

Finance Committee
Friday, November 4, 2011
Roanoke Higher Education Center, Suite 509

Minutes

I. Call to Order

Mr. Jones called the meeting to order at 9 a.m.

Members Present:

Bill Jones
King Tower
Hiawatha Nicely
Jerry Barnett
Lawrence Musgrove
Gary Saunders

Staff Present:

Sherry Dean
Suzanne Luzier
Doloris Vest

II. Approval of Minutes

Mr. Nicely made a motion to approve the November 16, 2010 minutes. The motion was seconded by **Mr. Barnett**. The motion passed by voice vote.

III. Staff Report

A. Financial Reports: Ms. Vest and Ms. Dean reported

1. 2012 Budget Report:

a) Revenue: Changes include grants close outs and new grants beginning. Rapid Response funds will be reduced by \$97,046 and returned to the state because the funds were not spent by the September 30, 2011 deadline. Rapid Response funding was requested in spring 2011 to complete PY2010 and the first quarter PY2011 based on of last year's expenditures. First quarter enrollment was lower than anticipated.

b) Expenses: Expenses include office, WIA program and grant costs.

2. Uncommitted/Committed Funds: Grant funding planned for future spending and obligations (after the current program year). Grant start dates trigger spending patterns. CREATES has requested a Department of Labor extension timeframe on the balance of funds to support Mr. Vincent Randall for an additional six months of job placement assistance for program participants. **Ms. Vest** will approach the Oversight Committee to address supportive services in WIA programs to ensure appropriate spending and how to balance this with participants needs.

3. Awards Event: The awards event resulted in revenue of \$4,550, total expenses of \$3,281.20, resulting in a total projected income from the event to be \$1,268 provided all receivables from the event are collected. **Mr. Nicely** thanked **Ms. Luzier** for her work in coordinating this event and soliciting the sponsors.

4. Accounts Receivable Aging: Currently the board has over \$35,000 in aged receivables, including funding delays from AmeriCorps and the U.S. Department of Agriculture. USDA currently is about \$10,000 behind in reimbursements to the

board. Congressman Bob Goodlatte's office has been contacted to assist with getting reimbursement from USDA.

5. **Accounts Payable Aging:** Currently the board has \$63,000 in aged payables. This includes rent for the Roanoke Workforce Center. The board has collected \$38,000 in rent from partners, but hasn't paid the state yet. Payables also include mileage to employees for grant related travel. The mileage has not been paid due to budget revisions and reimbursements from USDA being delayed.

Mr. Nicely moved to pay employee mileage even if reimbursement has not been received from grantors. Mr. Tower seconded the motion. The motion passed on a roll call vote: Yes: Jones, Tower, Nicely, Barnett, Musgrove, Saunders, No: None

6. **Cash Flow:** Cash flow is negative due to limited operating capital, and delays in reimbursement. Board staff has concerns over accessing the line of credit with BB&T again. It has already been accessed twice. Each time the line of credit is accessed the fees come out of the operating capital, which doesn't help the cash flow.
7. **Total Budget Changes:** Additional WIA funds will be forth coming from the state due to the decreased percentage (15 to 5) of funds retained by the state. The budget also does not yet reflect Veterans Stand Down grant to be included, a temporary admin is needed in the office, which will be covered under the WIA admin funds.

IV. Old Business

- A. **Recognition Event – recap:** The event went off well, and those in attendance enjoyed the event. Staff concerns with the quality of food and service at the Sheraton is being addressed with the vendor. The event has projected income of \$1,268, provided all receivables from the event are collected.
- B. **Roanoke Center Use Agreement:** The use agreement for partners has been signed. **Ms. Luzier** reported the ADA compliance repairs should be completed before Thanksgiving. **Ms. Vest** stated repairs had not been started as of last week, but to be assured that **Mr. Flippen** (Oversight Committee Chair) is not backing off of the issue.
- C. **Corporate Financial Audit – Auditor Selection:** Two bid proposals were received for the board's corporate audit. Dixon, Hughes and Goodman submitted a bid of \$10,500; Foti, Flynn, Lowen & Company submitted a bid of \$5,500. Both proposals offered the same services. The board budget does include a budget estimate of \$14,200, with both bids falling within the budgeted amount. **Ms. Dean** recommended Foti, Flynn, Lowen & Co.

Mr. Barnett made a motion to award the audit services to Foti, Flynn, Lowen & Company. Mr. Saunders seconded the motion. The motion passed on a roll call vote. Please note that Mr. Nicely abstained from the vote.

V. New Business

- A. **Financial Viability:** Ms. Vest reviewed the board corporate financial position: over the past year working with non-WIA grants, the board staff has determined the organization cannot financially support outside grants with limited operating capital. Following a discussion leading to the consensus the board should continue pursuing grants, **Mr. Nicely** noted there may be a way for the board to be fiscal agent as well as recipient of Workforce Investment Funds. **Ms. Vest** will look into this possibility, but reminded the committee that it was the CLEO that designated Roanoke City as the recipient. **Mr. Nicely** feels the board needs to move toward becoming the training provider of choice for businesses in this area, and as this begins to happen, these businesses will be willing to invest in the board. This will be the optimum way generate capital. **Ms. Vest** stated the Mr. Vincent Randall is also looking at ways to generate income from the Business

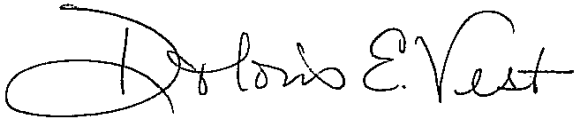
Services side at the Roanoke Workforce Center, and she is working with the Non-Profit Resource Center to explore other options as well.

VI. Announcements

- A. Mr. Barnett** is retiring from the Virginia Employment Commission. His last working day will be November 23, 2011, with his last day of employment being December 31, 2011. The committee expressed their gratitude to **Mr. Barnett** for his dedication and commitment to the board's efforts and for his assistance with establishing the Roanoke Workforce Center.
- B. Board Meeting**, Friday, December 2, 2011, 9:00am, The Franklin Center, Rocky Mount
- C. Finance Committee**, Friday, January 6, 2012, 9:00am, Roanoke Higher Education Center, Room 201D

VII. Adjourn

Mr. Jones adjourned the meeting at 10:15 a.m.



President

November 7, 2010
Date