CNY Works, Inc.

Board of Directors’ Meeting Minutes

Date: Friday, November 17, 2017

Time: 12:00 PM

Location: 960 James Street

**Present**: El-Java Abdul-Qadir, Pat Bliss, Janet Burke, Frank Caliva, Neil Falcone, Jim Fellows, Bill Fisher, Dick Knowles, Kathy Kotz, Bill Leiker, Alan Marzullo, Janice Mayne, Mike Metzgar, Jeanne Morelli, Don Napier, Duane Owens, Tim Penix, Joe Rufo, Ann Marie Taliercio, Mari Ukleya, Janette Van Wie, Diana Wolgemuth, Randy Wolken

**Absent**: Gary Cannerelli, Jim DiBlasi, David Goodness, Bob Leslie, Patrick Sheppard

**Staff Present**: Sheryl Bowman, Darrell Buckingham, Lisa Cooper, Val England, Peter Naughton, Heather Pitt, Lenore Sealy, Amy Stage

**Guests Present:** Todd Doherty, MJ Piraino

1. Welcome and Call to Order – Diana Wolgemuth, Chairperson

Diana Wolgemuth called the meeting to order at 12:29 PM, and welcomed everyone.

1. Announcements and Meeting Handouts

Several handouts were provided for Directors’ review and reference. To expedite meeting business, some documents were not reviewed individually. Documents included with meeting materials and retained with meeting record include:

* Audit Committee Notes – 11/13/17
* CNY Works, Inc., Audit Presentation, November 13, 2017, Bonadio & Company, LLP
* CNY Works, Inc., Financial Statements as of June 30, 3017 and 2016, Together with, Independent Auditor’s Report (Draft)
* Governance Committee Notes – 10/30/17
* Finance Reports (Cumulative AER through 10/31/17 and Budget v Actual Report – Total PY17 and WIOA only PY17)
* Executive/Finance Committee Notes – 11/14/17
* Executive/Finance Committee Notes – 10/27/17
* One Stop System Operator Progress Report – 10/16 to 11/14/17
1. New Business
2. Audit Committee Report-Don Napier, Audit Committee Chairperson
3. Don Napier summarized the results of the annual audit for the year ended June 30, 2017:
* The Bonadio Group, conducted the audit, under the direction of Partner, Gail Kinsella, CPA.
* As in previous years, the audit was very clean with no deficiencies.
* Audit Presentation provided metrics comparing CNY Works favorably to other non-profit organizations.
* Administrative costs, approximately 8%, were consistent with prior years’ levels.
* Audit Committee recommended that Board approve audit report.
1. Gail Kinsella reviewed the Audit Presentation, Financial Statements and Independent Auditor’s Report. She discussed the scope and results of the audit. In the Auditor’s opinion, CNY Works maintains adequate internal controls. The Auditor did not have any adjustments, findings or recommendations for improvement. Gail added:
	* Auditor’s opinion was unmodified.
	* CNY Works is classified as a “low risk auditee” because it has had several successive clean audits; this classification reduces the amount of testing required by the auditors, and is considered a positive attribute by grantors.
	* CNY Works increased its unrestricted net assets by $129k, generated by additional benchmark revenues; unrestricted net assets have been increasing over the past several years.
	* Audit Committee and Auditors have discussed having CNY Works develop investment reserve policy and investment policy.
	* A Director asked that since there are reserves does that mean all the grants funds have not been spent? Gail replied that no, the grant funds are received and spent according to grant requirements. Unrestricted monies are not sourced by the grantor agencies.
	* Federal grant revenue decreased by $353k due to WIOA and TAA funding decreases.
	* CNY Works received $113k in new grant revenues from DASNY; grant used this year to purchase new equipment and related items.
	* Agreed with CNY Works’ reclassification of service providers from “subrecipients” to “contractors/vendors” given the characteristics of the contracted programs. This reclassification was referenced in recent NYSDOL subrecipient monitoring report.

Don Napier entered a motion:

*To approve the CNY Works’ Audit Report as of June 30, 2017 as presented, and distributed to Board members.*

Neil Falcone seconded the motion. The motion was carried unanimously.

1. Governance Committee Report – Frank Caliva, Governance Chairperson
2. Frank Caliva reviewed the process leading to the revised Draft Bylaws:
* Draft Bylaws developed through numerous meetings with Governance Committee members and/or management.
* Document reviewed by Bond Schoeneck & King, City Corporation Counsel and County Attorney.
* Document distributed electronically to Directors on September 25 and November 11, 2017 and in hard copy to Directors at Board Meeting on September 29, 2017.

Al Marzullo entered a motion:

*To approve the CNY Works, Inc. Bylaws as presented, and distributed to Board members.*

Bill Leiker seconded the motion. The motion was carried unanimously

1. Frank reviewed the Committee’s work in preparing its recommended slate of officers for the Corporation:
* Committee met numerous times to develop slate of officers.
* Pursuant to WIOA, Chair of Workforce Development Board must represent business sector.
* Directors may nominate candidates from the floor.

Directors; Frank Caliva, Janice Mayne, Don Napier and Joe Rufo; were nominated by the Committee and left the meeting room. Lenore Sealy distributed the Committee’s recommendations; the Committee proposes the following Directors to serve the Corporation in the Offices stated:

* Chairperson – Francis Caliva, Jr., Senior Vice President and COO, CenterState CEO
* Vice Chairperson – Donald Napier, Senior Executive Vice President, United Health Care UMR
* Secretary - Janice Mayne, Director, JOBSplus!
* Treasurer, Joseph Rufo, Vice President for Administration, SUNY ESF

In response to a question posed by a Director, Lenore Sealy reported that Directors, who represent organized labor are not considered to represent the business sector, and therefore, may not serve as Board Chair.

As Frank Caliva was not present for discussion, Diana Wolgemuth called for nominations from the floor; there were no additional nominations.

The Directors will act on the recommended slate of officers at the next Board meeting, January 26, 2018.

1. Finance Report—Lisa Cooper, CFO
2. The Finance Report was delayed for Syracuse Mayor-Elect, Ben Walsh’s discussion with the Board. (See next item.)
3. Upon conclusion of Mayor-Elect’s remarks, Lisa Cooper provided the Finance Report. Lisa Cooper used the Finance Reports as background, and reported:
* PY16 funds have been 100% obligated; receivable from NYSDOL is $139k, of which $124k represents charges for security officers. State will no longer execute a cost sharing agreement to cover these costs, but now will require an amended License Agreement. This is the agreement required for NYSDOL to share rent and facilities costs. Management expects this to be a protracted process, as was the case in executing the original license agreement.
* Budget vs. Actual Report – Included an estimate of costs through the end of the fiscal year (6/30/18). Individual Training Account (ITA) line item displayed by funding source. Given training commitments (i.e., 2nd semesters), Adult and Dislocated Worker ITAs will be over-budget by end of year. However, management expects to offset ITA variances with savings generated from other budget line items. Each new training request through year-end will be carefully weighed to ensure maximum benefit for customers while meeting cost goals.
* Directors asked management to review training programs and compile results, such as training-related placements and retention, by individual program. The Department of Labor aggregates data across all programs in generating performance metrics; unfortunately, DOL does not develop results from individual programs and activities.

* Board continued its training discussion with emphasis on apprenticeships, career exploration and youth services. Directors suggested studying individual programs and participant cohorts to learn more about how to improve participant outcomes and program results.
* Management agreed there is a need to generate better statistical information. These issues will be among the first topics considered by the newly-developed Program Committee.
1. Discussion—Mayor-Elect Ben Walsh

Lenore Sealy welcomed the Mayor-Elect, Ben Walsh, and thanked him for taking the time address the Workforce Development Board. She told the Mayor-Elect that the Board is anxious to develop a close working relationship with him during his tenure.

Mayor-Elect Walsh explained his vision for Syracuse, and opened the discussion to questions from Directors. His goals included:

* To reduce red tape and counter-productive regulations to encourage home builders to initiate projects in the City.
* Create well-paying jobs in the City.
* To work closely and collaboratively with the Governor. (The Mayor-Elect indicated he had already spoken with the Governor via telephone; the Governor and Mayor-Elect share that they are sons of politicians. Both have positive expectations for future collaboration.)
* To increase youth employment.

When asked how CNY Works and the Board can help move the Mayor-Elect’s agenda forward, Mr. Walsh answered that he still has much to learn about CNY Works’ role in the community. He added that he would like to see an increase in the number of youth who participate in summer employment experiences.

A Director asked what three specific things the Mayor-Elect wants to accomplish during his first year in office. Mr. Walsh responded he hopes to establish the right team, establish the right culture and establish clear metrics for City department accountability.

Mr. Walsh encouraged anyone who wished to talk further about these issues and/or job and/or contractor opportunities in the City to contact him at campaignhq@benwalsh.com.

V. Next Board Meeting

* Friday, January 26, 2018 @noon

VII. Adjournment – Meeting adjourned at 1:56 P.M.

Submitted by:

Sheryl Bowman

Special Projects Manager