

ALLIANCE FOR STRATEGIC GROWTH, INC.
BUDGET & ADMINISTRATION COMMITTEE
January 18, 2012
Meeting Minutes

Present: Stuart Armstrong and Dr. Rob Jeffs

Absent: Jerry Sprouse

Others Present: Cathy Cross, Tony Hart (Auditing) and Barbara Street

Quorum to conduct business: Yes

Required votes to conduct business: Majority

CALL TO ORDER: The meeting was called to order at 11:00 AM at the ASG Corporate Office in Muncie, IN.

DECLARATION OF CONFLICTS OF INTEREST: None were declared.

REVIEW AND APPROVAL OF MEETING MINUTES: The minutes of the November 14, 2011 meeting were reviewed and approved by motion of Dr. Rob Jeffs with a second by Stu Armstrong and motion passed unanimously.

UPDATES

Results of Executive Committee Budget Review on 11/16/11: Street reminded the Committee that at the last meeting of the Budget & Administration Committee the members were advised of the encouragement by Indiana Dept. of Workforce Development for WIBs/RWBs to plan for a carry-in of funds for first quarter of PY12 (7/1/12 – 9/30/12) in anticipation of federal funding reductions and/or rescission of funds. When the presentation from the Budget & Administration Committee was made to the Executive Committee, including a proposal to reinstitute the policy for Limited Funds for Adult, concerns were expressed with regard to the budget and expenses represented future revenue shortfalls based upon the current budget projected status quo. The Executive Committee requested staff to revise the budget/revenue projections to reflect required budget elements from which decisions and priorities can be determined regarding shortfalls. At that meeting there was a resolve for the Adult funds to remain unlimited with the understanding that the budget for fixed will remain at the level it was when the recommendation was made. Discussion also recognized that simply reducing an expense does not assure that the revenues used for that expense would be available for other purposes with the request for staff to continue to refine the revenue and expense projections for PY 12 under the current policy so that priorities can be developed. Street noted that Cathy Cross has been on Medical Leave of Absence from 11/21/11 – 01/2/12 so this project has not been able to advance much since that time.

Corporate Insurance Review – Coverage & Cost: Cathy Cross reported that she is waiting for one policy to send to Brad Wilson for his review of the reasonableness of the cost and the adequacy of the levels of coverage.

Draft Reasonable & Necessary Cost Policies: Street reported that the State Workforce Investment Council (SWIC) approval of development of Reasonable & Necessary Cost Policies for WIBs and RWBs. They have not been released yet, but will likely require update of corporate policies. The consensus was that the comments provided by Street on input on the draft policies was appropriate and to wait until the policies are formalized and advise the Board as to recommended next steps.

FINANCIAL REVIEWS

Monthly Board Governance Report: Cathy Cross distributed the Monthly Board Governance Reports for October – December 2011. Barbara Street explained the parameters of the reports to Tony Hart. Dr. Jeffs made a motion to accept the reports as published. Stu Armstrong seconded the motion and the motion passed unanimously.

Audit & Monitoring Reports: Cathy Cross noted that she has a draft Audit Report for the year ending 6/30/11 which is pending her review. Street noted that it is a clean audit based upon the draft received. The review is to verify that they have accurately represented the corporate financials in their restatement in the Audit Report.

Monitoring Request for Proposals (RFPs): Cathy noted that she has a draft Request for Proposal for the required monitoring of the information presented to the Board. Street noted that the RFP should be reviewed by the Committee for the scope of work before it is approved for release, since this is the Board's RFP. The review and acceptance of a vendor is the responsibility of the Board, as staff would have a conflict of interest if involved.

Marketing & Communications Committee RFP: Street briefed the Committee on the RFP which has been released by the Marketing & Communications Committee and the dates associated with the RFP review. Street asked the committee members the level of engagement desired by the Committee in the review and recommendations to be made. Acknowledging the need to be mindful of cost, the interest of the Committee was to be kept aware of the process and to be advised of the cost so that it could be evaluated within the overall budget limitations prior to the recommendation to the Executive Committee on 2/22/2012.

PY 11 (7/1/11 – 6/30/12) BUDGET UPDATE AS IT RELATES TO PY 12 (7/1/12 – 6/30/13)

BUDGET PROJECTION: The background on this item was provided earlier in the Results of the Executive Committee Budget Review. Cathy Cross provided an update to the Committee from where the corporation was in November to where it is today, including an analysis of the current fringe benefits cost. Street noted that to assist in the Committee/Board review she has asked that the budget to be generated in cost centers to include 1) Board Governance, 2) Youth Services, 3) WIA Workshops, 4) WorkOne System, 5) Business Services, 6) Direct Marketing Budget and 7) Management Support. Cross presented the first draft of analysis of the WorkOne System Facility Cost and Productivity Analysis. Stu Armstrong asked if the projected reductions are that significant and Street noted that it is very difficult to know what we will be faced with for PY 12, however it appears another significant reduction. As such it is important to determine the priorities of the Board in terms of performance targets and begin working toward a balanced budget projection either through resource development, efficiencies and/or cost reductions. The target date for implementation is 4/1/12.

OTHER BUSINESS: The next meeting will be held in February prior to the Executive Committee meeting. Tony Hart indicated that he may be interested in becoming a member of the Committee as he feels it is a good match with his skills.

ADJOURNMENT: With no other business the meeting was adjourned at 12:54 PM.

Respectfully submitted,

Barbara Street