

GREAT LAKES BAY MICHIGAN WORKS!
Executive Committee Minutes
August 11, 2022

EXEC COMM MEMBERS PRESENT

John Kaczynski
Brian McBride
Vaughn Begick
Jan Bunting
Scott Noesen
Carl Ruth

EXEC COMM MEMBERS ABSENT

Brian Sheets
Erik Rodriguez

GUESTS

Jerrard Johnson – SVRC
Kim Onstott – GIRESD

MWA STAFF

Christopher Rishko
Ray Ogden
Sarah Babcock

ITEM #1: CALL TO ORDER

Chairman Begick called the Executive Committee Meeting to order Thursday, August 11, 2022 at 2:30 p.m. The meeting was held at the Midland Michigan Works! Service Center at 1409 Washington Street, Midland, MI 48640.

ITEM #2: ROLL CALL

The above members were present, and a quorum was met.

ITEM #3: AUDIENCE FOR THE PUBLIC

Audience members introduced themselves and are listed above.

ITEM #4: APPROVAL OF AGENDA

CEO Rishko explained to the Executive Committee that Agenda Item 6.C is to be removed from the Agenda due to the potential lack of positive votes to move to a closed session.

Noesen motioned and McBride supported:

To approve the Agenda as presented to the Executive Committee, with the amendment to remove Item 6.C.

The motion passed by voice vote.

ITEM #5: CORRECTING AND APPROVING THE MINUTES

None

ITEM #6: REPORTS/ACTION/DISCUSSION ITEMS

A. Emergency Budget Update & Approval

CEO Rishko informed the Executive Committee that the funds that pay GLBMW! administrative staff will run out in a few weeks. He stated that there are three courses of action he is asking the Executive Committee to vote on today: 1) furlough all administrative staff for the month of September, which would not solve the issue and would significantly

Minutes Approved

diminish operations, 2) take funds from the next fiscal year budget, which would cause a shortfall for the next fiscal year, or 3) allow the process to play out. Using program funds is not an option because it is a disallowed cost. There are about two and a half weeks left of funds, to date. CEO Rishko stated to the Executive Committee that he recommends option 3, which is to allow the process to play out.

McBride asked if GLBMW! is allowed to ask the state to move its cap dollar amount this year. CEO Rishko explained that there are two separate pots of money that GLBMW! receives: 1) is programmatic funds and 2) is administrative funds, and that the administrative funds is a limited amount and that we are currently above that. Because it is a federal rule, Rishko would have to engage with the state to determine if that is an option.

CEO Rishko stated that, to date, GLBMW! administration is \$150,000 to \$240,000 over budget. Kaczynski asked if that range is over the final line item amount of the budget approved by the Joint Board of Directors in August of 2021. Rishko answered "for administrative costs, yes."

Ruth asked "in regard to the Executive Committee and the Full Board, have we told everyone about the budget layoff?" CEO Rishko stated "we did approach the board in August of 2021. There were 2 options: 1) to lay off staff or 2) to zero out those line items in the budget, and the board chose option 2. The issue is that this board approved a budget, and our fiscal agent has taken funds above that approved budget, which is not allowed." Bunting asked what the fiscal agent is doing with the money, and CEO Rishko stated that he cannot answer that.

Ruth asked if this information and decision will go to the Joint Board of Directors. He stated "many times the Executive Committee makes the whole decision and I want to make sure the Joint Board of Directors has the final decision in regard to this matter. Sometimes the Executive Committee makes decisions, and those decisions move forward without having the Joint Board of Directors approval." CEO Rishko stated "per our Bylaws, this Executive Committee has the ability to act on behalf of the Joint Board of Directors. So anything this body says is as if the Joint Board of Directors makes that determination."

Noesen asked what happens if we let the situation play out. CEO Rishko stated that it is uncharted territory, so he is unsure as to what will happen.

McBride asked if benefits would continue for administrative staff if they were to be furloughed for the month of September. CEO Rishko stated, "that is the one thing we want to make sure is done, for benefits to continue." Rishko also stated that if administrative staff don't get paid, that is grounds for his staff to file a grievance.

Noesen asked if a resolution from the litigation will help the problem. CEO Rishko said it could help, that it isn't off the table, it just hasn't been seen yet.

Kaczynski stated that he would like to see all three options presented to the Executive Committee today be presented to the Joint Board of Directors at the August 29th board meeting, along with a fourth option of adjusting the budget properly, with the understanding that these funds are being drawn incorrectly. Kaczynski stated that he requests an Executive Meeting before the August 29th Joint Board of Directors meeting. Kaczynski stated, "from a board standpoint, I don't like to be fiscally irresponsible looking down the road. There may be hard decisions to make, and we have to be honest about that to stay on course."

The Executive Committee requests that an Executive Committee meeting be held on August 29th, 2022 at 2:30p, just before the Joint Board of Directors meeting. Part of that request, the Executive Committee would like to meet with the lawyer(s) regarding the litigation matter between GLBMW! and Saginaw County before a definitive course of action is chosen. The Executive Committee would like to take their August 29th, 2022 recommendation and present that to the Joint Board of Directors, immediately following. Lastly, it is requested by the Executive Committee members present that all members who hold a seat on the Executive Committee be made aware of the seriousness of the subject at hand, and that they be present at the August 29th, 2022 meeting.

Bunting motioned and McBride supported:

To choose option 3 until the August 29th, 2022 Joint Board of Directors meeting. "Letting it play out" means that there will be no furloughing of employees and no tapping into next years funds, and to let the litigation play out. And also, with the choosing of option 3, it is motioned and supported to have the lawyer(s) present at the August 29th, 2022 Executive Committee meeting, with the contingency that all Executive Committee members be present.

Chairman Begick called for a roll call vote:

| | |
|----------------|-----|
| John Kaczynski | Yae |
| Brian McBride | Yae |
| Vaughn Begick | Yae |
| Jan Bunting | Yae |
| Scott Noesen | Yae |
| Carl Ruth | Yae |

6 Yae's, 0 Nay's

The motion passed by roll call vote.

B. Reports

None

C. Discussion

CEO Rishko provided the Executive Committee with a copy of the minutes from the April 1, 2008 Workforce Development Board meeting. He directed the Executive Committee's attention to Item 8.b in those minutes, which reflects that the CEO of GLBMW! has the authority to enter into consultant and professional service contracts under the following conditions without board approval:

- Management complies with all competitive procurement rules and regulations;
- The contract amount does not cause Michigan Works! to exceed the annual budget line item for consultant services approved by the WDB;
- The contract does not exceed \$50,000;
- The Board Chair, or one of the Vice-Chairs if the Board Chair is not available, approves the process and the contract; and
- The director reports the contract to the WDB at its next regular meeting.

Rishko also provided the Executive Committee with a copy of the budget that was approved by the Joint Board of Directors in August of 2021. In that budget, line item 80700 is listed as Consultant Services, and the allocated amount is \$50,000.

The last document given to the Executive Committee by CEO Rishko was a letter written and signed by the previous Workforce Development Board Chairman, Brian Sheets. The letter states that he did approve Rishko to work with Miller Canfield. Rishko stated that the current Chairmen, John Kaczynski and Vaughn Begick, have been made aware of this motion, and understood the authority to work with Miller Canfield. Rishko asks the Executive Committee to approve working with Miller Canfield for formalize that professional relationship.

Bunting motioned and Noesen supported:

To engage with Miller Canfield on behalf of GLBMW!.

Chairman Begick called for a roll call vote:

| | |
|----------------|-----|
| John Kaczynski | Yae |
| Brian McBride | Yae |
| Vaughn Begick | Yae |
| Jan Bunting | Yae |
| Scott Noesen | Yae |
| Carl Ruth | Nay |

5 Yae's, 1 Nay

The motion passed by roll call vote.

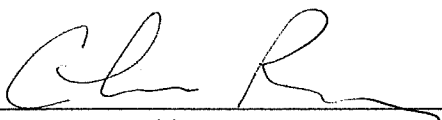
ITEM #7: ADJOURNMENT

Ruth motioned and Kaczynski supported:

To adjourn the Executive Committee meeting.

The motion passed by voice vote.

Chairman Begick adjourned the Executive Committee meeting at 2:59 p.m.



Christopher Rishko, CEO

08/22/2022

Date