

**ITEM #4: AUDIENCE FOR THE PUBLIC**

The audience introduced themselves. Jim McLoskey, District Representative for State Senator Mike Green, congratulated Great Lakes Bay Michigan Works! on its Essential Work Skills training program. There were no other comments from the audience.

**ITEM #5: INTRODUCTIONS**

New board member B. Peters introduced himself as the Owner/General Manager of Latitude Media, LLC. Each board member introduced themselves.

**ITEM #6: DISCUSSIONS/ RECOMMENDATIONS**

**A. Proposed October 2017 – September 2018 Budget**

CEO Oberski presented the proposed October 2017 – September 2018 budget. CAO Ogden provided detailed information regarding budget aspects and line items. Detailed discussion ensued.

**D. Wortman moved and A. O'Neal supported:**

To recommend that the full Board approve the proposed October 2017 – September 2018 budget, which is attached and made part of this Committee Report.

**The motion was approved by voice vote.**

**ITEM #7: FISCAL REPORTS**

CAO Ogden presented the quarterly fiscal reports.

**ITEM #8: ADJOURNMENT**

**L. Camel motioned and A. O'Neal supported:**

To adjourn the Finance Committee meeting.

**Co-Chair C. Ruth adjourned the Finance Committee meeting at 4:11pm.**

**GREAT LAKES BAY MICHIGAN WORKS!**  
**JOINT CONSORTIUM BOARD AND WORKFORCE DEVELOPMENT BOARD**  
**Minutes – August 28, 2017**

<u>CONS BOARD</u> <u>MEMBERS PRESENT</u>	<u>WDB MEMBERS PRESENT</u>	<u>CONS BD MEMBERS</u> <u>NOT PRESENT</u>	<u>WDB MEMBERS NOT</u> <u>PRESENT</u>
Mr. Vaughn Begick Ms. Jan Bunting Mr. Michael Webster Mr. George Green Mr. Tom Herek Mr. Amos O'Neal Ms. Margaret McAvoy Mr. Scott Noesen Mr. Carl Ruth Mr. Chuck Stack Ms. Kathy Dwan	Dr. Kelley Peatross Ms. Carrie Prosowski Mr. Jeff Adamo Mr. Dan Wortman Mr. Michael Colby Mr. Bob Peters Ms. Colleen Markel Mr. Brian Sheets Mr. Don Schurr Mr. Chad Wurtzel Bp. Larry Camel	Mr. James Geisler Mr. Michael Lutz	Mr. John Kaczynski Ms. Jennifer Hayes Mr. Erik Rodriguez Mr. Chris Taylor Mr. George Yost Mr. Brian McBride

<u>MWA STAFF</u>	<u>GUESTS</u>
Ed Oberski Ray Ogden Sarah Walker Lisa Kleekamp Sheril Tarrant Kristen Wenzel AnnMarie Batkoski Esther Sanders Craig Clark	Georges Wright, SVRC Warren Frank, Public Anna Willman-Onstott, Delta College Olga Pilar, SVRC Jim McLoskey, Rep. for Sen. Mike Green Suanne Tasker, GIRESD Jim Horton, MMI Don Johnson, Midland ESA Jennifer Carroll, Delta College

**ITEM #1: CALL TO ORDER**

Co-Chair Carl Ruth called the meeting to order Monday, August 28, 2017 at 4:15 p.m. The meeting was held at the Great Hall Banquet and Convention Center, 5121 Bay City Road Midland, Michigan 48642. Co-Chair C. Ruth led the pledge of allegiance.

**ITEM #2: ROLL CALL**

The above members were present and a quorum was present.

**ITEM #3: APPROVAL OF AGENDA**

Co-Chair C. Ruth presented the agenda to the Board. There were no amendments to the Agenda.

**G. Green moved and A. O'Neal supported:**

To approve the agenda as it was presented.

**The motion was approved by voice vote.**

**ITEM #4: CORRECTING AND APPROVING THE MINUTES**

Co-Chair C. Ruth presented the minutes from the May 22, 2017 meeting.

**A. O'Neal moved and D. Wortman supported:**

To approve the May 22, 2017 minutes as presented.

**The motion was approved by voice vote.**

**ITEM #5: AUDIENCE FOR THE PUBLIC**

No public comments were given.

**ITEM #6: CONSENT AGENDA**

CEO Oberski explained the consent agenda to the Board Members.

**B. Sheets moved and K. Peatross supported:**

To accept the following grants and authorize required signatures by the Board Co-Chairs.

- A. 17-18 Wagner Peyser (Planned \$700,000)
- B. 2017 RESEA (Planned \$110,000)
- C. 17-18 WIOA Adult (Planned \$1,000,000)
- D. 17-18 WIOA Dislocated Worker (Planned \$1,200,000)
- E. 17-18 Trade Act (Planned \$900,000)
- F. 17-18 WIOA Youth (Planned \$1,200,000)
- G. 2017 Concentrated Youth (Planned \$9,500)
- H. 17-18 Service Center Operations (Planned \$180,000)
- I. 2017 CRM (Planned \$7,000)
- J. 17-18 PATH (Planned \$3,600,000)
- K. 17-18 PATH DHHS Supportive Services (Planned \$100,000)
- L. 17-18 SNAP E&T (Planned \$150,000)
- M. 17-18 SNAP E&T Supportive Services (Planned \$5,000)
- N. 17-18 Technical Assistance (Planned \$35,000)
- O. ETC Adult Education Review

**The motion passed by voice vote.**

**ITEM #7: REPORTS/ACTION/DISCUSSION ITEMS**

A. Finance Committee Recommendations

- i. Proposed October 2017 – September 2018 Budget

**S. Noesen supported and Dr. K. Peatross moved:**

To approve the proposed October 2017 – September 2018 Budget recommended by the Finance Committee, which is attached and made part of these minutes.

**The motion was approved by voice vote.**

**B. Update on Saginaw and Midland In-School Youth Programs**

CEO Oberski reported Midland County ESA has provided notice that it will not continue its contract as service provider for the In-School Youth Programs in Saginaw and Midland Counties. In its notice, Midland County ESA has provided assurance that it will continue beyond the end of the current contract, September 30, 2017, if it would help with a smooth transition. Great Lakes Bay Michigan Works! Administration has let a RFP to obtain a new service provider(s) for one year. The regular three-year RFP will be issued next spring. Results of the one-year RFP should be available for the Board at its September meeting.

CEO Oberski asked Board members to consider whether Great Lakes Bay Michigan Works! should end In-School Youth Services in Saginaw and Midland Counties, and use the upcoming contract year to phase out those services. He suggested that detailed discussion and possible action may be appropriate at the September meeting when the results of the one-year RFP are available.

**C. CEO Report**

CEO Oberski announced that he will be retiring effective June 30, 2018. Co-Chair C. Ruth appointed the current Executive Committee to act as the Search Committee to fill the position. Co-Chair Ruth then appointed B. Sheets to the Search Committee to assure that Gratiot County was represented and that the Committee was evenly balanced between Consortium Board members and Workforce Development Board members. The Search Committee consists of Workforce Development Board members: J. Hayes, J. Adamo, D. Wortman, and B. Sheets; and Consortium Board members: C. Ruth, S. Noesen, M. McAvoy, and T. Herek.

CEO Oberski reported that the U.S. House passed a budget containing an approximate 3% cut to our WIOA programs. He will continue to monitor and report on the upcoming federal budget as it is addressed by the Senate.

**D. Other Reports**

There were no other reports.

**ITEM #8: ADJOURNMENT**

**S. Noesen moved and D. Wortman supported:**

To adjourn the meeting.

**This motion was passed by voice vote.**

**Co-Chair C. Ruth adjourned the board meeting at 4:47 p.m.**

Respectfully Submitted By: Sarah Walker, Executive Assistant

**GREAT LAKES BAY MICHIGAN WORKS!  
PROPOSED BUDGET  
OCTOBER 2017-SEPTEMBER 2018**

**Budget Summary:**

The proposed budget is presented in 6 pages

- 1) 2 page Summary
- 2) Great Lakes Bay Michigan Works! Central Office Total
- 3) Saginaw-Midland-Bay program
- 4) Gratiot-Isabella program
- 5) Strat Plan Fund

The following proposed budget is based on the best information available at this point regarding funds available to Great Lakes Bay Michigan Works! (GLBMW). This estimate is based on allocation information from the grant funding sources and estimated carry-in of unexpended funds. Using this process, the current estimate of total revenues for Great Lakes Bay Michigan Works! is **\$11,498,534.00**.

Of that GLBMW total, **\$9,198,827.00** is attributable to Saginaw-Midland-Bay (SMB) **(80.0%)** and **\$2,299,707.00** is attributable to Gratiot-Isabella (G-I) **(20.0%)**. This breakdown is based on the same funding formulae used by the State to distribute funds among the Michigan Works! Agencies.

The amount of funds available for front-line programming is the amount left to the SMB and G-I programs after funding for GLBMW central office is allocated. The amount requested for the GLBMW central office is **\$1,728,451.00**.

The GLBMW central office handles two functions. First, it provides required administration for the entire 5-County Region. Second, it provides direct management over the programs operated in SMB, and will be starting to provide direct management over G-I programs commencing October 1, 2017. In order to determine the appropriate amounts to draw from the SMB and G-I allocations (above) to support the central office budget, Administration has completed an analysis of the efforts of each central office staff position. Per that analysis, we have estimated that 52.5% of central office effort is dedicated to 5-County Administration, and 47.5% is dedicated to program management.

5-County Administration includes administration and other activities/services that benefit all 5 Counties so both the SMB and G-I allocation contribute to that amount. The amount attributed to that is **\$907,437.00** (52.5%). To cover that amount, GLBMW will pull **\$181,487.00** (20.0%) from the G-I allocation, and the **\$725,950.00** (80.0%) from the SMB allocation.

Program Management makes up the remainder of the GLBMW central office budget, **\$821,014.00**. In that GLBMW central office will be just starting direct program management in G-I this year, it makes sense to charge the G-I allocation a bit less than its full 20% share. It is recommended that the SMB allocation contributes **\$738,912.00 (90%)** and the G-I allocation contributes **\$82,102.00 (10%)** for this budget year.

The proposed SMB program budget page starts with line items for the Saginaw Service Center, Bay Service Center, Midland Service Center, Information Technology, and Customer Relation Management. After these expenses are taken out, the remainder is shown as funding for contracted services by grant.

The proposed G-I program budget page does not include the preliminary line items because our contracted service provider pays for those directly items out of its contract. Therefore, that budget only shows contracted services by grant.

The final page shows GLBMW's Strategic Plan Fund. This funding was earned many years ago and is not restricted by federal grant requirements. It can be used to pay for disallowed costs if necessary. It is not included in the budget calculations described above.

IMPORTANT NOTE: The amounts for G-1 and SMB contracted program services may change as the actual amount of funds available to GLBMW goes up or down during the year. However, the % breakdown between G-1 and SMB approved by the Board through this budget process shall not be changed without Board approval. The Central Office budget will not be increased without Board approval.

**GREAT LAKES BAY MICHIGAN WORKS AGENCY**

**2017-2018 BUDGET REQUEST**

FOR THE PERIOD OF October 1, 2017 THRU September 30, 2018

JOB TRAINING ADMINISTRATION		APPROVED	REQUEST for	EXPENDED TO	ESTIMATE EXP	
ADMINISTRATIVE UNIT SECTION		2016/2017	2017/2018	06/30/17	09/30/17	BALANCE
70300	STAFF WAGES/HOLIDAY/VACATION	\$ 541,334	\$ 701,614.7	\$ 359,366	\$ 491,764.00	\$ 49,570.00
70309	STAFF LONGEVITY BONUS	\$ 6,930	\$ 5,250.0	\$ 4,900	\$ 4,900	\$ 2,030.00
70401	STAFF OVERTIME	\$ 2,500	\$ 2,500.0	\$	\$	\$ 2,500.00
70500	S & W TEMPORARY(Summer)				\$	\$
70600	PERMANENT/PART TIME STAFF	\$ 77,094	\$ 61,915.7	\$ 29,187	\$ 39,402	\$ 37,691.90
70800	S & W DISABILITY - LONG				\$	\$
70900	S & W INSURANCE OFFSET	\$ 2,700	\$ 2,700.0	\$ 1,950	\$ 2,700	\$
<b>TOTAL WAGES, BONUS &amp; OVERTIME</b>		<b>\$ 630,558</b>	<b>\$ 773,980.5</b>	<b>\$ 395,403</b>	<b>\$ 538,766</b>	<b>\$ 91,791.90</b>
71550	FRINGE BENEFITS-GASB 16					\$
71600	HOSPITAL INSURANCE	\$ 139,068	\$ 132,684.0	78,885.00	\$ 105,909	\$ 33,159.00
71608	RETIREE HEALTH RESERVE	\$ 100,050	\$ 121,500.0	78,867.00	\$ 105,156	\$ (5,106.00)
71611	RETIREE HEALTH ACCOUNT	\$ 4,466	\$ 5,060.0	3,274.00	\$ 4,365	\$ 100.67
71700	LIFE INSURANCE	\$ 1,440	\$ 1,620.0	720.00	\$ 960	\$ 480.00
71800	DENTAL INSURANCE	\$ 10,077	\$ 8,916.0	4,194.00	\$ 5,592	\$ 4,485.00
71900	RETIREMENT CONTRIBUTION	\$ 161,171	\$ 190,950.0	108,211.00	\$ 144,281	\$ 16,889.67
72000	F.I.C.A.	\$ 48,053	\$ 62,280.8	29,050.00	\$ 38,733	\$ 9,319.67
72100	Unemployment Compensation					
72200	WORKERS' COMPENSATION	\$ 1,194.00	\$ 1,300.0	742.00	\$ 989	\$ 204.67
72300	VISION INSURANCE	\$ 1,248.00	\$ 1,140.0	845.00	\$ 1,127	\$ 121.33
72401	ICMA DISABILITY INSURANCE	\$ 685.00	\$ 883.0	398.00	\$ 531	\$ 154.33
<b>TOTAL FRINGE BENEFITS</b>		<b>\$ 467,452</b>	<b>\$ 526,333.8</b>	<b>\$ 305,186</b>	<b>\$ 407,644</b>	<b>\$ 59,808</b>
73000	Office Supplies	\$ 3,200.00	\$ 4,300.0	3,264.00	\$ 4,352	\$ (1,152.00)
73002	Data Processing Supplies	\$ 300.00	\$ 300.0	0.00	\$	\$ 300.00
73100	Pamphlets, Periodicals, & Film	\$ 800.00	\$ 1,200.0	1,212.00	\$ 1,212	\$ (412.00)
73200	Postage	\$ 1,000.00	\$ 1,000.0	590.00	\$ 787	\$ 213.33
73300	Books & Publications	\$ 100.00	\$ 100.0	0.00	\$	\$ 100.00
80500	Clerical Services	\$ 1,278.00	\$ 1,278.0	\$	\$ 1,278	\$
80600	Computer Services-Processing	\$ 6,015.00	\$ 1,092	\$ 7,050	\$ 1,002	\$ 5,013.00
80700	Consultant Services			\$	\$	\$
82000	Memberships & Dues	\$ 16,100.00	\$ 16,100.0	1,700.00	\$ 16,100	\$
83618	Pre-Employment Physicals	\$ 500.00	\$ 500.0	322.00	\$ 322	\$ 178.00
83621	Employee Eye Exams	\$ 60.00	\$ 60.0	0.00	\$	\$ 60.00
85100	Telephone Charges	\$ 10,300.00	\$ 11,000.0	7,065.00	\$ 11,020	\$ (720.00)
86100	Travel-Local (In State)	\$ 3,500.00	\$ 4,500.0	3,782.00	\$ 4,454	\$ (953.68)
86104	Travel-Mileage	\$ 19,200.00	\$ 18,600.0	13,954.00	\$ 18,605	\$ 594.67
86200	Travel-Out of State	\$ 4,600.00	\$ 4,600.0	4,466.00	\$ 4,466	\$ 134.00
88410	Meeting Expenditures	\$ 3,700.00	\$ 3,700.0	2,116.00	\$ 2,821	\$ 878.67
90100	Advertising & Recruitment	\$ 900.00	\$ 900.0	855.00	\$ 855	\$ 45.00
90200	Printing & Binding	\$ 800.00	\$ 800.0	972.00	\$ 972	\$ (172.00)
91200	Insurance-Public Liability	\$ 10,116.00	\$ 10,116.0	10,116.00	\$ 10,116	\$
93100	Building R & M	\$ 100.00	\$ 100.0	0.00	\$	\$ 100.00
93700	Office Equipment R & M	\$ 500.00	\$ 500.0	7.00	\$ 7	\$ 493.00
94004	Maintenance Agreements	\$ 2,000.00	\$ 3,200.0	2,393.00	\$ 3,191	\$ (1,190.67)
94100	Building Rental	\$ 30,000.00	\$ 15,494.6	11,497.00	\$ 15,329	\$ 14,670.67
82500	Relocation Costs	\$	\$	0.00	\$	\$
95800	Staff Training & Improvement	\$ 6,000.00	\$ 10,000.0	13,645	\$ 15,040	\$ (9,040.00)
95911	Indirect Costs-County Charges	\$ 92,529.00	\$ 108,856	62,184	\$ 92,529	\$
	Marketing	\$ 182,300.00	\$ 145,840	111,643	\$ 148,857.33	\$ 33,442.67
	BST	\$ 15,000.00	\$ 15,000	6,077	\$ 8,102.67	\$ 6,897.33
	Consultant Services	\$ 24,000.00	\$ 24,000	\$	\$	\$ 24,000.00
	Training for Contractor Staff	\$ 15,000.00	\$ 15,000	1,250	\$ 1,666.67	\$ 13,333.33
	Program Supplies	\$ 5,000.00	\$ 5,000	\$	\$	\$ 5,000.00
96603	Information Technology				\$	\$
	Capital Outlay Under \$5,000.00	\$ 5,000.00	\$ 5,000.0	1,641	\$ 1,641	\$ 3,359.00
		\$	\$	\$	\$	\$
<b>TOTAL OTHER CHARGES</b>		<b>\$ 459,898</b>	<b>\$ 428,137</b>	<b>\$ 267,801</b>	<b>\$ 364,726</b>	<b>\$ 95,172.32</b>
97050						\$
<b>TOTAL ADMINISTRATIVE UNIT BUDGET</b>		<b>\$ 1,557,908</b>	<b>\$ 1,728,451</b>	<b>\$ 968,390</b>	<b>\$ 1,311,135</b>	<b>\$ 246,772.55</b>

RECOMMENDED PLANNING ALLOCATIONS -COMBINED FUNDS I

OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018

SAGINAW/MIDLAND/BAY SERVICE CENTERS,  
INFORMATION TECHNOLOGY &  
CUSTOMER RELATIONSHIP MGMT

	17/18 Allocation Request
Saginaw Service Center	473,597
Midland Service Center	159,738
Bay Service Center	164,094
Information Technology	285,000
Customer Relationship Management	103,500
<b>SMB COST CENTERS TOTAL</b>	<b>\$ 1,185,929</b>

SMB SERVICE CONTRACT ALLOCATIONS

ES, TAA, General Public	\$ 2,027,245.00
Welfare Reform Services	\$ 2,071,940.00
Youth	\$ 829,723.00
Adult/Dislocated Worker	\$ 1,430,215.00
Nat'l Emergency Grants & WIOA Statewide	\$ 179,970.00

**SMB SERVICE CONTRACT TOTAL** \$ 6,539,093

**SMB TOTAL** \$ 7,725,022.00

RECOMMENDED PLANNING ALLOCATIONS-COMBINED FUNDS I

OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018

<b>GRATIOT/ISABELLA</b>		
<b>SERVICE CONTRACT ALLOCATIONS</b>		<b>17/18 Allocation Request</b>
ES, TAA, General Public	\$	300,000
Welfare Reform Services	\$	437,742
Youth	\$	520,806
Adult/Dislocated Worker	\$	638,808
Nat'l Emergency Grants & WIOA Statewide	\$	147,705
<b>G/1 SERVICE CONTRACT TOTAL</b>	<b>\$</b>	<b>2,045,061</b>

<b>TOTAL G/1 ALLOCATION</b>	<b>\$</b>	<b>2,045,061.00</b>
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Strategic Plan Fund

Amount available as of October 1, 2016	\$159,814.27
Projected expenditures October 1, 2016 - Sept. 30, 2017:	\$ 775.00
Projected total interest earned Oct. 1, 2016-Sept. 30, 2017:	\$ 593.73
Projected amount available October 1, 2017:	\$ 159,633.00

Proposed Budget for October 1, 2017 - September 30, 2018

73000	Office Supplies:	\$ 175.00
82000	Membership & Dues:	\$ 0.00
88410	Meeting Expenses:	<u>\$ 600.00</u>
Total:		\$ 775.00