

**Workforce Development Board  
Meeting Minutes  
Tuesday, December 15, 2020  
8:00AM - 9:30AM  
Meeting Scheduled via Zoom**

**Attendees:** Bert Brinkerhoff, Sergio Esteban, Kathy Miner, Gary Rogers, George Scharr, Randy Andre, Romanda Gibson-Stevenson, Joseph Leone, Danielle Maloy, Patricia Stovall-Lane, Richard Turner, Roosevelt Mareus, Mary Beth Artuso, Melissa Geska, Michael Weed, Angelica Perez-Delgado, Joe Wesley, Dana Abramson, Ann Kowal

**Absent:** Kyle Banks, Rachel Baranello, Thomas Battley, Adrian Hale, Glen Jeter, Kevin Kelley, Corinda Crossdale, Lynn Freid, Seanelle Hawkins, Ana Liss, Daniele Lyman-Torres, Dan Maloney, Todd Oldham, Mark Rogacki, Timothy Shortsleeve, Jerome Underwood

**Staff:** Michael DeBole, Antwan Williams, Lee Koslow, Viatta Carter, Theodore Jordan, Shawn Curran, Mary McKeown, Behiye Mansour, Kathy Ziegler, John Premo, Miranda Harms

**Guest:** Craig Stevens, The Bonadio Group

**Call to Order:**

The meeting was called to order by Sergio Esteban at 8:04AM.

**Introductions**

Sergio Esteban began by welcoming all attendees to the meeting today and introduced the following new board members: Melissa Geska, Michael Weed and Angelica Perez-Delgado. Current members followed by introducing themselves to our new members.

**Approval of Meeting Minutes**

A motion to approve the September 15, 2020 meeting minutes was made by Joe Wesley and seconded by Richard Turner. The motion was passed unanimously.

**Finance Committee:**

**Craig Stevens, The Bonadio Group Provided an Audit Presentation**

An independent Auditor's Report was provided and reviewed.

Craig Stevens reported he met with the Executive, Finance and Audit Committee on November 17<sup>th</sup> and went through the financial statements in much more detail. Today he provided a high-level review of the audit results.

Craig began by noting that one of the most important things to recognize at a Board level is that with respect to the use of our federal funds, there were no findings that The Bonadio Group was required to report with the results of their testing. Everything was fine and this is very important this year, given the times that we are working in now with this pandemic and how it has put a wrench in everybody's operations a little bit. The ability to maintain controls, both from a federal perspective and use of those dollars, as well as the financial reporting perspective, it should be recognized this has been an unusual year, not only in our daily lives but also with respect to financial reporting. This pandemic did not minimize the number of procedures or change the auditing process, the same amount of work had to be done. Once again, a lot of remote work was done successfully and this is important for the Board to hear this, given the environment we are working under now. It really does make things a lot more difficult, but

it does not change any of the standards, both the way in which the Bonadio Group operates under, as well as how RochesterWorks! operates.

Craig reviewed the Executive Summary which includes the following key outcomes of the audit process:

- Key events and transactions affecting the year: In 2020, RochesterWorks! adopted Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. There was no effect on total net assets or changes in net assets as a result of adopting this standard. There was a significant new accounting standard that would have been effective this past June; however, given the pandemic, the Financial Accounting Standards Board did give a 1-year reprieve for implementation. Next year when we see the financial statements, there will be additional disclosures. This should not change the manner in which RochesterWorks! accounts for its grant funding at all, but next year we'll see a substantially new disclosure. Deferral of what was called the Revenue Recognition Standard was deferred until 2021.

The Organization received \$337,500 in Paycheck Protection Program (PPP) funding related to the CARES Act due to the COVID-19 pandemic that was recorded as a loan payable. Under the accounting rules for a non-profit organization, we did have the option to record it as revenue, to the extent that we'd satisfy all the barriers, we incurred all the eligible costs under the terms and provisions of the CARES Act and this really is the case. We anticipate fully this will all be forgiven in the following subsequent year 2021 and you will notice this has been recorded as debt.

- Internal Control Findings: No material weaknesses or significant deficiencies noted.
- Bonadio's Continued Commitment: Proactively advised management on new accounting pronouncements and accounting choices. Executed audit procedures timely. Utilized innovative technology, including MyPortal.

Craig reviewed the following items included in the Required Communications section:

- Difficulties encountered during the audit: From Craig's perspective, one of the most important things is that there were no significant difficulties encountered during the audit.
- Alternative accounting treatments: They discussed with management the alternative treatment of the Paycheck Protection Program (PPP) loan, permissible under US GAAP, including the recognition and measurement and its related presentation and disclosure. RochesterWorks! has made the decision to account for the PPP loan by recording it as "debt".
- Audit Adjustments: Craig stated they did propose an adjustment to management to account for the PPP loan as a liability on June 30, 2020, as opposed to recognizing the proceeds as a contribution to revenue during the year ending June 30, 2020.

Craig reiterated the audit process was very smooth again this year and thanked Mike, Behiye and staff for doing a great job in preparing for the audit.

Craig reviewed the following under the Financial Statements:

- The draft here has not been signed but The Bonadio Group has issued these Financial Statements, so the report has been filed with respect to the Federal Government through the data collection form process. Everything has been reported and they have been signed and issued.
- Balance Sheet - Regarding the effects of COVID-19, the Federal Receivables were up a little bit. The Fees for Service Receivables and some other grants revenue were down a little bit. You can see the effects of COVID, some activity was lessened a little bit through the course of the year, through the last 3 months of our fiscal year, when the pandemic became full bore in March. With the payables, Due to Service Providers accounts payable, once again they sort of match the cash flow. As you collect the money from the feds, then you obviously pay your service providers, and your payables are directly related to the cash receipts of your receivables. As mentioned earlier, the \$337,500 shown as debt is related to the Paycheck Protection Program.
- Statement of Activities - With the Change In Net Assets for 2020, there was a decrease of \$340K. Historically, RochesterWorks! has always been almost a break-even organization. All of our costs are controlled to the extent we have Federal funding or other sources of revenue. There have been some years where we've had some significant surpluses, and that's why we have Net Assets of \$700K at the bottom of the line. Keep in mind, the PPP was designed to keep people on the payroll, keep the economy moving and give some relief to organizations and you'll notice what happened with the decrease in some of the Revenue, over all down a couple hundred thousand

dollars, due to a couple different factors, but we maintained expenses, we kept people on the payroll, and we did incur a loss this year of \$340K, or a decrease in Net Assets. Had we taken the option of booking the PPP proceeds as Revenue, a substantial amount of that “loss of \$340K” would have been eliminated; however, as Craig stated earlier, Management and the Committee made the decision that we’re going to record the revenue related to the PPP Loan upon forgiveness. In the fiscal year that we’re in now, 2021, we’re going to see that “loss” get reversed as we recognize the revenue based on the forgiveness of that loan of \$337,500. Craig added that we shouldn’t be alarmed and that this is a classic example, in his opinion, of how those PPP proceeds were used to cover expenses that were not being funded due to the loss of revenue.

A motion to approve The Bonadio Group Independent Auditor’s Report as presented was made by Joseph Leone and seconded by Bert Brinkerhoff. The motion was passed unanimously.

### **Michael DeBole Provided A Packet Covering the Summary of Expenses July 1, 2020 - September 30, 2020**

Michael DeBole began his presentation by informing our new Board Members that we receive our funding from New York State, and we have Adult Funding, Dislocated Worker Funding and Youth Funding. We also have Trade, which is basically a cash in, cash out and we also have a Summer Youth Program, which is a Federal Fund. This year we had some challenges, and continue to have challenges because of COVID, with our State Funding. With respect to that, the normal was, prior to COVID, we would order cash on a Monday and we would get the cash on a Friday. Currently, we’re ordering the money on a Monday and we’re possibly getting the money the following week on a Wednesday or the Friday, so it’s taking at least 1½ - 2 weeks to get our funding in, currently as we progress. With that being said, we still are meeting our costs; however, things are delayed, they’re not timely in the sense of 5 days versus anywhere from 8 to 10 days of receiving cash and getting checks out the door. Overall, currently after 3 months of expenses in the new fiscal year of 2020, we are on track as far as our spend down. Our biggest challenge this year was with our Summer Youth Program. The OTDA (Office of Temporary and Disability Assistance) Offices told us we would be receiving our funds in July, but we technically received them in-house in August. With that being said, we served 175 participants, compared to last year where we served 455 participants. We were approved with 10 programs and by the time we initiated our Summer Youth Program, which was in June, 4 of those programs had stepped away due to financial issues themselves, so we technically had 6 programs and served 175 participants. We were approved for \$1.5M from OTDA and they sent approximately 75% of that, which was \$1.2M, and we’ve spent \$417K this year. This is the first year that we’ve had this kind of challenge; however, those funds that we didn’t spend will be returned back to OTDA. Michael is very pleased with the way we’ve handled it, we’re still finishing up some paperwork, but all in all this year, the Summer Youth Program wasn’t as solid as in past years. He added that we, and all of the State, have had difficulties recovering and moving forward.

### **2021 Benefit Plan**

Michael DeBole reported on the 2021 Medical Benefits and indicated that our medical programs didn’t really change that much this year. We maintained our High-Deductible and the Co-Pay, and we also have the dental plan; however, there was a slight increase of 5%. With our budget and how we are set up, we will be able to absorb that increase for our personnel. Overall, we absorb 78% of the cost and we extend 22% to our personnel who will pay out of pocket. We also maintain the same number of employees compared to last year.

A motion to approve the 2021 Medical Benefit Plan as presented was made by Michael Weed and seconded by Ann Kowal. The motion was passed unanimously.

### **Update to Employee Parking Policy**

Michael DeBole began this presentation by including that our Youth Team has moved over to 57 St. Paul Street. We’ve created a parking policy that we’re looking for approval on which includes that parking will be provided for the employee’s principal office, and where free parking is not available, the cost of parking will either be paid directly by RWI or provide 100% reimbursement to the employee. Currently, the parking fee is \$90/month per employee, and we have 9 employees, which totals approximately \$9,800.00 a year annually and we’re figuring also 5 years out, at an average of approximately 7%, a maximum would be about \$120.00 per month and for 9 employees would be approximately \$12,900.00 annually. We do have it in the budget for the Youth, and again this is a new policy that we’re establishing because

the owners of the building don't have the capability of parking, so our Director of Youth has done some research, and these are the numbers that we have as far as monthly costs that would be reimbursed to each employee that parks at the Mortimer Street Garage.

A motion to adopt a parking policy relative to any costs involved for employee parking at the 57 St. Paul Street location was made by Joseph Leone and seconded by George Scharr. The motion was passed unanimously.

Please note that Romanda Gibson-Stevenson declared a potential conflict of interest and abstained from the discussion and the voting on this motion relative to the new parking policy for employees.

### **Workforce Innovation and Performance Committee:**

#### **Workshop Presentation “Virtual Interviewing”**

Viatta Carter reported that in the past, we've talked about some of the changes that RochesterWorks! has done to meet the needs of our customers and how we've had to pivot and adjust to the times. Viatta introduced Miranda Harms, a Career Services Advisor with RochesterWorks!, who facilitates the Virtual Interviewing workshop. Miranda shared the following information on what she does via Zoom when she facilitates this particular workshop to our customers.

Miranda provided an overview of our Virtual Interviewing workshop to demonstrate how we have adapted to meet the needs of our customers during the pandemic. She went over general interview tips and guidelines, how to prepare for a virtual interview (how to set up your space, how to present yourself professionally in the interview), and a timeline of when to do specific preparation activities.

Miranda has a checklist that she emails to participants after the workshop, which includes the following key points:

- Research the company and the interviewer/recruiter beforehand and read their mission statement, values, company history, etc. to find something that resonates with you. This creates talking points and also shows the interviewer that you are a good cultural fit for the company.
- Prepare your SCAR stories.
- Familiarize yourself with the interview program (Skype, Teams, etc.) A list of online tutorials is emailed to each participant after the workshop.
- Prepare your interview space - well lit, camera at eye level, no clutter or distractions.
- Dress professionally - prepare your interview clothing the day before.
- Test your equipment and install any needed updates.

### **Director's Report:**

Sergio Esteban began this discussion noting that on behalf of Peter Pecor, George Scharr and Lee Koslow will present on the topics included in the Director's Report.

#### **Nominating Committee Report**

George Scharr began this discussion by noting, like every organization, we generally work through a rotation process where new members come in and take positions and older members either go on to the Board or rotate off. We have no such formal process, but the time has come for us to make some further changes and we have been making changes over the years. At this current time, Sergio Esteban is the Chairman and has been in this role for 4-5 years. Prior to this, George was Chairman for 5 years. Both Sergio and George have held various positions within the group and have been members for 19-20 years. They stated that it's time for some new people to come in. They've been looking around, talking to various people and this is what they've come up with at this point for the future. This would be for the year starting July 1, 2021 and now is the time to do the voting.

- Timothy Shortsleeve is the current Vice Chairman, and he is being nominated as Board Chair. He's a CPA and a partner in his own firm and has been very helpful in the operations. He's serving as Vice Chairman now and was serving as Treasurer for a year before that.
- Glen Jeter, a McDonalds franchise owner, is being nominated for Vice Chairman. Glen has been an active member of the organization for many years now, always anxious to help and giving

good advice. He's accepted the nomination for Vice Chairman. George added that Glen would be a great advocate for the organization and very helpful to everyone involved.

- Bert Brinkerhoff, with M&T Bank, is being nominated for Treasurer and has accepted the nomination for Treasurer.

George added there's a lot of change here, but there's some continuity in the fact that Timothy will be involved, and that Glen has been around for quite a while. Also, sometime during the next couple of months, Sergio and George will sit down with the nominated people and go over some questions and answers they may have about how things work in more detail. Sergio and George will still be around until June 30<sup>th</sup> in their positions and then probably afterwards, for a little bit of time, before they ultimately rotate off themselves. They ensure there will be a good transition.

A motion to approve the nominations as presented and effective July 1, 2021 was made by Joseph Leone and seconded by Richard Turner. The motion was passed unanimously.

### **Extension of Contract Between Monroe County and RochesterWorks, Inc.**

Lee Koslow explained that the Workforce Innovation Opportunity Act sets out the different responsibilities of each entity that's involved in a local workforce system. Two of the principal entities are the Chief Elected Official (or Officials) and the Workforce Development Board. Each has a different set of responsibilities. For example, the Chief Elected Officials appoint the members of the Workforce Development Board. The Workforce Development Board then appoints to the Executive Director of the Board. RochesterWorks! is one of those entities that has multiple roles. Currently, RochesterWorks! provides staff to the Board, provides some of the Adult, Dislocated Worker and Youth Services in the system and serves as the fiscal agent for Monroe County. The Chief Elected Officials together are the County Executive and the Mayor of the City of Rochester. They have what is called an inter-local agreement among them and with RochesterWorks! to serve in the capacity that RochesterWorks! serves as. WIOA allows for a single grant recipient, in other words one public entity, that actually receives the federal dollars that come in. At the very beginning of the Workforce Investment Act back in 1999, it was decided that as the larger municipal organization, the County, would be the grant recipient. The law allows for the grant recipient to appoint a fiscal agent, if they so choose, to manage the funds and handle the audits. RochesterWorks! has served as that fiscal agent since the creation of RochesterWorks! The contract with the County outlines some of those responsibilities of RochesterWorks! Within the framework of the WIOA Law, the main object of that County Contract is to name RochesterWorks! as the fiscal agent to the County for the handling of the WIOA funds. The last County Contract expired on December 31, 2019. The County has drafted a document extending the Contract between Monroe County and RochesterWorks! through the year 2021. Hopefully after that time there will be some kind of a multi-year instrument that happens afterwards. The extension contract is awaiting signature.

### **RMAPI Pledge**

Lee Koslow reported on the Rochester Monroe Anti-Poverty Initiative (RMAPI) Employer Pledge. He explained that RMAPI is a large coalition with the County to combat poverty in Monroe County and in particular, in the City of Rochester. One of the main initiatives that the employment work group of the anti-poverty initiative has undertaken is a pledge that both workforce preparation organizations (which means any government or non-profit entity or even for-profit entity that helps connect employers and workers and helps prepare workers and place them in jobs) and employers are encouraged to complete and sign. RochesterWorks! is a Workforce Preparation Organization and also an employer. Many board members, particularly the non-profit Members of the Board, would also fall into this category. RochesterWorks! is both a Workforce Preparation Organization and an employer and has completed both pledges. Lee shared with the Board, specifically the action items on each document, that RochesterWorks! has pledged to undertake. On the Workforce Preparation Organization side, with a goal of making sure that the services that we give do whatever we can to combat poverty, we're going to be training all of our staff in both cultural competence and trauma-informed care best practices. On the Employer Pledge, as an employer, what we pledge to do is to develop a set of best practice recommendations. Those recommendations then will be given out to each hiring manager, so that we can make sure that the practices that we each have in place when we hire new staff increases the equity in the organization, provides for more flexibility in the job requirements, so we're not discounting someone based on maybe a requirement that could be a little bit more flexible in terms of education or specific work experience and we'll focus on helping individuals learn the job.

**Other:**

**Members Sharing & Feedback**

Sergio Esteban again welcomed our new Board Members and commented not to feel bad if there were a lot of things they did not understand at today's meeting. Sergio would like to set up a meeting with Peter Pecor, George Scharr, Lee Koslow, Michael DeBole and the new Board Members to have a conversation and Orientation to understand the role of RochesterWorks! and what the expectations are of new members. Sergio thanked our new members for stepping up and joining this Board and added this is a very important Board that has a tremendous impact in our community. It would be great for new members to engage into the operations of this Board as quickly as possible, but we understand this takes time to get up to speed, as there is a lot to it.

**Adjournment 9:29AM**


A motion to adjourn the meeting was made by Romanda Gibson-Stevenson and seconded by Joseph Leone. The motion was passed unanimously.

**Meeting Schedule:**

March 16, 2021

June 15, 2021

Approved



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Michael DeBole

3/16/2021

Date

Submitted by: Mary McKeown

Reviewed by:

Peter Pecor (absent from meeting)

Michael DeBole 12/28/2020

Antwan Williams 2/10/21

Lee Koslow 12/28/2020

Viatta Carter 1/6/2021

John Premo 12/28/2020

Kathy Ziegler 2/11/2021