

**North Central Workforce Development Council
Draft Board Meeting Minutes
November 17, 2017**

Heidi Myers called the meeting to order at 2:45pm.

Directors Report

Dave summarized the agenda. He announced the National Workforce Forum in Washington DC March 24-27; anyone interested in attending can talk to him or Lisa. Dave recognized Lisa's work on Sector Partnership in Moses Lake (with a shout out to Steven & Terry for their help too). Almost every healthcare executive in those two counties attended. Dave recognized Laura for a successful audit.

June 20, 2017 Board Meeting Minutes

Terry Leas moved and Teresa Stokes seconded to approve the June 20, 2017 meeting minutes as mailed. Motion carried.

Committee Reports:

Okanogan – Roni Holder-Diefenbach recapped the meeting: The Committee reviewed 1st quarter performance, as well as a budget modification adding \$23,000 for seven (7) additional vocational education scholarships. Dave led a discussion around One-Stop infrastructure funding. The Committee discussed how much partners should pay, and if it should vary based on the partner's number of program size or customer universe size. Committee members felt all partners should share the cost of infrastructure equally.

Jim Wood moved and Jim Richardson seconded to approve Okanogan 17-18 Service Delivery Budget Modification. Motion carried.

Grant/Adams – Ken Johnson recapped: The Grant/Adams committee discussed the addition of a heating/cooling unit at the One-Stop building since the current unit is insufficient. The committee recommends spending up to \$60,000 for the purchase and installation of an additional 10-ton unit. Dave said the numbers indicate that a 10-ton unit is sufficient size to resolve the environmental issues. Roni asked if the unit qualified for a PUD cost-savings program. Dave replied that the unit is the most energy-efficient unit available; the staff will check on applicable rebates or incentives. Dave led a similar discussion regarding One-Stop Infrastructure funding agreement with the committee and agreed to continue the discussion at the Board planning retreat.

Steven McFadden moved and Dimitri Mandelis seconded to approve Moses Lake Capital Improvements. Motion carried.

Chelan/Douglas – Jim Richardson reported: Chelan-Douglas proposes a budget modification of \$42k additional for 12 additional DW vocational education scholarships (ITA). Dave reported on the recently submitted Career Connect WA proposal for \$825k to provide youth with STEM related career connected experiences and expand apprenticeship opportunities in the Region.

Jim Richardson moved and Jim Wood seconded to approve Chelan/Douglas 17-18 Service Delivery Budget Modification. Motion carried.

Executive – Heidi Myers reported that the executive committee met with Sean Patton from Cordell, Neher & Co and discussed the audit results and IRS-990. There were no questions or issues identified during the Audit, but since this was a new audit team, Sean was invited to report at the board meeting.

Sean Patton, Partner at Cordell, Neher & Co. was introduced.

A draft of the audit report and IRS 990 were mailed in the board meeting packets. The audit process began in late September and was conducted by five team members. The report included an unmodified opinion, on both the financial statement and on the compliance audit. Auditing activities were conducted in accordance with applicable

standards. Areas audited included major program compliance, internal control testing for payroll, cash disbursements and eligibility, revenues, accounts receivable, operating expenses, and cost allocation.

Key findings:

- Segregation of duties and backups; the report states that this issue was not corrected by June 30, 2017 due to the late issuance of the previous audit report March 21, 2017. However subsequent to that, a performance analyst was employed to provide two-person oversight, and a backup accounting firm has been retained. Therefore, this finding will be resolved as of subsequent audits.
- All earmarking and eligibility findings were found to be resolved.

Requirements: Cordell, Neher &Co will draft a letter to the board stating no new accounting policies, no difficulties, and no major corrected misstatements (one trivial misstatement was found with a \$10 discrepancy).

Material weaknesses: Other than the finding noted, the cost allocation plan was not yet approved (typical because of the annual approval timeline); also, network administrator rights are currently assigned to Laura but normally should be assigned to someone outside of financial department.

Terry Leas moved and Jim Richardson seconded to accept audit, financial statement and IRS 990. Motion carried.

Joint Powers Agreement

This point of order is a renewal of the Board's agreement with the Chief Local Elected Officials, with no major changes other than some changeover of elected officials, the change of the term "workforce development area" to "workforce development region", and the inclusion of a termination clause. This statement is primarily needed to replace the expired agreement and will be effective through the duration of the current regional plan. All current local elected officials had approved the statement and it awaits Board approval. Jim Wood asked if the Board was being asked to approve the agreement retroactive to the date of the previous agreement's expiration; Dave said it was so intended.

Jim Wood moved and Steven McFadden seconded to approve the Joint Powers Agreement. Motion carried.

Signatory Authorization

This motion amends the current signature card for the US Bank account. It replaces the former Board Treasurer with his successor, Teresa Stokes, and adds Lisa Romine, Managing Director. Lisa will act as backup when Laura and Dave are not otherwise available.

Discussion: Dimitri asked if this account has an amount limit per transaction. Dave answered no but added we're required to maintain no more than one day's average cash on hand. Laura added that the process of signing checks requires two staff to activate the electronic signature software where the accounting technician opens the desk top where the software is located then a second staff (currently Dave or Laura) has the login to access the signature and print. Electronic funds transfers require two staff to login using separate password generating fobs for staff draws and payroll.

Dimitri Mandelis moved, Jim Richardson seconded to approve the modified signatory approval for the US Bank account. Motion carried.

PY 16 State Monitoring

Dave explained the State sends out monitoring teams annually to examine administrative, programmatic, and fiscal records for compliance with Federal, State and Local policy. Our latest monitoring report from the State produced no findings. Lisa, Laura, and service delivery managers were commended.

One-Stop Operator Procurement

SkillSource released an RFP to operate the Area's two One-Stop Centers on October 13th. This followed a spring solicitation which resulted in a failed competition. John Chamberlin advised contacted two successful competitions administered by rural Oregon Areas. Two proposals were received; however, the second was submitted after the published deadline and therefore could not be reviewed as per instructions in the RFP. The on-time proposal was rated three Workforce staff and received an overall score of 81.5 out of 100. Dave recommends the Board approve negotiating a contract with MJH Consultants, for an amount not to exceed \$40,000 for one calendar year (Jan-Dec 2018).

Each local Area's Operator scope of work may vary. The requested services in North Central include but are not limited to: assessment of Center service delivery, customer flow and access to information about partners' programs & services, MOU compliance and customer feedback. Lisa, Laura, and Aaron independently rated the application and unanimously found that the single respondent demonstrated a high level of past experience that indicates likelihood of success.

Discussion:

- Dimitri asked for further identification of MJH Consulting. MJH is a sole proprietorship owned by Marcia Henkle.
- Jim Wood asked, and it was confirmed, that a second proposal was submitted late. Lisa explained the RFP wording specifically stated late proposals would not be scored. A teleconference with John Chamberlin confirmed that the RFP language consideration of the second proposal.
- Dimitri asked if Marcia has a current connection with SkillSource. Marcia was a former board member until she retired from Employment Security last year. She was employed temporarily from Aug – Oct 2017 to fulfill a special planning grant requirement.
- Alberto agreed with the decision to rule out ESD's proposal based on late submission. Since his organization is not a bidder, he may participate in the selection decision.
- The operator contract can be renewed on a year-by-year basis for three more years based on performance.
- Dimitri asked how the RFP was publicized. It was advertised via area newspaper legal notices, at www.washingtonbids.com, SkillSource website, and emailed to Board members and WDC directors across the state to share with potentially interested parties.

Jim Wood moved and Roni Holder-Diefenbach seconded to approve entering into negotiations with MJH Consulting as One-Stop Operator. Motion carried.

MOU Modification and Infrastructure Funding Agreement

Federal policy mandates partner financial contributions to support Infrastructure (facility and technology) for One-Stop Access. Consensus at the Okanogan committee meetings recommended equal sharing of such costs. Staff has held multiple partner meetings and discussions over the last 6 months to delineate associated costs and a cost sharing methodology. Dave requested a motion to approve equal sharing of infrastructure costs in the two One-Stop Centers. The IFA (Infrastructure Funding Agreement) of the MOU is to be signed by Dec 31, 2017.

Discussion:

- Dimitri asked for an explanation of what would be included in infrastructure cost sharing. Infrastructure provides the physical resources to enable the public Access meaningful information about partners' programs and services. It includes space and equipment to greet and direct the public to self-serve stations, classrooms for group presentation, interview rooms for one-on-one and direct linkages to communicate with program representatives at off-site locations. It also houses voice and data circuits and equipment for direct links and inquiries.
- Roni added that each organization is mandated to have a presence in One-Stops, whether in person or via technology. This agreement formalizes partners' commitments to meet their requirements under WIOA.

- Dave informed the Board that he has met with partners and their feedback has informed the methodology, but there are details to work out by December 31, 2017.

Jim Wood moved and Dimitri Mandelis seconded to proceed with negotiations for equal partner share for technology billing at the One-Stop Centers. Motion carried. Irasema Ortiz-Elizalde and Alberto Isiordia abstained as they both represent Partner agencies included in the IFA.

Incumbent Worker Training

Based on the planning retreat conversation, Jim Richardson introduced a motion to enable staff to frame and explore a procedure for Incumbent Worker Training and whether it should be budgeted and implemented this fiscal year or next. Board members further specified that such a procedure should identify which grant will be used to fund the training and how employers are expected to match funds.

Jim Richardson moved and Jim Wood seconded staff frame IWT procedures, to include identification of fund sources and employer match criteria. Motion carried.

The meeting adjourned at 4:04 pm.

Members Present:

Roni Holder-Diefenbach
Alberto Isiordia
Ken Johnson
Terry Leas
Heidi Myers
Jim Richardson
Teresa Stokes
Jim Wood
Dimitri Mandelis
Irasema Ortiz-Elizalde
Stephen McFadden

Members Absent:

John Butler
Oscar Garza
Wayne Johnson
Michelle Price
Lavonne Roy
Danny Robins
Duane Johnson
Peggy Vines
Debi Clark

Staff Present:

Dave Petersen
Lisa Romine
Laura Leavitt
Aaron Parrott
Emily Anderson
Mary Hinger
Yolanda Rios

Guests Present:

John Chamberlin – Attorney Consultant