

Georgia Association of Training, Employment, and Supports

Board of Directors Meeting

July 26, 2013

President Keith Kennedy called the meeting to order at 9:38 a.m. The meeting was held at Goodwill of North Georgia in the Decatur Career Center at 1295 Columbia Drive, Decatur, GA 30032

BOARD members present included:

Kim Cantrell
Cheryl Cornett
Anisio Correia
Ralph Donaldson
Keith Kennedy
Becky Ketts
Paula Phillips
Brenda Pollen
Sheila Zipf

Other GATES members and Guests present:

Marti Baldassarro
Charles Hall
Dawn Randolph
Shawn Pursley

President Keith Kennedy called for the approval of the Minutes. Kim Cantrell motioned to approve the Minutes and Becky Ketts seconded, the Minutes were approved as written.

Conflict of Interest/Whistleblower Statement:

Charles Hall noted that it is BOARD policy to have members sign and return the "Conflict of Interest" Policy. Mr. Hall specified the policy states there is no conflict of interest for CRPs who provide products or services for GEPS or purchase services from GISN for members who serve on the BOARD that oversee these two entities.

Finance Committee Report:

Charles Hall stated the projected year end for GATES FY13 is \$39,747. He mentioned GATES, GEPS, and GISN showed a positive year end. Keith Kennedy acknowledged the good revenue growth over the past few years, but noted the net is trending down. Charles Hall did speak on the net revenue going from \$44,986 to \$43,249 to \$39,747.

Mr. Hall stated GISN is predominantly contract driven in revenue. Part of the decline in revenue is due to GSU joining the State convenience contract. The A&I/DRS and client services revenues are down for the same reason as GVRA services. It was explained the GISN money is coming out of the same A&I pool.

The GEPS revenue went up significantly due to the sale of drug kits which brought in earnings of approximately \$550,000. This sale brought GEPS product revenue to roughly \$750,000 in earnings. However, there was a substantial increase in credit card fees due to the sale of drug kits.

In comparing the FY12 to the FY13 money for GATES, there was a negative \$24,000 in FY12 to a positive \$11,000 in FY13. The reason for this is GATES did not have the DOL marketing grant in FY12. GATES did not receive the marketing grant until DOL was changed over to GVRA and this allowed GATES to maintain the black in FY13.

Proposed Budget FY14:

Mr. Hall made note of the membership dues collected in FY13 to be \$94,000. He said the increase between FY12 and FY13 was due to the closure of WorkTec. This year Bobby Dodd South has taken over the WorkTec membership and dues are back up to \$94,000. In addition, with Houston County Center is coming in as a new member their dues are projected to be \$4,000. Therefore, membership dues are projected to come in around \$96,000.

The Georgia Enterprises Products and Services revenue continues to see growth since 2009. This past year in 2013 showed a 14.5% growth which is the largest growth so far. The budget for this year is at 12.6% total revenue. In addition, the State Use Council's Finance Committee has reviewed and approved the GEPS budget; however, it will be contingent on the GATES BOARD approval of this budget.

Mr. Hall expressed the GISN revenue at times can be hard to predict. In FY12 the income for A&I and DRS Client Services went up to \$700,000 whereas last year it went down. Currently, the prospective budget is at \$500,000. DRS interpreting fees with GVRA consists of a \$200,000 contract. These services are for GVRA staff to use when communicating with clients or students. The Board approved Mr. Hall executing the GISN contract with GVRA to provide these services.

With regard to the private sector, various changes have occurred in FY13 which has caused a gradual slowdown in revenue. These changes include the graduation of students at Le Cordon Bleu College of Culinary Arts, MedTech, and Savannah College of Art & Design.

The BOARD privately discussed the 3.7% cost of living/merit pay raise proposed by Charles Hall. Due to the fact that a merit and cost of living raise wouldn't actually come into play until January 1, 2014 for GATES, it was proposed to approve the budget as presented on July 26, 2013. This approval will not include a management fee or an increase in health insurance cost as those dollars are unknown at present. It was suggested these items be reviewed and discussed at the next BOARD meeting in October, and therefore, possibly adding an amendment to this budget to include approved management fees and health insurance numbers. Keith Kennedy made a motion to approve this budget. The motion was approved by the BOARD as described.

GVRA:

Based on information secured by staff, the total referrals for CRPs for the first two weeks (July 1 – 15) were 102 in the various categories and there were a few CRPs (12) that had non waiting list for referrals. It was determined 71% are in the metro Atlanta area. From a metro Atlanta perspective the plan makes some sense but the BOARD agreed it did not make sense for the rest of the state because CRPs cannot keep business running on low referrals. Additionally, it was determined they will never get close to the drawdown on the contract based on this proposal.

The BOARD discussed a strategy to move forward. It was decided to review the last Executive Summary that was submitted in the spring and build off of what has occurred successfully and what items are still open. Also, it was agreed to review additional information and concerns moving not only into the new fiscal year but the first month of the new year as well. Charles Hall proposed a face to face meeting or conference call with Jimmy Wilson, Twyla Crump and Kevin Harris at VR. Charles also suggested an additional private conversations with Jimmy Defoor and Louise Hill of the GVRA BOARD.

Georgia Enterprises:

Mr. Pursley made note of the contract for Middle Georgia State College for \$388,134. Although GEPS pitched the lowest bid for this contract, the contract was lost due to the Gwinnett Tech referral falling through.

Currently, GEPS has 36 contracts. In addition, Mr. Pursley stated the Department of Defense is looking to incorporate additional contracts into the existing one which is held by GEPS.

With regard to the Operational Plan, Mr. Pursley reviewed the FY14 plan but reported it is very early in the new fiscal year. However, he did note GEPS will be awarded a GVRA marketing grant for FY14. The Board approved Charles Hall executing the contract with GVRA to provide that those services.

Legislative:

Ms. Randolph spoke of 2 bills that were introduced at the end of the session. One bill is the Fair Taxation of 2014 which would eliminate the Income Tax and create a Sales Tax for the State of Georgia . She noted this tax could encompass many different entities with possibly a big impact on non-profit organizations. Additionally, she stated this tax could run as high as 13 – 14%. She predicts this will be a big issue for the upcoming Legislative Session.

Calendar:

Charles Hall asked for volunteers to host the upcoming GATES BOARD meetings. Kim Cantrell offered to host in the Newnan facility for the meeting on October 25, 2013. Anisio Correia stated he would like to hold a meeting after December at CVI and Keith Kennedy volunteered to have the meeting in Macon, GA on April 25, 2013. In addition, Ralph Donaldson expressed an interest in seeing the facility in Warner Robbins, GA in the future.

There being no other business and announcements to come before the BOARD, the meeting was adjourned at 1:30 P.M.

Respectfully submitted,

Paula Phillips, Secretary