



Meeting Minutes
Joint Executive Committee Meeting
Sept. 26, 2014 1:15 p.m.
26 Franklin Street, Bangor

Call in available: 207-493-5855 PIN: 0189706#

Attendance:

Members: Ben Sprague, TCWIB Chair-*on the phone*, Julie Johnston, Nicole Fletcher, Denice Conary, Scott Cuddy, Kerrie Tripp-*on the phone*, Julie Johnston-*on the phone*; Norm Fournier, CLEO Aroostook-*on the phone*; Barry McCrum, AWWIB Chair-*on the phone*; Doug Beaulieu-*on the phone*; Ryan Bushey-*on the phone*
Others: Bob Clark, NMDC-*on the phone*; Ryan Pelletier, NMDC-*on the phone*
TCWIB staff: Joanna Russell and Angela Oechsle

- I. AWWIB/TCWIB executive director began with a summary discussing the background and history of the high risk designation. NMDC inherited the high risk status and tasks related to federal monitoring when they became the fiscal agent in 2010. By association, TCWIB gets high risk designee status because NMDC is still high risk.

Point of clarification: NMDC was verbally notified in 2010 about the designation; however, formal written notification wasn't received until late 2013.

- II. Next, the response to MDOL was discussed.

AW1 – MOU
AW2 – LWIB Governance
AW3 – PII (AWWIB approved 8/13/14)
AW4 – Incident Reporting (AWWIB approved 8/13/14)
AW5 – **resolved**
AW6 – lack of timely execution of contracts
AW7 – failure to competitively procure services
AW8 – WIA Youth Sixth Barrier (AWWIB approved 8/13/14)
AW9 – Incomplete cost allocation
AW10 – unallowable cost

AW11 – Improper cost allowable indirect costs
AW12 – Inaccurate accrual reporting
AW13 – **resolved**
AW13 – **resolved**
AW14 – **resolved**

AOC1 – accepted
AOC2 – accepted
AOC3 – accepted
AOC4 – accepted

AWWIB/TCWIB executive director ended the summary by stating that there will be a meeting on October 1, 2014 with MDOL; Ginny Carroll; CLEOs representing both local areas; AWWIB chair; TCWIB Chair and NMDC at 26 Franklin St., Bangor.

III. Comments:

Mr. Clark clarified that the draft we're reviewing does not contain the final letter. The actual letter will be included with the response submission. He also pointed out that there have been no new findings since 2013 and NMDC did receive a clean report by Carla Jupiter. There also appears to be an open-ended time to comply and it should state a specific date and timeframe for corrective action.

IV. Q&A

Q: Why so long? It appears a lot of time has passed since receiving results.

A: It is not unusual to receive results in a letter months after the review actually took place.

With respect to some of the policies that needed to be in place and approved by the board, for example AW4:

Q: What type of incident is that?

A: An example might be if a participant or someone in the system commits fraud.

NMDC inherited the Area 1 findings and areas of concern in 2010 when they assumed the fiscal agent role from the County of Aroostook.

NMDC couldn't navigate away from the high risk designation. It is important to note that for years it was just a verbal statement: "you're high risk."

Q: Did TCWIB [going under the transition to have NMDC as fiscal agent] know about the high risk?

A: As far as we knew [and having nothing to respond to,] it was only AWWIB that was high risk. In December of 2013, it was pointed out that NMDC and TCWIB were high risk by association.

Q: The AW3 and AW4 responses indicate AWWIB approved the policies and so they are okay with them?

A: Yes, the AWWIB approved them on August 13, 2014

Q: Do we have to document / craft a statement that they have been approved?

A: Yes and the response will read “**approved and attached hereto.**”

Q: How much time has been spent on this issue?

A: Fiscal agent’s staff time and many hours have been allocated to it. Example of contract deficit explains a lot of hours have been spent. [+ or - \$60,000 in admin]

Q: What is that on a percentage basis over the admin budgets?

A: Time spent researching and hours/weeks developing responses equate to roughly 23% +/-

Q: Who will be at the October 1st meeting?

A: DFAS, Ginny Carroll, Commissioner Paquette, Pete Pare, Katherine Wiltuck, LWIB chairs, LWIB executive director, NMDC and others.

More discussion occurred around policies and procedures.

Q: (Inquiry directed to Bob Clark regarding indirect cost rate): Do you have an indirect cost rate?

A: Yes

Q: Do you charge the rate equitably across your programs?

A: No; a waiver was obtained to charge TCWIB a reduced rate.

Q: Do you have a cost allocation plan?

A: Yes

Q: Can you describe the issue with inaccurate accrual reporting?

A: NMDC reported estimates based on billing. MDOL rejected the billings, advising we must report actual to be reimbursed.

V. AWWIB MOTION:

A motion to approve the response and attachments was made by Chair McCrum and seconded by Mr. Beaulieu.

Vote: Motion passed, all in favor.

Meeting adjourned at 2:06pm

*Respectfully submitted,
Angela Oechsle*