

**WORKFORCE DEVELOPMENT COUNCIL**  
**Board Meeting Minutes**  
**February 21, 2006**

Georgia Nelson called the meeting to order at 6:15 p.m.

New member Malachi Salcedo, owner of Salcedo Connection Inc. in Wenatchee, was introduced. After receiving an HVAC technical degree from Wenatchee Valley College, Malachi earned finance and accounting degrees from Central Washington University and worked as a CPA. In 2001 he opened his HVAC business which now operates throughout Washington with plans to expand into Idaho and Montana.

The Central Labor council has recommended Armando Lopez with Teamsters in Moses Lake to fill Rich Davies' vacancy.

**Terry Brewer moved and Duane Johnson seconded to approve the November 18, 2005 meeting minutes. Motion passed.**

**Performance Dashboard**

Two new dashboards were distributed. A needle in the red area indicates performance below 80% of target; the yellow zone 80-100% of target and green is above 100%. The blue dashboard looks at current year performance. Adult placement rates are in the green zone, except Chelan/Douglas which is slightly in the yellow zone.

The dislocated worker wage at placement goal is 100 percent of last year's actual performance. Setting a target at 100 percent of the prior year's performance is a stretch. This goal is set locally. Six months into the year, dislocated worker wage at placement is about \$11 in Chelan/Douglas; \$12 in Grant/Adams and \$9 in Okanogan.

Youth credential rate includes high school diploma, GED, and other skill certificates. Chelan/Douglas and Okanogan are above target. Grant/Adams in below target, but some data entry errors were discovered and learning center graduation rates are below target.

The purple dashboards show long term or follow up results. The data is the most recent four rolling quarters. Adult Retention, Earnings Gain, and Credential are all above target. Dislocated Worker Earnings replacement and credential are above target, but Retention is slightly below. Youth job retention and credential attainment are above target and earnings gain below target.

**Othello Lease**

The committee recommended leasing space from Adams County in Othello. The County offered the building for \$20,000 per year with improvements counting toward rent. It is adjacent to our current building. The current modular building would be sold and a request made to keep the funds for improvements. SkillSource and WorkSource would occupy about half and sub-lease the other half. It is a five year lease with options to extend.

Gary asked if anyone has inspected the building. Dave said he could arrange an inspection.

**Mike Wade moved and Cherie Rayburn seconded to approve the Othello lease. Motion passed.**

### **Moses Lake One-Stop Building**

Dave introduced attorney Phil Johnson and architects Mark Neal and Brad Brisbane. Mark Neal explained the proposed building is 21,000 square feet. The site plan has been approved by the City of Moses Lake. Building plans are being reviewed and no problems are anticipated. Construction costs are estimated at \$2.4 million of the \$3.5 million project. Currently, the building and parking do not utilize the entire lot. The land is about \$3.00 per square foot compared to \$7.00 in Wenatchee. Environmental inspections are complete and confirmed asbestos was removed. With approval, the project will go to bid.

Mark explained everything is included in the budget, but cannot be sure of the budget figures until the bidding process is complete. He is comfortable that we have considered all costs as completely as we can at this step. The budget includes fixtures, technology wiring and furniture.

Target completion is in 8 months. The current lease expires April of 2007. If we are ready to move sooner, we may be able to negotiate with the landlord.

Mike Baird requested apprenticeship be included in the bid.

For current leases, SkillSource and WorkSource each pay \$100,000 annually. The new building will be \$175,000 per year and save \$25,000 annually.

There are 91 parking stalls now with over flow parking available on the street. Additional stalls could be added, but some parking must be reserved for any future building phase.

Once an acceptable bid within budget is approved, SkillSource can exercise the land purchase option. Once the land purchase is complete, a construction contract will be executed. If payments are not made the USRDA lien is limited to the building and not other assets of the corporation. The USRDA loan is \$3 million. General and grant funds are budgeted for the balance.

The target is complete the bidding process by the end of March. A recommendation of lowest responsible bidder will be sent to USRDA. Once USRDA concurs with the bidder selection, we would exercise the land purchase option and then execute a construction contract.

**Upon motion made by Terry Brewer, and seconded by Mike Wade, the following resolution was passed:**

- 1. Dave Petersen is authorized to solicit bids on the Moses Lake One Stop building project, with apprenticeship set aside language included in the solicitation; and**
- 2. If said bids are within budget and are approved by USRDA, then Georgia Nelson, President, and Cheri Rayburn, Vice President, or either one of them, are hereby authorized and directed, on behalf of SkillSource to execute, acknowledge and deliver the following in accordance with that certain Option to Purchase Real Property dated November 9, 2005 and Supplemental Agreement to Option to Purchase Real Property dated February 24, 2006 (collectively "the Option Agreement"):**
  - a. Notice of Exercise of Option;**
  - b. Construction Contract;**
  - c. Real Estate Excise Tax Affidavit;**
  - d. Escrow, closing and/or settlement statements;**
  - e. Any and all Deeds of Trust, Promissory Notes, and any other loan documents required by NCW Community Bank and/or USRDA to obtain construction and permanent financing for the Moses Lake One Stop building project; and**
  - f. Any and all other instruments necessary to effect SkillSource's purchase of the above-described property in accordance with the Option Agreement.**

One cost not originally included in the budget is construction financing for 14 months. Realistically the project should be complete within 12 months. Once complete, USRDA will pay off the construction loan.

**Kathy Mertes moved and Terry Brewer seconded to authorize selection of NCW Community Bank for construction financing. Motion passed. Dimitri Mandelis and Mike Wade abstained from voting.**

Meeting adjourned at 7:30 p.m.

**Members Present:**

Georgia Nelson  
Tom Boyd  
Dimitri Mandelis  
Kathy Mertes  
Mike Baird  
Duane Johnson  
Gary Park  
Cherie Rayburn  
Marcia Henkle  
Terry Brewer  
Malachi Salcedo  
Peggy Gill  
Mike Wade

**Staff:**

Dave Petersen  
Lisa Romine  
Laura Hennigh  
Ken Kelnhofer  
Susan Adams  
Erin Munding  
Cindy Blaufuss

**Members Absent:**

Karl Allison  
Mike Bolander  
Bill Bonaudi  
Steve Chestnut  
Mel Hansen  
Roni Holder-Diefenbach  
Shaun Koos  
Gene Schmidt  
Roger Thieme

**Guests:**

Phil Johnson  
Mark Neal  
Brad Brisbane