

MINUTES

Detroit Employment Solutions Corporation (DESC) Board Audit & Finance Committee Meeting Wednesday, April 27, 2016

Time: 1:00 p.m. – 2:30 p.m.
Location: 440 East Congress St., Conference Room 3R, Detroit, Michigan 48226
Facilitator: David Carroll, Chairman

Committee Members Present: David Carroll, Ric Preuss, Mark Redman, Alice Thompson and Paul Trulik
Committee Members Absent: Laura Hughes, Paul Huxley and Kevin Howley
DESC Staff Present: Jose Reyes, Alessia Baker-Giles, Lynnette Robinson, Cassandra Ricks, Kristin Bailey, Robert Shimkoski, Malindia Westbrook, L'Tanya Clegg, and Cristal Perry
Guest(s) Present: Thomas J. Diehl, CPA

Welcome and Introductions

The Meeting of the Detroit Employment Solutions Corporation (DESC) Board Audit and Finance Committee was called to order at 1:00 p.m. by Mr. David Carroll, Chair. A motion was made by Member Mark Redman to approve the Draft Agenda of April 27, 2016, supported by Director Ric Preuss. Motion Carried Unanimously. A motion was made by Member Paul Trulik to approve the minutes of March 29, 2016, supported by Chair Carroll. Motion Carried Unanimously.

A discussion ensued regarding the committee's special meeting held on April 19, 2016. The group discussed a particular motion regarding the Corporation Board's review of the Grow Detroit's Young Talent (GDYT) funding recommendations. After some deliberation, Member Trulik made a motion to amend the minutes from the special meeting to state that the Audit and Finance Committee requests that the Corporation Board reviews the GDYT funding recommendations, supported by Chair Carroll. Motion Carried Unanimously. Member Trulik made a motion to approve the minutes of April 19, 2016, as amended, supported by Chair Carroll. Motion Carried Unanimously.

Finance Report Update

Monthly Grant Analysis Update

Ms. Alessia Baker-Giles, Director of Finance, DESC, reported that through March 31, 2016, the WIOA Admin deficit had been reduced to \$88,144. The agency's finance unit has conducted more reconciliations, so the actual deficit is now \$65,000. She explained that funding from the City of Detroit's planning department was expected and that would help alleviate the admin. deficit, but it was decided not to depend on the funding from the City of Detroit and to take another avenue at eliminating the deficit. Ms. Baker-Giles reported receiving funds from the Skillman Foundation and the Ralph Wilson Foundation for operations related to the GDYT program. Staff members are allocating their time appropriately, which will alleviate the amount of expenditures being picked up by WIOA. Before the influx of those funds, WIOA Admin was picking up approximately \$123,000/month. DESC is projecting that by including those funding streams, that will take it down to \$75,000/month for the remaining months through June 30th. Ms. Baker-Giles also stated that currently, after reconciliations, DESC has \$230,000 left through June 30th. At \$75,000/month, DESC is going to need \$225,000. Based on that amount, the agency should be able to financially get through the end of the fiscal year, and there will be \$5,000 left over in WIOA Admin if nothing else changes. She explained that all of the numbers she has used are all on the conservative side, so the savings that DESC realized may come in even higher.

Balance Sheet Overview

Ms. Baker-Giles reported that DESC remains in the same position, with only \$159.00 as non-restricted (which is strictly from vending machine sales).

Federal Funding Overview

Ms. Baker-Giles provided an overview of the federal workforce funding allocation process and answered questions. Director Alice Thompson inquired as to whether DESC applied for a federal administration rate for federal grants and whether there are any barriers with attaining it. Ms. Baker-Giles noted that she would follow up with this information. Chair Carroll requested that Ms. Baker-Giles email the federal funding overview to the committee.

Review/Approval

DESC Fiscal Policies

Mr. Thomas J. Diehl, CPA, presented on the following seven (7) updated fiscal policies: contractor audit, debt collection, cash analysis/deposit, on-site fiscal monitoring/desktop review, business travel/business meetings, end of the year closeout, and fraud/waste/abuse. Mr. Diehl noted that there are additional fiscal policies in process that will also be brought before the Audit and Finance Committee for its review. Director Thompson recommended holding periodic trainings for providers based on the agency's policies. Director Thompson also requested that the policies include a history of revisions. A motion was made by Member Trulik to approve the updated/amended policies, supported by Director Thompson. Motion Carried Unanimously.

Procurement Policy/Process Discussion

Mr. Diehl explained that the procurement policy is still in process and the draft currently before the committee includes significant changes. He also explained each of the five approved procurement processes. Mr. Diehl stated the draft contains the majority of the revisions, but requires additional review/discussion regarding the agency's local process.

Public Comment

No public comment was presented to the committee.

Adjournment

With no further business to come before the Audit and Finance Committee, a motion to adjourn the April 27, 2016 meeting was made by Director Thompson, supported by Member Trulik. Motion Carried Unanimously.

The meeting adjourned at 2:13 p.m.

Prepared by: Cristal Perry