



NEMO WORKFORCE INVESTMENT BOARD • 111 E. Monroe • Paris, Missouri 65275 • (660) 327-5127 • Fax (660) 327-5128

NEMO WORKFORCE INVESTMENT BOARD MEETING MINUTES

May 17, 2010

PRESENT:

NEMO WIB MEMBERS

Steve Garner
Kelly Hardcastle
Steve Hines
Gordon Ipson
John Liter
Diane Noah
Dan Putrah
Penny Schwartz
Bonnie Seehase
Diane Simbro
Annette Sweet
Fred Vahle
John I. Wilson
Clarice Young

WIB STAFF

Mark Fuqua
Casie Baumann
Brandi Glover
Sharon Hillard
Cyndi Johns
Nickie Newell
Kylie Nichols
Linda Studer

CLEOs

Lyndon Bode
John Campen
Glenn Eagan
Gary Jones
Charles Korman
Glenn Turner
Wayne Wilcox
Steven Whitaker
Alan Wyatt

GUESTS

Cathy Collop, DWD
Kim Cull, DWD
Darla Dwiggin, DWD
Steve Etcher, Boonslick RPC
Anita Franson, UMOS
Mike Gavura, DWD
Steve Kraus, DWD
Patti Meldrum, Gamm Inc.
Elaine Miller, Gamm Inc.
Steve Moore, DWD
Barbara Peavler, Gamm Inc.
Niakia Phillips, DWD
Sheree Prebe, Gamm Inc.
JoAnn Toerper, Boonslick RPC
Wally Waldrop, MO AFL-CIO

MEETING CALLED TO ORDER

Vice Chairperson Bonnie Seehase called the May 17, 2010 NEMO Workforce Investment Board (WIB) meeting to order at approximately 7:00 p.m. at the Paris Senior Citizens Center in Paris, Missouri.

ROLL CALL AND SIGNATURE SHEET

Fred Vahle, NEMO Workforce Investment Board Secretary/Treasurer, took roll call. Thirteen board members were present and a quorum was established. Another board member arrived after the roll call was taken, bringing the total present to fourteen.

APPROVAL OF CONSENT AGENDA & AMENDED JANUARY 25, 2010 MEETING MINUTES

John I. Wilson made a motion to approve the consent agenda and the amended January 25, 2010 Meeting minutes. Gordon Ipson seconded the motion and the motion was approved.

PY 08 AUDIT

Casie said a copy of the complete PY 08 Audit was sent to the WIB Executive and Finance Committee members and the CLEOs. The remaining board members were sent a copy of the *Schedule of Findings* and a copy of the *Suggestions to Management* letter.

Jo Moore, with Evers & Company CPA, reviewed the WIB's PY 08 Audit report. Jo said the *Opinion* letter stated that the financial statements were fairly presented in all material respect and that the audit was considered unqualified. She explained that the term "unqualified" was as good as it gets from an auditor's perspective.

Two comments were noted on the *Schedule of Findings and Questioned Costs* which were the same as last year. The first comment was regarding internal control over the financial reporting process. Jo explained that the auditing industry says that the financial statements should be produced by the organization that is being audited. They feel that because the auditors are only at the organization one time a year they may not be aware of disclosures that need to be included in the audit, and if someone isn't in the organization who knows all the accounting rules and regulations a disclosure could be missed so this is considered a deficiency. Jo said the Board needed to be aware of the comment; however, her professional opinion would be that as long as the WIB's granting agency understands the reason for the comment and doesn't have a problem with it, not to worry about it. The second comment had to do with segregation of duties. Jo said because the WIB's administrative staff is so small, it is hard to segregate duties to an optimal level like they would prefer. She said some suggestions were provided in the report that may enhance the segregation of duties.

Jo said the first *Suggestion to Management* for the current year dealt with cross-training employees. She said if employees were cross-trained, someone else would be familiar with the operation if something happened to an individual and business could continue. The second suggestion dealt with adjusting journal entries. It was suggested that the entries be reviewed and approved by someone other than the person who writes and posts them.

Glenn Turner asked about the increased cost of the audit. Casie said Evers & Company had built in incremental cost increases in their proposal that she failed to notice when she put the WIB's budget together. Glenn asked to be informed of the amount of increase for the PY 09 audit. Wayne Wilcox asked how many years Evers & Company had been doing the audit. Casie said they had been auditing the WIB at least four years. She said the WIB did a Request for Proposal (RFP) after the first three years. However, the only proposal received was from Evers & Company. Casie said this was the second year of their second RFP. Wayne said he felt that auditing firms should be rotated.

PY 10 / FY 11 WIA FUNDING

WIB members were given a copy of the Planning Budget Summary in their WIB packets. Mark said the allocation for the Northeast Region was 18% less than last year's allocation. He said the last three weeks had been very interesting as they were looking at how to best use those funds to serve our customers, and the Planning Budget Summary showed where we are at this point.

Casie said the two-page Planning Budget Summary was provided to the Board every year. One page was for PY10 funds which are available to us on July 1 and the other page was for FY11 funds which are available to us on October 1. Casie reviewed the summary and said 10% of the allocation is taken off the top for administration. The report then shows how much is allocated to the Adult, Youth and Dislocated Worker programs. The second page is the same for the Adult and Dislocated Worker pots of money. She said the WIB must send this information to the State and do a Local Plan Modification. A 30-day notice for the Plan Modification must be published on our website for anybody who would like to make any comments before it becomes effective on July 1. If approved, we hope to publish that notice on the WIB's website tomorrow.

Kelly asked if the WIB's budget for next year would be based on the allocations presented. Casie said yes; the Finance Committee would meet sometime in June and the budget information would be available for the June WIB meeting.

Kelly inquired about the Financial Information report that was included in the WIB packet. He asked for clarification regarding the Insurance-Errors & Omissions, Accounting Support, and Contingency Fund line items. Casie explained that the line item titled Insurance-Errors & Omissions was for the Board and the Accounting Support line item was for upgrades, support, maintenance, and training specific to the accounting software.

Casie said when the budget was done, we took the amount of funds that were kept at the WIB office and put those in a budget that we felt was sufficient to meet our needs. Then instead of padding the budget with the remaining funds, we placed what was left into the Contingency Fund. These funds were available, but not budgeted for a specific use. Since the budget was approved last June, some of those funds had been given to the subcontractors. After further discussion, it was decided that if we were to ever have contingency fund again, the Board would like to be provided reports on how/where those funds are expended.

Steve Etcher said that the reduction of funds from a customer level was very bleak. He said customers won't understand that subcontractors received stimulus dollars and other additional funding last year and providers are going to have a problem managing their expectations. In addition, providers are going to have the same number of customers no matter how much money or how many staff they have. Steve said they need money to operate and provide services to the customers. However, there is a real fear with the budgets they are looking at that there may be

very few new customers that actually get a lot of service. Steve said their training dollars would be obligated July 1.

Gordon Ipson made a motion to approve the PY10 / FY11 WIA Funding Planning Budget Summary. John I. Wilson seconded the motion and the motion was approved.

Lyndon Bode made a motion to approve the PY10 / FY11 WIA Funding Planning Budget Summary. Glenn Eagan seconded the motion and the motion was approved.

NEXT GENERATION CAREER CENTER (NGCC) UPDATE

A mileage chart and NEMO regional map was provided to the Board. Mark said the WIB received an 18% cut in its allocations for next year. He said although there was nothing we could do about the funding issue, staff had spent the last couple of weeks working with the subcontractors to see how we could best serve our customers with the dollars we have been allotted. He said this is going to be a big issue and it isn't pleasant. We have been trying to look at every scenario possible and we have found only one that came in under the allocations.

Mark said he didn't feel the region could continue to have all comprehensive career centers. In order to do so, each career center would need to have a functional leader and we just didn't have enough money. Therefore in the area Boonslick serves, we are considering having one comprehensive career center with a full-time functional leader. In the area Gamm serves, we would have one comprehensive and two non comprehensive career centers with one rotating functional leader. He said the functional leader for the Gamm area had not been decided. That decision had to be made in coordination with the WIB and DWD.

Mark said we may also be looking at the possibility of a career center(s) closure. This couldn't be done in the near future; however, if space would become available in the Macon area, we were considering combining the Kirksville and Moberly Career Centers and the Macon satellite office. He said the Macon economic development person had been asked about a couple of buildings in the area. However, we would also have to see when those centers would be released from their existing rental contracts.

Mark said the board previously approved to operate the career centers under the NGCC model and not to RFP for the staffing. However, because the career centers are organized under a three party consortium and DWD is one of the parties of that consortium, DWD will have to agree to whatever the WIB decides and be willing to sign those consortium agreements.

Casie said she had been running different budget scenarios for the last two weeks trying to stay within our budget allocation. She explained that the budget allocation was done the same as every year. The allocation was received from the state (approximately \$1.9 million) and a certain percent was set aside for administration (approximately \$236,000 for the WIB office). Then she figured out how much money was available for each county. It was decided which career center served which county and the funds available for that county was tied to that specific career center. Casie said many years ago the Board published an Issuance saying 44% percent of the funds would be set aside for participants. So out of the remaining \$1.7 million, 44% was set aside for participants and 56% was given to Boonslick and Gamm to work up their budgets for the 4 career centers. Casie said both subcontractors had presented several budgets trying to make this work.

Casie said because the issues at the Warrenton Career Center were somewhat different she hadn't requested a revised budget. However, the last budget she received was for the estimated 10% funding cut and at that time they were looking at letting some staff go.

Casie said for area that Gamm serves, we initially designated a functional leader at all four of our comprehensive full-service sites. She explained that under the NGCC model if the functional leader is a DWD person, the WIB will have to pay a portion of that person's salary. If the functional leader is a WIA/Gamm person, DWD will have to pay a portion of that person's salary. Casie said this cost sharing of staff positions was new. To try to stay within our allocation, we ran the budget for Gamm with two non comprehensive and one comprehensive centers and one functional leader. We did that with a DWD staff person as the functional leader (with salary information received from DWD) and we did that with a WIA/Gamm person (with salary information received from Gamm) and we were not able to come within our allocation. So we ran the budget numbers a third time with the scenario of moving staff out of one of our career centers and moving them to other locations (basically having no WIA staff at a site) and we were able to come within the funds that are available to us. Casie explained that if all the WIA staff was moved out of the career center, the entire cost of the center would be paid by DWD. Under this scenario the staff would be relocated to the LaBelle and Hannibal offices.

Mark said for the three career centers that Gamm serves we are currently looking at a ratio of 12-13 DWD staff and 4.2 WIA staff. In an effort to keep the 4 existing career centers open we would try to keep 1 staff person at the Kirksville Career Center, 1 at the Moberly Career Center and 1.2 at the Hannibal Career Center and have a functional leader that would travel between the career centers. In the Boonslick Region the Warrenton Career Center would be a full-service comprehensive center with JoAnn as the functional leader. Mark said an email regarding changing from comprehensive to non comprehensive career centers had been sent to Gilbert Hake at DWD and he replied that he knew of no repercussions for doing this. Gilbert also stated that he thought more than one WIB Region was considering doing some things similar to this. Casie said at the end of a meeting a short while ago we ran the numbers again and it looked like we may be able to keep one staff person in the Kirksville Career Center, take one staff away from the Moberly Career Center and that would allow us to keep the Kirksville Career Center going with subcontractor and state staff there and our participants would still be able to access services. Mark said there could still be the option of combining those career centers at some point if a suitable building could be found.

Kelly asked if the subcontractors could be given more than 56% of the funds. Casie said that would have to be the Board's decision. She said the percentage was based on a Board Issuance that states the maximum amount that will be spent for subcontractors for operational overhead/staff costs. In addition, the WIB has unofficially heard from the State that they would not be in favor of the WIB spending less than the traditional amount of funds for the participants.

Steve Etcher said currently with the funds they have received for programs, stimulus and carryover, when a person enters the career center they have a smorgasbord of options to offer them. A lot of those services they offer out of house. However, with the limited amount of funds they are going to have, they aren't going to be able to send very many people to post secondary education. Therefore, their needs will have to be met in house and the subcontractors can only provide services such as job search, resume assistance, interview skills, etc. He said their number of customers will remain the same and it is going to take the same number of staff to assist these customers with these services or else they will just send them to a computer for a

self-directed job search. Steve said under the NGCC model they would have fewer resources and less staff to address the needs of the individuals who walk through their door each day.

Annette asked if we should allocate more of the participant's share of funds toward the subcontractors for overhead cost.

Steve Kraus, from DWD, said the State is of the opinion that in this current economy when jobs are so few that even if someone has a good resume, if their skills are at the bottom or middle of the line (which is the condition of the traditional WIA participant) they will not have much of an opportunity to obtain a job. Therefore, the State feels that now is the time for career education so that these individuals will be marketable when the economy improves. He said the traditional in-house resume and interview training alone typically only works well in a normal employment market.

Mark said the Board needed to make a decision so that decision could be sent to the State to see if they wanted to participate with us. He said it appears as if the only feasible thing to do at this time is to leave the Warrenton Career Center as a comprehensive career center with a functional leader. Then in the area that Gamm serves to have one comprehensive and two non comprehensive career centers with one rotating functional leader.

Casie added that the Board chose not to do an RFP for the Adult, and Dislocated Worker programs. The way we qualified to be able not to do that RFP was because we were a member of a consortium. Because the State is part of that consortium, the State will have to agree to whatever plan we submit and sign the consortium agreements in order for us to run programs July 1. Mark asked Steve Kraus if this plan would be adequate information for the State. Steve said the State had asked for justification and they still didn't have that. Casie said that was true. She had submitted initial ones to the State but as each scenario changed the dollar amounts had changed and WIB staff needed to know what the Board wanted to do so they could submit the final numbers.

Glenn Turner asked if going from comprehensive to non comprehensive career centers would harm the region in any way for future funding. Casie said she was told no.

Bonnie said we are looking for a motion to have 2 comprehensive locations, one at the Warrenton Career Center and one in the area that Gamm, Inc. is serving. That will give us two functional leaders; one at the Warrenton Career Center and a roving functional leader to cover the career centers in the area that Gamm, Inc. is now serving.

Steve Hines made a motion to approve that motion. Annette Sweet seconded the motion and the motion was approved.

Steven Whitaker made a motion to approve the motion. Wayne Wilcox seconded the motion and the motion was approved.

RECOMMENDATION TO EXTEND CURRENT ONE-STOP OPERATOR CONSORTIUM AGREEMENTS

Kelly Hardcastle made a motion to extend the current One-stop Consortium Agreements. Gordon Ipson seconded the motion and the motion was approved.

John Campen made a motion to extend the current One-stop Consortium Agreements. Charlie Korman seconded the motion and the motion was approved.

PLAN MODIFICATION

Brandi said we were requesting a modification to the WIB's Local Plan to make an addition to our locally defined barrier for youth. She explained that changes to the Local Plan required an approval of the WIB, and a copy of the change could be found in the WIB member's packets. Brandi reviewed the change and explained that it would enable us to enroll more youth into this year's State Parks Youth Corps program (this year's summer youth program) than otherwise would be possible. She added that at this time the NEMO Region had 49 positions we were filling for the State Parks Youth Corps program and we had just been given an additional 37 for a total a total of 86 positions.

Annette Sweet made a motion to approve the Local Plan Modification. Penny Schwartz seconded the motion and the motion was approved.

Steven Whitaker made a motion to approve the Local Plan Modification. Wayne Wilcox seconded the motion and the motion was approved.

CLEO CONSORTIUM OFFICER ELECTIONS

The nominations for the Chief Local Elected Officer Consortium Officers were Chairperson Glenn Turner, 1st Vice Chairperson Gary Jones, and 2nd Vice Chairperson Charles Korman.

Lyndon Bode made a motion that the three nominees be elected by acclamation. Glenn Eagan seconded the motion and the motion was approved.

APPROVAL OF TENTATIVE WIB MEETING DATES FOR PY 10 & CONFIRMATION OF NEXT MEETING DATE & LOCATION

A list of tentative WIB meeting dates for PY 10 was given to the Board. John I. Wilson made a motion to approve the PY 10 WIB meeting dates. Gordon Ipson seconded the motion and the motion was approved.

The next NEMO Workforce Investment Board meeting is scheduled for June 28, 2010 at 7:00 p.m. The location will be announced.

ADJOURN

Steve Hines made a motion to adjourn the meeting. Steve Garner seconded the motion and the meeting adjourned at approximately 8:30 p.m.

Respectfully submitted,

Fred Vahle