

# Yavapai County Workforce Development Board Executive Committee March 4, 2021 Meeting Minutes

Attendees:	Present/Absent	Number of Absences in 2021
Anita Payne, Chairman	Present	0
Philip Tovrea, Vice-Chairman	Present	0
Kurt Greves	Present	0
Mark Timm	Present	0
Gary Hassen	Present	0
Rick Duff	Present	0

**Staff:** Teri Drew, Executive Director  
Julia Sawyer, Executive Assistant

**Guest:** Leah Cickavage, NACOG Operations Manager  
Dakota King, NACOG Senior Administrative Assistant

**I. Call to Order/Welcome/Introductions**

Chairman Anita Payne called the meeting to order at 9:04 AM and asked Julia Sawyer to call the roll; a quorum was present. Chairman Payne greeted everyone and reviewed meeting protocol.

**II. Approval of the September 10, 2020 Minutes**

Chairman Payne called for questions or comments on the September 10, 2020 meeting minutes; hearing none, she called for a **motion and second to approve the September 10, 2020 minutes as drafted – so moved by Gary Hassen, seconded by Phil Tovrea. The motion carried unanimously.**

**III. Chairman’s Report**

➤ **2021-22 Elections Committee Appointment**

Chairman Payne made the following appointments to the 2021-22 WDB Elections Committee:

- Elaine Bremner
- Rick Duff
- Ginger Johnson

Chairman Payne called for questions or comments regarding the appointments, there were none. Chairman Payne called for a **motion and second to approve the appointments to the 2021-2022 Elections Committee; so moved by Mark Timm, seconded by Phil Tovrea. The motion carried unanimously.**

**IV. Director’s Report**

Chairman Payne turned the meeting over to Executive Director Teri Drew for the Director’s Report. Ms. Drew began by introducing Mr. Dakota King as her new Senior Administrative Assistant and asked him to share his background. Mr. King briefly described his background prior to coming to NACOG. Ms. Drew noted that Executive Assistant, Julia Sawyer will continue to maintain service to the NACOG Boards, Councils and Committees, noting over 50 members between them, which consumes much of Ms. Drew’s and Ms. Sawyer’s time. Dakota will be managing Ms. Drew’s scheduling, calendar, email and other

related tasks as her dedicated support. Following his introduction, Mr. King excused himself from the meeting.

Ms. Drew continued by noting that several Board and Executive Committee members have received notice to request the renewal of their membership. Ms. Drew noted that the Board of Supervisors has requested all nine renewing membership applications be submitted to the County office by mid-April so that all can be included in the County annual review and re-appointment agenda, slated for early June. Ms. Drew explained that all members renewing must submit their applications to the WDB by the end of March in order to be placed on the April 8, 2021 WDB agenda for review, approval and recommendation to the Board of Supervisors by their requested deadline.

➤ **WDB Budget Update**

Ms. Drew presented an update to the WDB Budget that was originally approved in August, 2020. The update to the Budget is primarily to change the Career Services (any services provided without enrolling the client into the Title I-B (On-the-Job Training, Work Experience) programs, (i.e., Orientations, Case Management) line-item in the amount of \$338,873 to reflect all Title's Career Services expenses as an in-kind contribution in the amount of \$788,182. This update is necessary to satisfy the requests of Titles II, III and IV to demonstrate their contributions from their own allocations toward fair share costs. The remainder of fair share responsibility between partners will be the line items for Professional and Outside Services, Travel and Other (marketing & advertisement, WDB materials and supplies). Ms. Drew also noted that Indirect Costs has increased from 7.3% of Salaries and Fringe to 7.5%, increasing the amount from \$7,010 to \$7,203. Title I will continue to absorb all Salaries, Fringe and Indirect Costs.

Ms. Drew noted that a meeting with all Core Partners is scheduled for later this afternoon to present this information as a compromise in completing the Infrastructure Funding Agreement, which will be discussed further down on the Agenda.

Chairman Payne asked for questions and comments and called for a **motion and second to approve the amended WDB Budget as presented; so moved by Phil Tovrea, seconded by Gary Hassen. The motion carried unanimously.**

➤ **Strategic Planning Discussion**

Ms. Drew spoke of the need for the WDB to refresh their Mission and Vision and to establish some core values and key priorities. She emphasized that this is intended for the Board, not the Local Area, and suggested that the time period designated could be 3, 5 or 10 years or as the Board desires. Ms. Drew read the Mission Statement, "To Build Economic Success through Workforce Development Partnerships" and noted that this is a good Mission Statement, however the Vision Statement is quite lengthy and could be updated. She recommended a proposal from Trevor Stokes of Partnership for Workforce Innovation (PWI) to lead a strategic planning effort with the Board. Ms. Drew noted that two proposals were received, and Mr. Stokes' proposal was more comprehensive. Mr. Stokes has many years of experience in workforce development around and at the State level, spearheading the Arizona Career Readiness Credential program through the Governor's office a few years ago. He knows Yavapai County well, and recommends an output design, facilitated planning process and will produce the written plan document to the Board for approval. He proposes completion within two months at a cost of \$3,935. Ms. Drew noted that the cost could be considered as a Board budget expense or as a shared cost with Program Services. She asked for consideration and approval of the proposal today so planning can move forward, beginning in April.

Chairman Payne asked if there were any comments, questions or concerns regarding Strategic Planning. Hearing no comments, she called for a **motion and second to approve the recommendation to move**

**forward with Trevor Stokes/PWI for WDB Strategic Planning; so moved by Kurt Greves, seconded by Mark Timm. The motion carried unanimously.** Ms. Drew noted that the Board will enjoy working with Mr. Stokes, and he will begin at the April 8, 2021 Workforce Development Board meeting or sooner. She noted that future discussions will be to decide if a committee should be formed to complete the process or if the Executive Committee will play that role. She noted her desire for as much Board input as possible, and she will seek Mr. Stokes' guidance as well. Chairman Payne asked if the Executive Committee will be making recommendations to the Board or if the Board members will be directly involved in the process. Ms. Drew suggested that in order to accomplish everything in two months a subcommittee may need to be formed, but that would be up for discussion.

➤ **Monitoring Update**

Ms. Drew reported that Title I (NACOG) has undergone a WIOA program audit from the County, acting on behalf of the WDB. Additionally, NACOG is responsible to accomplish an independent audit as well as State Department of Economic Security (DES) audits. Ms. Drew noted that these audits all basically happened at the same time, however the reports are in various stages and she will report the results for the Board.

The first audit was the NACOG agency-wide independent audit, intended to demonstrate proficiency with internal controls – largely focused on financials but including some programs. Ms. Drew reported that the Workforce Innovation and Opportunity Act (WIOA) program has been reviewed in the past, however it was not included in this year's audit. Ms. Drew noted that the audit was presented to Regional Council in February in draft form with a letter from the auditor summarizing the audit. The final letter has not come out yet but will be shared with the Executive Committee when it does. Ms. Drew reported that the audit period was July 2019 through June 2020 and will not be considered closed until the final report goes to the NACOG Regional Council. She noted that the draft reported a single internal control deficiency regarding the reporting of non-federal expenditures related to employee benefits in the amount of \$296,080. The report noted no material weakness and NACOG received a low-risk rating, the best rating that can be received. NACOG will be required to write a corrective action plan for the deficiency noted. Ms. Drew noted that this is informational only, no action required, and asked for questions or comments. There were no comments.

Ms. Drew then reported on the DES audit, the fiscal agent for WIOA services in Arizona. DES provided their monitoring remotely over a long period of time, due to the pandemic, citing Yavapai County with one finding related to the monitoring of NACOG as the Title I-B provider by the County as a requirement of WIOA. While the County audited NACOG WIOA fiscal records, they were additionally supposed to audit NACOG as the Title I-B Operator. Because the One Stop Operator (OSO) is a procured process and a contract is in place, the State is citing that the County neglected to monitor the OSO separately. The County responded that they did perform both audits, but did not report them separately. The State has asked the County to provide a separate report of the OSO audit, which includes compliance to one stop reporting, cross training, customer service and OSO quarterly reporting, which is done at each Quarterly WDB meeting. NACOG has provided the information to the County so they can complete their report by the March 30, 2021 deadline. Ms. Drew also reported one observation in the State audit related to Career Services reported by the NACOG Fiscal Division in Flagstaff that were not reported last year. Ms. Drew said a report has been created by Leah Cickavage to reflect individuals who receive Career Services and will go back to June 2020 and forward. Ms. Drew noted the difference between a finding and an observation, noting that a finding is a breach of public law, and an observation is a policy breach. She asked for questions and comments, there were none.

Ms. Drew then reported on the County monitoring process, which was also done remotely. There were no findings or observation, and their report is considered closed and has been submitted to DES. With no further questions, Ms. Drew concluded this portion of her report.

➤ **One Stop Operator Oversight Discussion**

Ms. Drew began a discussion regarding One Stop Operator Oversight requirements, noting that the Board must oversee the OSO in cooperation with the Board of Supervisors. Ms. Drew noted that the procurement process for OSO is due to go out again soon, as the current agreement expires June 30, 2022. She recommended beginning the process in January 2022, noting that in the past the Executive Committee has acted in the role of the Procurement Committee. She recommended that the Executive Committee again hire a consultant, noting that in keeping with required firewalls she cannot be present in this process. Ms. Drew mentioned Gabe Loyola of Loyola Associates was hired in the past, and there are other consultants available as well. She noted this is an information item, no action is required at this time.

➤ **MOU/IFA Review/Approval**

Ms. Drew moved on to update the Executive Committee on state of the Memorandum of Understanding/Infrastructure Funding Agreement (MOU/IFA) process, noting that this is required by the State and the WIOA public law for Board recertification. She reflected on the difficulties thus far in getting partners to come to the table, noting her efforts to go to a higher level in the State, including the new Deputy Director, to accomplish this. She reported a Zoom meeting scheduled for this afternoon with the State partners to come to a place of resolve toward a final document. Ms. Drew turned to Ms. Cickavage to report the agreed upon updates made to the document thus far.

Ms. Cickavage reported that the One Stop Committee began this process in November 2019, and have made many revisions since that time. She noted that the MOU has been agreed upon by all Partners, but the IFA is the point of difficulty in completing this requirement. Thus far, the changes include the Points of Contact to reflect the current Administrators of Title III, Chevera Trillo, and Title IV, Kristen Mackey. There were also changes to Titles III and IV Career Services dollar amounts reported. The bulk of the changes involve shared costs as defined by the WDB's approved methodology, which previously included the Career Services discussed earlier in the meeting, which are now defined as "in-kind contributions." The equal division of the remaining shared Board costs that were previously outlined total \$18,550, to be divided between the four core partners at \$4,637.50 each. Ms. Cickavage reported that these updates were reviewed on January 13, 2021 by the WIOA and DES teams, and it was determined that these costs and methodology were allowed. Ms. Drew interjected the comment that the law states that the local board has the authority to determine the fair share costs and methodology for disbursing these costs among partners, noting that Yavapai County WDB set the methodology as four equal shares among the core partners. DES did not accept the WDB's methodology, nor did they agree with the Board Budget. The State inquired with the U.S. Department of Labor to see if Yavapai County was within their rights to develop the Board Budget and the fair share methodology, only to find that the Department of Labor affirmed that Yavapai County WDB was compliant and within their rights to do so – and also that Yavapai County is the only Local Area in the State who is compliant. Currently no other Local Area in the State has established a Board Budget or a fair share cost methodology. Ms. Cickavage noted that this could be part of the confusion with the Partners, since no other Local Area has this requirement. She continued to report that Title II has also identified an additional \$17,061 to be used for certain Title II services and system costs, such as Orientations at One Stop Centers and Adult Basic Education (ABE) classrooms, staff time and travel. Ms. Cickavage noted that due to the pandemic ABE has not had live classes but anticipates returning to live classes soon. Also included in the additional funding is access for Title II students to the One Stop services, co-enrollments, Measureable Skills Gains, data collection and purchasing Testing for Adult Basic Education (TABE) services. An Addendum to the

IFA will reflect these additional Title II services. The effort is to show a direct benefit to Title II clients. Ms. Cickavage asked the Board to consider an action for moving forward today, noting that without an MOU/IFA in place the Board Recertification process is stalled. Ms. Drew noted that, since the meeting with DES follows this Executive Committee meeting, it is unknown what the outcome will be with negotiations. She recommended the Board consider no other significant changes be made to the document. She suggested that an e-vote be sent out to the Executive Committee following the discussion with the State, rather than taking a vote this morning ahead of negotiations. Chairman Payne agreed and thanked Ms. Drew and Ms. Cickavage for the work they have put into it. Some discussion followed regarding a State policy regarding substantial violation as related to Title I performance. Ms. Drew suggested causes of action the WDB can consider if no agreement is met. With that, she concluded her report.

**V. Member Comments**

Chairman Payne called for Member Comments; there were none.

**VI. Public Comments**

Chairman Payne called for comments from the Public; there were none. She thanked everyone for taking the time to be here, acknowledging the busy schedules of everyone.

**VII. Adjournment**

Chairman Payne called for a **motion to adjourn; so moved by Kurt Greves, seconded by Mark Timm. The meeting adjourned at 9:45 AM.**