



PRIVATE INDUSTRY COUNCIL  
*of San Francisco, Inc.*

*creating  
employment  
opportunities*

**MINUTES OF THE  
DECEMBER 4, 2007  
MEETING OF THE  
BOARD OF DIRECTORS  
OF THE  
PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC.**

The meeting was held at City Hall, Room 288. City Hall is located at 1 Dr. Carlton B. Goodlett Pl. in San Francisco, California 94102.

**PRESENT:**

Ann Cochrane and Tom Ryan

**ABSENT:**

**Curt Kirshner**

**PIC STAFF:**

James Gladfelter

**PUBLIC (AS EVIDENCED BY THE SIGN IN SHEET):**

Rhonda Simmons, Director of Workforce Development, San Francisco Office of Economic and Workforce Development

Mariam Morley, Deputy City Attorney, Counsel to PIC

The meeting was convened at 1:12 P.M. with a quorum present.

Agenda Item #1-Adoption of the Agenda (*Action Item*)

**Motion to adopt the agenda was made by Ann Cochrane, seconded by Tom Ryan.**

**Ayes: Ann Cochrane and Tom Ryan.**

**Nays: None**

**Abstentions: None**

**Motion passed.**

Agenda Item #2-Approval of Minutes for the Board Meeting held on October 17, 2007 (*Discussion Item*)

Due to not having the minutes present for this meeting, the Board had nothing to approve. It was noted that the board minutes for the October 17<sup>th</sup> meeting would be made available by the next Board meeting.

Agenda Item #3- Audit Exit Conference (Discussion item)

Mr. Bob Izabal [Izabal, Bernaciak and Company], a CPA firm, presented the board with an audit report (please refer to 'Attachment D') of the overall financial standing of the PIC, Inc.

Mr. Ryan asked how long the firm had been auditing the PIC. Mr. Izabal [Izabal, Bernaciak and Company] responded, 5-6 years. The Board members accepted Mr. Izabal's findings.

Agenda Item #4- Approval of a 403(b) contribution (Action Item)

Mr. Jim Gladfelter [Consultant] presented the Board with a final calculation sheet (please refer to 'Attachment A') for 403(b) contributions for PIC employees, January 1, 2007 to June 30, 2007.

Mr. Gladfelter [Consultant] informed the board members that he along with the attorney looked at the planned documents to determine which of the PIC staff was eligible and who was ineligible for the 403(b) contributions.

Ms. Cochrane suggested that the Board approve the this report, conditionally based on the board's due diligence, but would like to present this report to SEIU.

Ms. Mariam Morley [City Attorney's Office] suggested that the Board agree to pay the amount, but pay at a certain percentage, at which Mr. Gladfelter [Consultant] will check with the union, SEIU, so that if there are any disagreements or discrepancies, Mr. Gladfelter [Consultant] can bring that information back to the Board to process.

**Motion to approve the 403(b) disbursement, as presented by Mr. Jim Gladfelter's report for the particular PIC employees listed in the report was made by Tom Ryan and seconded by Ann Cochrane.**

**Ayes: Ann Cochrane and Tom Ryan.**

**Nays: None**

**Abstentions: None**

**Motion passed.**

Agenda Item #5 - Payment for the new Workforce Investment Act Costs from Reserves and Net Assets of PIC, Inc. (Action Item)

Mr. Gladfelter [Consultant] presented the Bard with a packet of updated financial information, up through November 30, 2007. Mr. Gladfelter, [Consultant] stated that there would be leftover money that needed to have a plan associated with how that leftover money would get utilized.

Mr. Gladfelter, [Consultant] reported that the cost to close the PIC was less than they originally projected, resulting in more leftover funds than anticipated. Mr. Gladfelter [Consultant] noted that based on these updated calculations, it is recommended that the Board approve payment for the new WIA program costs until 12/31/07 and that there will be no reimbursements to the City, cutting off the payment of those costs at the end of December of 2007.

**Motion to approve the usage of PIC funds to provide payment for the new WIA program costs until 12/31/07 was made by Tom Ryan and seconded by Ann Cochrane.**

**Ayes: Ann Cochrane and Tom Ryan.**

**Nays: None**

**Abstentions: None**  
**Motion passed.**

Agenda Item #6- Updated Financial Results (Discussion Item)

Please refer to Agenda Item #5.

Agenda Item #7- Department of Labor Demand Letter Related to H1B Audit (Discussion Item)

Mr. Gladfelter, [Consultant] provided the board with a packet of information (please refer to 'Attachment C'). Mr. Gladfelter [Consultant] highlighted that he was never aware of this financial matter until recently. He found that this demand letter was referencing a grant that the PIC received for 2 million dollars, to provide services for Incumbent Workers in the high-tech industries.

Mr. Ryan recommended that the Board be ready to pay the amount being requested by the Department of Labor [DOL]. Mr. Gladfelter [Consultant] stated that he would do more research, looking in PIC archives to locate any documentation that was created in response to this grant. Ms. Cochrane and Mr. Ryan, both noted they would also contact past PIC staff that were directly connected to this matter, to obtain more details about this situation. .

Agenda Item #8- Adjournment (Action Item)

**Motion to adopt the agenda was made by Tom Ryan, seconded by Ann Cochrane.**

**Ayes: Ann Cochrane and Tom Ryan.**

**Nays: None**

**Abstentions: None**

**Motion passed.**

The meeting adjourned at 2:30 P.M.

*All written materials distributed at the meeting are posted on the Office of Economic and Workforce Development's website [www.oewd.org](http://www.oewd.org), and are incorporated by reference herein.*