

**SOUTHEAST MICHIGAN GOVERNMENTAL ALLIANCE, INC.
WEBEX MEETING MINUTES OF JUNE 12, 2020 – 2:00 P.M.**

A MEETING OF THE MEMBERS of Southeast Michigan Governmental Alliance, Inc. was held on Friday, June 12, 2020. This was a virtual meeting through WebEx. **The meeting was called to order at 2:12 p.m.**

Members in Attendance: Commissioner Al Haidous (in person), Michael Bosanac and Dale Krajniak (by phone due to WebEx connection difficulty)

Absent: Khalil Rahal and Mayor Jack O'Reilly

Guests in Attendance: Charlie Mahoney – WDB Chair and Kristin Hunt, Melissa Stein and Melanie Crowther of Plante Moran

Staff in Attendance: Gregory Pitoniak (in person), Tamara Norrix (in person), Traci Sassak and Bill Hellar

Roll Call

Roll call was taken and a quorum was present.

Public Comment

No public comment was made upon request three times.

Approval of Agenda

MOTION by Krajniak to approve the Agenda of June 12, 2020, as presented, supported by Bosanac. All voting aye, motion carried.

Approval of Minutes

MOTION by Bosanac to approve the Minutes of March 25, 2020 as presented, supported by Krajniak. All voting aye, motion carried.

Approval SEMCA Annual Audit by Plante Moran

Handouts of the financial reports were provided to the board by email prior to the meeting. Kristin Hunt of Plante Moran advised they would be presenting the Annual Financial Statement Audit and Grant Compliance or Single Audit, as well as the Annual Employee Benefit Plan Audit. Melanie Crowther and Melissa Stein will present brief reviews of the audits. Due to Covid, these audits were done remotely, and Hunt thanked Sassak and her staff for their help and hard work in providing the necessary documentation to complete these audits in a timely manner.

Melanie Crowther provided some key highlights in her review of the Financial Statement and Single Audit. She advised the members to let her know if they wanted to review a particular page of the report. The Financial Statement Audit was reviewed first with the Balance Sheet. Receivables dropped in 2019 with SEMCA no longer operating the Head Start Program. Approximately \$248,000 of net assets were used for the planned building renovation. A Subsequent Event Disclosure related to Covid-19 is also part of the statement stating that SEMCA is monitoring the outbreak and there is

likely going to be some type of financial impact on next year's statements, but we are not sure what that will look like at this time. About 88% of SEMCA's expenses are considered program services. The new Revenue Recognitions Standard and Lease Standard are delayed due to Covid. There were no findings for the Financial Statement Audit. Bosanac asked for clarity on the new terminology Net Assets with Donor Restrictions on page 11. Simply stated, it is equipment (net assets) purchased with grant funds (the donor).

The Single Audit review pointed out that because of a finding two years ago, Plante Moran was required to test 40% of CEDA under the guidelines. Two major programs were significantly tested, TANF and America's Promise. Again Plante Moran thanked the fiscal staff for their hard work in providing the necessary documentation to complete the audit remotely. There were no findings for the Single Audit. No questions were asked.

Pitoniak noted that this is our second year with no findings on our audit and SEMCA will be considered a low-risk auditee next year. Pitoniak and members congratulated the staff on a job well done.

Melissa Stein provided a brief audit review on SEMCA's 403(b) Benefit Plan. This is the second year the plan required an audit. An audit is based on the number of eligible participants at the beginning of the plan year. Plante Moran did a Limited Scope Audit, which is used by about 80% of plans, and for SEMCA, means that the investment information is certified by Nationwide as being complete and accurate. There are excluded assets in the plan. There are individuals who separated from employment before 2009 but still have assets in the Plan. SEMCA is not responsible for those assets and they are the same people that were excluded last year. The Financial Statement was reviewed and the required Schedule of Assets noted. Plante Moran expects to have one finding related to reconciliation, but the level of dedication that Sassak and her staff have made in resolving the findings from last year have not gone unnoticed. There have been challenges in obtaining the information, but they have relentlessly worked on resolving those issues and should be commended for their progress. Bosanac asked about employer-employee match. The employer match is capped at 4% for each employee. Employees can contribute more than the 4%. Employees determine where to invest and can move their investment. Nationwide has a flat rate fee per participant.

MOTION by Krajniak to approve the Annual Financial Statement Audit, the Annual Single Audit and the Annual 403(b) Benefit Plan Audit as presented, supported by Bosanac. All voting aye, motion carried.

Commissioner Haidous and Pitoniak thanked Plante Moran for a job well done. Pitoniak also thank Sassak and staff for their efforts in the clean audit results for the Financial and Single Audits and reducing the findings from five to one in just one year on the Benefit Plan Audit.

Approval of Workforce Development Board Member Reappointments, Alternates and New Members

Pitoniak advised that a number of Workforce Development Board members have terms expiring June 30, 2020. The following members have requested to remain on the board for another three-year term beginning July 1, 2020 through June 30, 2023: Lee Graham and his Alternate Donald O'Connell of Local Operating Engineers 324; Gerald Hesson and his Alternate Mike Smith of AFL-CIO; Tupac

Hunter of Verizon; Naheed Huq of SEMCOG; Patrick Lambrix of TWB Company, LLC; and Charlotte Mahoney of Four-M Associates.

Debra Temrowski of Henry Ford Health System-Wyandotte Hospital will be stepping down after her term ends on June 30, 2020. Her Alternate Beth Maveal, Talent Acquisition Manager for HFHS-Wyandotte has been nominated to replace her. If approved, Ms. Maveal will serve a three-year term of July 1, 2020 through June 30, 2023.

Douglas Messana of Ford Motor Company has been serving the Workforce Development Board from the Ford Governmental Affairs office in Washington DC, awaiting his replacement. Ford Motor Company has nominated Andrew Bianco, N.A. Manager for Learning and Development at Ford as Messana's replacement. If approved, he will finish out Mr. Messana's term through June 30, 2022.

MOTION by Bosanac to accept the reappointments and new appointment nominations to the Workforce Development Board as presented, supported by Krajniak. All voting aye, motion carried.

Mahoney noted that they have a great team in the Workforce Development Board and thanked the SEGA Board for their continued support. Haidous also thanked her for her leadership of the Workforce Development Board.

Approval of WIOA Local Plan and WIOA Region 10 Plan

The lengthy WIOA Local and Region 10A Plans were provided prior to the meeting for the board's review. The Plans are prepared every four years with a Mid-Cycle Update after two years. The WIOA Local Plan has been reviewed and approved by the Workforce Development Board at their meeting in May. The Regional Plan was not ready at that time and will be approved by the WDB at their meeting in July. Both Plans will be posted for a 30-day public review/comment period. If no changes are made they will be forwarded to the state by August 31, 2020. If any substantive changes are made to either Plan, we will need to bring those changes back to the WDB and SEGA Boards for review and approval. We are asking for approval of the WIOA Local Plan as presented today and approval of the WIOA Region 10 Plan subject to the approval by the WDB at their meeting in July. Pitoniak thanked Al-Igoe, Taylor and Brady-Medley for their extensive work on the Local Plan and support for the Region 10 Plan. The Region 10 Plan is created with the help of a consultant working with WIN and MWA staff and covers Macomb/St. Clair, Monroe, Oakland and Wayne counties.

Bosanac asked with the timing of the development of the Plans, is there any specific impact that SEMCA sees that will change programs and services as a result of what the new economy has delivered to us in the last 90 days and the future of the economy due to this pandemic? This question may come up from the public during this 30-day comment period, but the Plans are written that no matter the circumstance SEMCA will provide the services and programs needed for the SEMCA region. Brady-Medley noted there was a lot of discussion in this regard while preparing the Plans and some language was added anticipating public comment in this regard. However, given how rapidly things are changing and having no real data at this time to utilize, we cannot make truly informed decisions on what the future will look like in a couple of years. These Plans will require updates in two years and that is probably where we will see changes made due to the data of this pandemic. Bosanac asked further if there is flexibility in both Plans since we don't know what is needed to meet

the needs of the employers and unemployed; how the economy will move in the next 24 months; and how we can respond regionally. Pitoniak noted that the Plan is flexible and provides to the public what services are available. Those services are more operational and SEMCA has prepared an Operational Plan for the Covid crisis. Bosanac noted that Monroe is looking at a reorganization plan in for the Monroe Michigan Works! to reshape the office to meet the needs of their community today and not from ten years ago. As long as there is flexibility then that satisfied his concerns that their plan is not out of step with the WIOA Plans.

MOTION by Bosanac to approve the WIOA Local Plan as presented, supported by Krajniak. All voting aye, motion carried.

MOTION by Bosanac to approved the WIOA Region 10 Plan as presented subject to the approval of the Workforce Development Board at their July 15, 2020 board meeting, supported by Krajniak. All voting aye, motion carried.

Receive and File FY 2019-2020 Revised Corporate Budget

Pitoniak reviewed the revised Corporate and Administration Budgets, updated from the March meeting. The Going Pro Talent Fund was estimated in March. The real amount has been updated and is up approximately \$500,000. PATH was reduced by \$240,000 by the State, which is Covid related. WIN's budget is down \$1.6 million. The total impact on the budget is a decrease of about \$1.25 million. The administration budget is essentially the same. Operationally speaking there has not been an adverse impact. Please note that the GPTF funding is from 2019 and the program has not been funded for 2020.

MOTION by Krajniak to receive and file the 2019-2020 Revised Corporate and Administration Budgets as presented, supported by Bosanac. All voting aye, motion carried.

Federal/State/SEMCA Updates

Several federal relief packages have passed of which none have resulted in increased funding for the workforce system. Some additional federal funding is possible for dislocated workers on a competitive grant basis, and Michigan will be applying for one statewide grant. The state budget is seeing a dramatically negative impact with loss of revenue and increased expenditures. This has immediately impacted the Jobs for Michigan Graduates program, though the Labor and Economic Opportunity (LEO) Department has located some funds that will help keep the program running through September 30. Funds after October 1 should last approximately five additional months. The Foster Youth program has been cut by \$45,000 from \$90,000. Going Pro Talent Fund has been eliminated this year and most likely next year as well. As previously discussed, the cut to PATH is significant as PATH customers are likely to grow with this pandemic, and we fear we will need to serve more with less funding. On a positive note, the WIOA funding for PY 20-21 has increased by about \$1.1 million for the three WIOA programs. SEMCA has received a two-year grant for \$30,000 from United Way for the Wayne County College Access Network. SEMCA also received an email from The Ballmer Group gifting SEMCA with \$125,000 in flexible Covid relief funds to help jobseekers through this crisis. SEMCA is looking at ways to provide customers with access to the internet, computer training and laptops with these funds.

Covid-19

Hellar presented several statistical program charts and graphs on the last five months, as well as details on how we are helping our customers in our programs. Doors were closed to the public for in-person services on March 25th to appointment-based and virtual only. All graphs show dramatic drops in March, April and May except for the Michigan Works One Call System that increased dramatically. The Information Center is our contractor for this service, and most of the calls were related to unemployment questions. Case notes is another chart with increases. SEMCA kept in touch with its customers and tried to help the best we could. PATH and FAE&T did see a drop when it was no longer mandatory to meet to continue receiving cash assistance. Business Services staff have been busy keeping in touch with employers. Some businesses are still hiring but placements are low because of health concerns and the \$600 UIA Covid payments, which continue until the end of July. SEMCA is working on the next phases, which include updating policies and procedures for pandemics, obtaining supplies and making modifications to our centers to make them safe for staff and customers when we reopen the AJC's.

UIA

SEMCA staff and contractor staff as well as Michigan Works staff around the state, have been trained to help with the UIA Assistance Project. Hellar first reviewed the Total UIA Calls and Contacts for SEMCA Michigan Works! Charts and stats are on file. Calls and contacts from our website or social media have gone from around 2,000 the second week of April when we began the project to averaging about 4,000 a week to date until June when UIA sent out fraud letters to over 350,000 UIA customers. In the first week of June call volume rose to over 6,000. Hellar noted that these stats do not include the UIA Assistance Project. Hellar explained the project. SEMCA enrolled 55 staff and contractor members to assist on the project. Staff was trained to assist on a very limited basis and the program was launched on April 22, 2020. We were now able to help with some login issues and filing claims instead of just telling them to contact UIA staff by phone or through chat. In the first 2-1/2 weeks SEMCA received 125 calls a day and we were able to help about 1,300 people. On May 11, a second phase of this project was launched and all 16 MWA's are now helping with the state's list, which has over 100,000 unaddressed issues. As a system so far we have helped over 5,000. It has been difficult but rewarding. Pitoniak noted that Hellar has played an important role in launching this effort statewide and other MWA's have noticed and thanked him. Hellar also thanked Tamara on the initial coordination of the project, his IT staff in their patience in dealing with technical difficulties and training staff on the five new systems, and the managers and Kate for recruiting volunteers. SEMCA had the largest contingency of volunteers and Pitoniak commended the volunteers for their hard work as well. What's next is our real job of reemployment and training when the economy gears up. Graham and Mahoney thanked everyone for their hard work.

Strategic Plan

Hellar provided a brief review of the SEMCA's Strategic Plan first quarter results. There were no questions.

Program Updates

Pitoniak asked if there were any questions from the Program Reports that the Board would like him to review. No questions were asked.

New/Old Business

No new or old business was reported.

Adjournment

**MOTION by Bosanac to adjourn the meeting, supported by Krajniak. All voting aye, motion carried.
Meeting adjourned at 3:28 p.m. The next scheduled meeting is September 11, 2020 at 2:00 p.m.**

Respectfully submitted,

Adopted August 7, 2020

Tamara Lamper-Norrix
Executive Assistant - SEMCA