

**Workforce Development Board  
Executive, Finance and Audit Committee  
and RochesterWorks, Inc. Board of Directors Meeting Minutes  
Tuesday, May 19, 2020  
75 College Ave. Rochester, NY**

**Committee Members Present:** Sergio Esteban, George Scharr, Timothy Shortsleeve, Richard Turner, Romanda Gibson-Stevenson, Ana Liss

**Committee Members Absent:** Seanelle Hawkins, Corinda Crossdale, Daniele Lyman-Torres

**RochesterWorks, Inc. Board Present:** Sergio Esteban, George Scharr, Timothy Shortsleeve, Richard Turner, Romanda Gibson-Stevenson, Ana Liss

**RochesterWorks, Inc. Board Absent:** Seanelle Hawkins, Corinda Crossdale, Daniele Lyman-Torres

**Staff and Guests:** Peter Pecor, Michael DeBole, Behiye Mansour, Mary McKeown

**WORKFORCE DEVELOPMENT BOARD EXECUTIVE, FINANCE AND AUDIT COMMITTEE**

**Call to Order**

The Executive, Finance and Audit Committee Meeting was called to order by Sergio Esteban at 8:04 A.M.

**Approval of Minutes:**

A motion to approve the February 11, 2020 Meeting Minutes was made by George Scharr and seconded by Richard Turner. The motion was passed unanimously.

**Finance Committee:**

**Michael DeBole Provided A Packet Covering the Summary of Expenses July 1, 2019 - March 31, 2020**

**Financial Report:**

Michael DeBole began by reporting on Q3 Financials for PY2019, indicating we're on track to hit our requested 80% allocation spend down. In addition, we do have the Dormitory Authority of the State of New York (DASNY) Grant, and the capital project is for our Business Services team job board. The capital project is approximately 60-70% completed and we have spent about \$22K. The project should be completed by Fall, once we get back into the swing of it. RochesterWorks is on course with our 80% spend down for the 9 months of this fiscal year. Michael requested a cash transfer out of Adult funding to Dislocated Worker funding in the amount of \$200K. The participants have swung from Adult services to Dislocated Worker services, as you know, with Covid19. With this request, Michael asked the committee to vote for an approval to get the funds transferred from Adult to Dislocated Worker.

Peter Pecor explained the way the funding comes from the Department of Labor which include Adult, Dislocated Worker, Youth and Trade Act, etc. When these allocations come down, if we need to transfer from one to another, we need to have Board approval. Instead of having funds in one basket, they're designated as Dislocated Worker and Adult. Sometimes it is very difficult to define the difference between Dislocated Worker and Adult, but someone who has been laid off, is a Dislocated Worker. An Adult could be someone who comes

in on their own in their job search. As for being stringent in the past, as far as having those dollars allocated to the right bins, they've allowed us this past year to make these transfers as appropriate.

A motion to approve the transfer of funds from Adult to Dislocated Worker in the amount of \$200K was made by Timothy Shortsleeve and seconded by George Scharr. The motion was passed unanimously.

In addition, Michael DeBole requested a cash transfer of \$200K out of Admin funds, in the amounts of \$100K each to the Adult and Dislocated Worker funds. Per the rules and regulations of WIOA these administrative funds of 10% or 100K must be transferred to the original funding source of Adult and Dislocated Worker.

A motion to approve the transfer of \$200K in funds from Admin funds, \$100K each to Adult to Dislocated Worker funds was made by Ana Liss and seconded by Timothy Shortsleeve. The motion was passed unanimously.

### **Budget Proposal and Approval:**

Michael DeBole explained for our 2020 Program Year Budget that our full allotment overall has decreased by \$365K this year. \$500K was the WIOA funding and was split out by Adult being \$220K less, Youth was \$230K and Dislocated Worker was \$60K less. Our Summer Youth Program, we're using prior year numbers currently, and we also have the Opioid Grant, which was initiated in December 2018. We received the official grant in July 2019, and that will sunset this year. We have about \$175K of that grant that we'll be using, and this is basically for the family members assisting someone they know with dependency issues.

Michael included that the other side of the decrease is that our Second Chance Monroe, which was funded from the Monroe County Industrial Development Corporation, sunset in March 2020, and was approximately \$300K. Our MCC Inspired Grant will sunset December 2020. Overall, a decrease of \$365K in funding. With our Trade Act funds, which is basically a 100% pass through, we anticipate a bigger year compared to prior year. The anticipated increase is approximately \$280K, which will be overall \$580K we're anticipating of participants.

Michael included the other piece, the Monroe County Grant Revenue for the St. Paul Street Career Center. This Career Center is located at the Department of Health and Human Services and includes the following:

1. Job Readiness Training for Families is \$150K, the same as prior year.
2. OJT Business Training Grants is a pass through with the County. This grant is about \$200K.
3. Work Experience Program with incentives of \$170K and a grant revenue of \$480K, giving us \$650K in revenue.
4. Employability Assessment Grant is about \$120K, a decrease from the prior year, due to less referrals being referred to our organization at this time. Overall, we're at \$365K less than what we had prior year.

RW Operational Expenditures: Michael explained the RW Operational Expenditure budget increased by \$345K, or 8%. This is due in part to retaining 3-4 individuals from our Finger Lakes Hired Grant and because of the grants that have sunset, we're basically now really operating with just WIOA funds, which are the Adult, Dislocated Worker and Youth.

Provider Payments: Michael explained the Provider Payments budget has decreased by (\$66K), or -4%. RochesterWorks service providers are our sub-recipients that we contract with to provide services for our WIOA Youth program. This Youth program is a separate funding account in which these funds cannot be co-mingled with the Adult and Dislocated Worker funds. With the Out-of-School Youth, which is year-round, we'll have 5 sub-recipients this year. With the Work Experience, in prior years we had asked our navigators to get the participants into direct placements, which included helping the participants get trained with the skills needed to get into a direct placement. However, the process is working so well, we're telling the providers that they're not required to work the wage subsidies. We also have the Summer Youth Program, which is another funding stream and is a 6-week program. The program begins mid-June and ends mid-August. There we've decided to take approximately \$68K from the providers budget and move it to our wage subsidies for the Summer Youth Program, due to the success we've been having with the direct placement. This is a better opportunity to spend

down the funding. With the current Covid19 and social distancing, it will be a challenge for us as far as how these programs will be able to operate under the guidelines of the CDC. That is our plan so far this year for the Summer Youth Program. We have 10 service providers in the grant that have been approved.

Direct Services: Michael explained the Direct Services budget has increased, however basically decreased. Mike stated it's \$51K an increase, based on the budget and however the WIOA Adult/DW decreased the Individual Training Accounts (ITA's) by (\$250K). The offset basically is the Trade Act \$280K, a pass through depending on how many participants qualify. We also have the Opioid Grant \$25K with individual training. Our WIOA Business Training Grants decreased for the Adult/DW by (\$50K), and the biggie is the wage subsidies that increased by \$122K, most of which is from the transfer from the service provider payments to the wage subsidies for the Summer Youth Program, that is a \$112K difference. With the Opioid grant, we anticipate having about \$32K in Direct Placements.

Overall, this is our proposal for our 2020 Program Year.

Peter Pecor included there is a decrease overall in the funding that is available. He commented that historically, this is interesting that when there is high unemployment, you have a higher need to dollars that are always less. When there is full employment, we have more dollars than we need. It has been very difficult for all the areas, 33 Workforce Development areas, to develop budgets this year because there are so many unknowns. We don't know and as Michael has talked about a few of the grants that have sunset, there are some national emergency grants that have been made available in the past by the Department of Labor. It looks like the last round was \$15M they were talking about, but it looks like they will be diverting some of those dollars and the Governor, Albany and the Department of Labor has some discretion. So we're not sure what else may be coming down the pipe, but certainly there has to be some additional funds to be allocated as we get back in operation and as we determine what is going to happen with the large number of people/claimants who have filed. There's no way from a traditional standpoint that we can serve the customers the same way as we have in the past. At this time, Peter has asked that the budget be approved, subject to change depending on if there is a change in the funding streams.

A motion to approve the budget as presented was made by Timothy Shortsleeve and seconded by George Scharr. The motion was passed unanimously.

#### **Credit Line Approval Request:**

Peter Pecor explained that we are applying for 3 different loans, credit applications that we have in place. We are going to our bank and are requesting a Line of Credit for \$250K. This Line of Credit will be utilized to bridge the gaps between dollars re-allocated and not to transfer to us from Department of Labor. This is typically for working capital purposes, a short in and out, to make sure that we cover payroll. Peter is asking the Executive Committee for approval to apply for the Line of Credit with M&T Bank.

A motion to establish a Line of Credit for \$250K with M&T Bank was made by George Scharr and seconded by Timothy Shortsleeve. The motion was passed unanimously.

#### **SBA Loan Request:**

Michael DeBole explained this is a Disaster Relief Loan and that we're in line waiting to receive an approval and dollar amount. The dollar amount and approval for the loan have not been given yet, but the request is currently being worked on. Peter is asking the Executive Committee for approval to apply for the SBA, Disaster Relief Loan.

A motion to approve the application of and continuation of the process for the SBA, Disaster Relief Loan was made by Timothy Shortsleeve and seconded by Ana Liss. The motion was passed unanimously.

### **PPP Loan Request:**

Michael DeBole explained this is the Payroll Protection Loan and that we've been awarded \$337,500. This is all forgiven if we spend at least 75% payroll and 25% on other (employee benefit) costs. We do have a plan to use that up in the next 8 weeks, basically using it on payroll and medical bills, which is an allowable expense on the 25% portion of expenditures. We just received this on May 11<sup>th</sup> or 12<sup>th</sup>. Peter is asking the Executive Committee for approval to apply for the PPP, Payroll Protection Loan.

A motion to approve the application for the PPP, Payroll Protection Loan was made by Richard Turner and seconded by George Scharr. The motion was passed unanimously.

### **Executive Committee:**

#### **Approval of One-Stop Operator Contract:**

Peter Pecor explained that under the Workforce Investment Opportunity Act, they required us to name a One Stop Operator. We were very unique in our area where we determined that there was a nominal amount of money to be spent and we clearly defined what the goals and responsibilities would be and we're now into our third year as Genesee Finger Lakes Regional Planning Council. We're asking for approval for the third year of this contract with the planning council. Peter mentioned on a side note, there were other areas of the state that spent up to \$100K a year and actually had somebody in operation. We came up with the novel idea of where the 3 Workforce Investment Areas throughout our region are all using the planning council (David Zorn) and they facilitate meetings with our Partners separate from our actual operator's provider services. We've been very pleased with the results. Peter included that primarily the success of this is based on Lee Koslow of our organization spearheading this. In fact, the model that we had was so accepted that there are a few states that actually adopted the same model that we had described. This is for a \$6K contract renewal of which Peter is asking for approval.

A motion to approve the expenditure for the One Stop Operator Contract was made by Romanda Gibson-Stevenson and seconded by Timothy Shortsleeve. The motion was passed unanimously.

### **SYEP Update:**

Peter Pecor explained that we had prior approval for the Summer Youth Employment Program. This program includes about 10 Providers. Typically, we have an online application process, as we've had in the past, that we developed about 4-5 years ago. Usually we have 3,000 applicants and this year, we've had only 1,500 because of school closings, etc. Right now, there are approximately 300-400 students who've provided all their documentation. We are re-advertising this in concert with the City's Summer Youth Program. The concern that we have is that we have all these players in place and employment opportunities that have been identified, but we're unsure if they will really happen. This will depend on what happens with the Summer Youth Programs. Some of the towns have cancelled their summer programs. These are TANF dollars and if in fact they are not used, Peter has asked if we could possibly have these dollars extended through the year. We're ready and operating as if we are going to have the program, but we really don't know. Officially, the program starts July 1<sup>st</sup>. We are doing everything remotely. We have a system in place, which includes preserving privacy, to obtain the documentation. We have developed this ourselves and we're currently sharing this system with a couple other organizations. Peter will keep everyone informed as to what happens.

**Audit Committee:**

**NYSDOL/FOTA Concerns:**

Peter Pecor explained there has been a delay in receiving funds from the Department of Labor, in not only approvals of our regular allocations, but also in the dollars that we were previously approved for, for our new One Stop operation. There was a delay in what we were doing based on the fact that we were not considered an Essential business. Peter worked with Empire State Development and filled out the application. The application called for us to name ourselves as Essential, in which Peter did so in March. The Department of Labor stated they did not think we were Essential, which delayed us by a month. We had to rent our facility for another month. Empire State Development reached out to Peter again, noting we could be considered Essential because we are dealing with people who are economically challenged, etc. and dealing with Unemployment Insurance. This explains why we had delays and had another month's rent. We are still waiting for last minute expenditures.

**Directors Report:**

**Career Center Development Update:**

Peter Pecor reported the move to 100 College Avenue, Suite 200 is almost complete. Peter extended a thank you to Michael DeBole for his diligence in working with the contractors and suppliers during this project. We will be abandoning 255 North Goodman Street effective month end. We will have all of our equipment and facility ready to go at the new Career Center. Our staff have all been working remotely and the managers and supervisors have been reporting into Peter on a regular basis. Peter stated that we've been providing an incredible level of service to our customers during these current times. In all, our plan is to be in the new Career Center June 1<sup>st</sup>, not necessarily open to the public, depending on an agreement with DOL and what they will be doing.

**Youth Center Update:**

Peter Pecor reported the Recreation and Youth Divisions of the City of Rochester moved to 57 St. Paul Street. We have been invited to go there to develop a Youth Center for both the City and the County. Unfortunately the building is closed right now due to the current crisis. Peter included, as he's reported to the Board in the past, that if you combine the rent that we will be paying for the Youth Center and our new facility is still less than the rent we are paying right now for N. Goodman Street.

**RWI Board Meeting:**

**Membership Update:**

Peter Pecor welcomed Ana Liss to the Board and looks forward to her involvement. Peter included that some of our Board Meetings do conflict with MCIDC, which is understood, but both Ana Liss and Richard Turner have been great representatives for the County and Peter thanked them both. Commissioner Crossdale will still be a member of the Board. Ana will be working with us to identify 3 Private Sector, new members.

**Zoom Remote and Board Committee Meetings:**

Peter Pecor included our new Board and Committee Meetings will be held remotely via Zoom or whatever means of facilities we have while adhering to the Open Meetings Law. Our next scheduled Board Meeting is in June and you'll be notified how this meeting will be held.

At this time, Sergio Esteban included a comment from today's meeting, regarding having new people on the committee and the importance of understanding acronyms used in the discussions. Sergio has requested that Peter Pecor have a meeting/orientation independently with Ana Liss and Romanda Gibson-Stevenson to explain the responsibilities of the Board Members and the operation of RochesterWorks! and to familiarize them with the list of acronyms. Peter will provide Ana and Romanda with a package of materials that he has assembled specifically for new Board Members and will send the list of acronyms via email.

Peter Pecor has also included that our year end is June 30<sup>th</sup> and June is normally our annual meeting. Peter reminded Sergio Esteban, Timothy Shortsleeve and George Scharr that we'll need to have a nomination and election of officers at the annual meeting. Sergio will have follow-up conversations on this topic in the next couple of weeks and will share with the group. A decision will be made before the June Meeting.

**Adjournment:**

Sergio Esteban moved to adjourn the meeting at 9:03 A.M.

A motion to adjourn this meeting was made by Richard Turner and seconded by Romanda Gibson-Stevenson.

Approved



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Peter Pecor

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Submitted by Mary McKeown

Approved:

Peter Pecor: 6/1/2020

Michael DeBole: 6/1/2020