

**WORKFORCE DEVELOPMENT COUNCIL**  
**Board Meeting Minutes**  
**June 21, 2011**

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**Mike Bolander** called the meeting to order at 5:30 P.M.

**Directors Report**

State Monitoring Followup – Last fall the State Monitors reviewed transactions related to building interest and depreciation. Staff assembled extensive documentation related to all the purchases going back to the mid 90's and submitted to Olympia. Staff expects the State's questions will be answered satisfactorily but that the fiscal monitor wanted further clarification about a few more details and returned a couple of weeks ago. We expect the final report within a month.

**Meeting Minutes**

*On a motion by Bill Bonaudi and a second by Jim Richardson, the February 22, 2011 meeting minutes were approved.*

**Okanogan**

**Brewster Building**

Brewster School District wants to rent the Main Street Building for a year then hopefully purchase it. They have offered \$8,000/yr rent which is about 40% of the cost (mortgage, taxes, insurance, maintenance is about \$18,000 annually). We will pay the mortgage out of the existing building fund and use the rent to pay other expenses. The Superintendent would like half the rent to reduce a purchase price. Dave will negotiate a lease agreement for \$667/month rent that applies half against a potential purchase.

**Memorandum of Understanding – Okanogan**

We have yet to hear back from the Confederated Tribes regarding the MOU. The partners have till July 1<sup>st</sup> to sign and return.

**Sean Koos moved and Duane Johnson seconded approval of the Okanogan Memorandum of Understanding. Motion carried**

**Service Delivery Budget 11-12**

Dave explained that most Omak Workforce Investment staff are at top pay. There is only one staff member who will get a step increase of 5%. The 3% salary decrease effects all Omak staff. The furloughs are a moving target with potential of additional OJT revenue from DVR.

**Terry Brewer moved and Eric Ercanbrack seconded approval of the 11-12 Okanogan Service Delivery Budget. Motion carried**

**Grant/Adams**

**Othello Building**

Currently Employment Security, Big Bend, and SkillSource provide services at the Othello facility. Adams County Commissioners have offered to renew the lease for zero rent. However, we are responsible for the building's operating costs (insurance, utilities, maintenance). Adams County Juvenile Department wants to collocate but in instead of sharing operating costs, they will remodel the storage area creating a new multipurpose room at an estimated cost of \$25,000). Dave feels that is reasonable.

**Memorandum of Understanding (MOU) – Grant/Adams**

The MOU includes Employment Security, Big Bend Community College, Grant Co Mental Health, OIC, Job Corps, DVR, and SkillSource.

**Bill Bonaudi moved and Jim Richardson seconded approval of the Grant/Adams Memorandum of Understanding.**

**Motion carried**

### **Service Delivery Budget 11-12**

Upon hearing of the deep cuts proposed due to the summer squeeze Olympia offered \$130,000 of additional Rapid Response revenue. The extra revenue was allocated to all three subareas moderating summer furloughs. North Central is outperforming other Workforce Areas implement NEG On-the-Job Training and wants to make sure that momentum continues.

**Sean Koos moved and Eric Ercanbrack seconded approval of the 11-12 Grant/Adams Service Delivery Budget. Motion carried**

### **Chelan/Douglas**

#### **Memorandum of Understanding (MOU)**

The Chelan/Douglas MOU includes ESD, DVR, WVC, OIC, DSHS, CD CAC, Service Alternatives and SkillSource.

**Tom Boyd moved and Jim Richardson seconded approval of the Chelan/Douglas Memorandum of Understanding.**

**Motion carried**

### **Service Delivery Budget 11-12**

Revenue is down 20%. Furloughs have started for some staff. There may be additional activity in the area of Aerospace. North Central is part of a statewide "Air Washington" federal aerospace application that proposes to expand and improve education and training at Big Bend and Wenatchee Valley Colleges. The Governor is also expected to announce additional funds to increase the number of students studying aerospace related occupations.

**Eric Ercanbrack moved and Terry Brewer seconded approval of the 11-12 Chelan/Douglas Service Delivery Budget.**

**Motion carried**

It was noted that there are significant differences in the cuts between the subareas. Dave explained there are three main factors that go into calculating the revenue available for each subarea.

1. **Relative level of expenditure in the current year.** An area is limited to a 10% carryout of unspent funds. Management expects a 90% resource utilization rate. There are occasional exceptions. Any unspent funds in excess of 10% are reallocated across the three subareas based upon their formula share. For example, if an area has a \$1.5M budget and spends 80%, it carries over \$150,000 and \$150,000 is redistributed among all three subareas. DOL requires a 70% expenditure rate in the year of allocation.
2. **The grant distribution formula is by county.** The federal distribution formula accounts for the relative number of unemployed and economically disadvantaged by county as a state. The Adult, Dislocated Worker and Youth grants list an amount for each county. The formula amounts change significantly some years. The Counties' Interlocal Agreement guides us to utilize the funds equitably. The federal formula, while imperfect, is the best tool for meeting this requirement.
3. **A subarea may have a specific grant or contract.** An example is the Governor 10% contract for SGL-ACF training in Moses Lake.

### **Executive Budget**

The Executive Committee discussed staff reductions. Dave mentioned the real challenge will be the year starting July 1, 2012. We historically carry forward \$150K to \$200K of executive funds. The amount we have projected to carry forward from 11-12 to 12-13 is only \$31K. On top of this, meeting grant requirements is complex and more onerous than it was 30 years ago. We must succeed applying for discretionary grants. For example, we applied for a national Youth Build grant this spring that was not approved. There will be a competitive application for federal Workforce Innovation funds this fall. Other rural areas around the State are in much the same position.

**Jim Richardson moved and Eric Ercanbrack seconded approval of 11-12 Executive Budget. Motion carried**

Meeting adjourned 6:30

**Members Present:**

Mike Bolander  
Bill Bonaudi  
Tom Boyd  
Terry Brewer  
John Butler  
Debi Clark  
Eric Ercanbrack  
Peggy Gill  
Marcia Henkle  
Duane Johnson  
Shaun Koos  
Rich McBride  
Jim Richardson  
Debi Schomer for Karl  
Allison

**Members Absent:**

Barb Dronnen  
Oscar Garza  
Roni Holder-Diefenbach  
Armando Lopez  
Dimitri Mandelis  
Heidi Myers  
Georgia Nelson  
Michelle Price  
Deb Schultz  
Roger Thieme  
Mike Wade

**Staff:**

Dave Petersen  
Laura Leavitt  
Lisa Romine  
Susan Adams