

Adopted
Minutes of the Monterey County Workforce Investment Board
Executive Committee Meeting
 January 28, 2008
 Seaside One-Stop Career Center

MEMBERS PRESENT	REPRESENTING
Robert Brower, Sr.	Business
David Bernahl	Business
Robert Weakley	Business
Diana Carrillo	Seasonal & Migrant Farm Workers
Joseph Werner	WIB Executive Director, Ex-Officio member
MEMBERS ABSENT	REPRESENTING
Joanne Webster	Business
OTHERS PRESENT	REPRESENTING
Harry Gamotan	OET
Chris Berthiaume	WIB staff
Cathy Lewis	WIB staff
Patricia Carter	WIB staff
Rosie Chavez	Turning Point

CALL TO ORDER

Mr. Brower called the meeting to order at 3:38 PM. He called for introductions and welcomed those in attendance. A quorum was established.

CHANGES TO THE AGENDA

Mr. Werner recommended to Bob Brower that he pull Agenda Item #3 regarding the resignation of Ms. Barbara Verba of DSES from the WIB, and Agenda Item #4 regarding the nomination of Mr. Elliot Robinson of DSES and continue the items forward for the next Executive Committee meeting. Mr. Bower indicated that he would consider continuing the item as it came forward on the agenda.

PUBLIC COMMENT

Mr. Gamotan inquired as to how many seats were available on the Executive Committee and why there were vacancies, since appears that there have been 5 members on the Executive Committee for a significant period of time. Mr. Brower recognized Mr. Werner, who responded to Mr. Gamotan that this was a public comment period, and he would be glad to discuss issue concerning Executive Committee membership at a later date.

BUSINESS MEETING

1. Action: Approve the resignation of Robert Brower, Sr., as the Chairman of the Monterey County Workforce Investment Board, remaining as Past Chair on the Executive Committee and an ongoing member of the Board.

Mr. Brower stated that he has accepted a position as an elected official on the county water board, and that the demands of his new role exceed his capacity to serve as Chair of the WIB. Mr. Brower stated that he would continue to serve with the full board and on the Executive Committee.

Motion: Ms. Carrillo moved to approve the action as stated.

Second: Mr. Weakley

Mr. Werner stated that with the resignation of the chair, the next in command would preside over the remainder of the meeting. Mr.

Brower passed the gavel to Mr. Bernahl, WIB First Vice Chair

Motion Passed Unanimously

2. Action: Approve the minutes of the December 17, 2007 Executive Committee meeting.

Motion: Mr. Brower moved to approve the minutes as submitted.

Second: Mr. Weakley

Motion Passed Unanimously

3. Action: Accept the resignation of WIB member Barbara Verba, representing CSBG Employment and Training Programs.

4. Action: Review credentials and act upon the nomination of Elliot Robinson, representing CSBG Employment and Training Programs.

Mr. Werner, as requested by the former chair, reiterated his request to have the new chair, David Bernahl, pull these two items and continue them as rescheduled items at the next Executive Committee meeting on February 19th, when Mr. Werner stated that Mr. Robinson could not be in attendance today due to an issue being addressed with County Counsel and believed that it would be in the best interest of all concerned if Mr. Robinson was present to respond to questions posed by the committee members. Mr. Brower motioned

that the item be placed on the next Executive Committee agenda, item was Mr. Werner added that a new Chair was to be elected at the full board meeting on February 13, and that moving these actions to the next Executive Committee meeting would allow for the new person responsible for memberships to be involved in the decision-making process. Mr. Bernahl indicated that he was in agreement with deferring the items, since he had many questions of Mr. Robinson and called for the Executive Committee to act on his action to continue the item. Mr. Brower indicated that he was also in agreement that both action items be deferred to the next Executive Committee meeting. Mr. Bernahl called for a motion to defer the action items.

Motion: Ms. Carrillo moved to approve deferral of action items 3 & 4 to the next scheduled Executive Committee meeting.

Second: Mr. Weakley

Public Comment – Mr. Gamotan stated that he finds interest in the fact that Mr. Werner wants to pull these items from the agenda so that the committee can evaluate Mr. Robinson's qualifications. He stated that so many other nominations have "slid through" the process prior to this nomination, and that he assumes that the approval is based on relationships outside of the board. Mr. Bernahl stated that he had lots of questions for Mr. Robinson, and that had Mr. Werner not recommended the removal of these items, he would have made the same recommendation himself. Mr. Bernahl stated that he would like Mr. Robinson present to address questions directly so that the committee can fully understand the relationship Mr. Robinson would have with the board, with Mr. Werner as his direct report, and with the new WIB Chair. Mr. Werner stated that Mr. Robinson should also be present given the history of this motion. Mr. Bernahl stated that the credibility of Mr. Robinson is not in question, but rather the concerns surrounding potential conflicts of interest or legal issues with his presence on the board, including meeting the requirements of the Brown Act and the discussion of items away from the Board. Mr. Gamotan stated that similar concerns could have been raised during the nominations of Ms. Verba or Supervisor Smith, but were not. Mr. Bernahl stated that he was not involved in the nominations of those two members, so he was not in a position to comment. Mr. Gamotan agreed, stating that he was just trying to make a point. Mr. Bernahl reiterated that he is primarily concerned with educating himself and the board in understanding how the relationship between the board and Mr. Robinson would work.

Motion Passed Unanimously

5. Action: Concur with the January 22, 2008 Planning Committee action which approves a line-item transfer of funds in the 2007-2008 WIB Budget.

Mr. Werner stated that WIB staff is asking the board to approve a transfer of funds that takes a portion of the salary savings accumulated in the first two quarters of the year and moves that money to the WIB member training and temporary staffing budget line items. Mr. Werner stated that the salary savings was a result of the delayed hiring of three Management Analysts for the WIB staff. He stated that WIB staff also anticipated the hiring of a permanent Senior Secretary, but the job offer was denied. As a result, this line item transfer will be used to fund a temporary person in that position until another recruitment takes place. Mr. Werner stated that the remainder of the proposed transfer would be used to support WIB member conference attendance and training.

Motion: Mr. Brower moved to approve the action as stated.

Second: Mr. Weakley

Public Comment – Mr. Gamotan questioned why, in a time of financial crisis for our departments, the WIB was transferring money for conferences that could be better used for services. He stated that he failed to see the benefit of attending this conference, since it is attended each year by the same board members, and very little is discussed after the conference takes place. Mr. Bernahl stated that this would be his first time at the NAWB Conference and many of the other attendees are new board members who could benefit from this educational opportunity. He stated that the work involved in workforce development issues is complex, and he is hopeful to gain a broader understanding of the system from the federal level on down to the local jurisdictions. Mr. Bernahl stated that he is looking forward to speaking with the elected officials, and engaging in the types of interactions that will benefit the programs in our county. Mr. Werner stated that conference attendance was brought to the attention of the Executive Committee and the full Board and the board unanimously approved the attendance of 12 people to this conference approximately one month ago. The board also approved a line item transfer, however this item fully identifies the cost. Additionally, 3 members due to personal reasons have cancelled their attendance, which means only 9 members will attend. Mr. Werner stated that WIB staff has asked attending members, at the request of the Executive Committee, to make contributions by absorbing some of the costs associated with attending the conference. A comprehensive list of costs anticipated was forwarded to all members who were participating in the conference. He added that several members have already agreed to pay for their own airfare, transportation costs, or meal expenses as in-kind contributions for the conference. Mr. Werner stated that with regards to conference benefits, he has set up meetings in Washington with Congressman Farr and Congressman George Miller, the Chair of the Education and Labor Committee, to discuss the importance of WIA reauthorization and funding. Mr. Werner stated that he is in the process of establishing a series of concise questions and requests for our elected officials, which will include a follow-up process, and will ensure that we continue to meet the priorities of the board and our approved legislative agenda. Mr. Werner added that unlike the Meeting of the Minds in Monterey conference, which was attended by 17 board members, the NAWB conference has much more political action in addition to the information sessions. Mr. Gamotan asked if a cost breakdown could be provided after the event to see the true dollars saved. Mr. Bernahl stated that the funds for the conference have already approved by the board, and that the WIB staff has asked members for in-kind contributions separately from that budget item. Mr. Gamotan stated that these are public funds being utilized and should be a matter of record. Mr. Werner explained that board members attending the NAWB conference have been authorized to expend funds for specific costs to be reimbursed, which include reasonable airfare, ground transportation to and from the airport and hotel, conference attendance, a per diem meal allowance, and transportation between meeting locations. Mr. Werner stated that these expenditures were all approved by previous board action, and any funds remaining will be returned to WIA Title I funds. He added that many members of the board are part of smaller businesses that are operating on limited budgets, and may be embarrassed that they cannot absorb the costs associated with attending this conference. Mr. Brower stated that he was personally opposed to arbitrarily releasing personal data, which would only serve to highlight those on the board who were in a better position to make a financial contribution, which he felt was

inappropriate. Mr. Bernahl stated that he understood that Mr. Gamotan was focused only on the expenditure of the money allocated for this conference. Mr. Gamotan stated that he was just looking for a cost analysis to ensure that there was some accountability for the funds. He added that this was a significant amount of money to just send people to the conference for show. Mr. Werner stated that the WIB has a responsibility of establishing a budget for WIB activities, staff salaries and associated costs. That budget is presented on a quarterly basis to the planning and is totally transparent. It is separate and distinct from the OET budget. OET has an independent budget, and also expends money for training of its administrators and line staff, as they deem appropriate and necessary. Both division of our workforce business require training so that effective services and administrative decisions can be effectively authored and implemented.

Motion Passed Unanimously

6. Action: Concur with the January 22, 2008 Planning Committee action to retroactively approve the submission of the Governor's Gang Reduction, Intervention and Prevention (CalGRIP) collaborative grant submitted to the State of California's Employment Development Department in the amount of \$400,000.

Mr. Werner stated that, in previous years, Monterey County has received a non-negotiated competitive grant, the High Concentration of Eligible Youth Grant, and that these funds were matched by DSES to serve foster youth in the county. He stated that the Governor has since appointed a top administrator to fully integrate youth anti-gang activities throughout the state of California, and has amassed a budget of \$24 million for specialized programs such as the CalGRIP grant. The money allocated for the high concentration grant, approximately \$2 million for the state of California, was discontinued and included in CalGRIP grant funding. Mr. Werner stated that it is now our responsibility to put together a competitive proposal which allows Monterey County to regain much needed Youth funding to serve a population that is high concentrated in the Salinas area. He stated that there are approximately 36 grants that have been submitted throughout the state, with roughly 8 to be funded, and he anticipates not all will be funded at \$400,000. Mr. Werner stated that he has been talking with EDD to promote and support our grant application and has met the Governor's appointee while in Long Beach. The grant focuses on the OET/Silverstar collaboration, as well as partnerships with MCOE, probation, the sheriff's department, Behavioral Health and the district attorney to improve the education and employability of adjudicated or at-risk youth. Mr. Werner stated that a previous application was submitted, but wasn't funded. This new grant application leveraged the previous in-kind contributions, creating a significant amount of resources that will provide us with additional points for our grant application. Mr. Werner thanked Ms. Dunn, Ms. Flynn, and the OET staff for their outstanding work on this program. In response to Mr. Brower's inquiry on the status of the grant, Mr. Werner stated that the proposals have been graded, but that the state is not required to fund them based on the grades. Mr. Werner stated that advocacy efforts should help, and that the grant could be funded in 2 weeks or 2 months. Mr. Weakley added that the Planning Committee reviewed and approved the submission of this grant application at their meeting of January 22, 2008.

Motion: Ms. Carrillo moved to approve the action as stated.

Second: Mr. Weakley

Public comment – Mr. Gamotan stated that the City of Salinas was also applying for a CalGRIP grant, and he questioned whether this would affect the Monterey County application. Mr. Werner responded that the money would be funded from two separate allocations, so the Monterey County grant would not be competing with the City of Salinas grant application.

Motion Passed Unanimously

7. Action: Approve the rescission of WIA Title I Adult funds from Adult On the Job Training contracts with Shoreline Workforce Development Services in the amount of \$4582, Arbor, Inc. in the amount of \$6097, and Turning Point in the amount of \$5481 to ensure that funds are available to refund the federal government based upon their rescission of WIA Title I funds.

Mr. Werner stated that previous meetings have touched upon a potential rescission, and the president has since signed the omnibus budget resolution into law. Mr. Werner stated that, in summary, the US DOL would rescind 1% from program year 06-07, 1.43% from 07-08, .32% for 08-09, and \$250 million from national 06-07 carry-over funds to be prorated across all workforce investment areas throughout the United States. Mr. Werner stated that immediate analysis was required by WIB staff in order to bring this item before the February 13th full board meeting. He stated that the subcontractors are required to complete all their enrollments prior to March 31, 2008, and delaying analysis would have moved any board decisions to the April full board meeting, after subcontractor funds had been committed for OJT contracts. Mr. Werner stated that WIB staff would not be recommending rescinding subcontractor funds from 06-07, since the internal analysis found that the subcontractors returned in excess of 4% in unexpended funds for that program year. He stated that WIB staff is only recommending a 1.43% rescission of subcontractor funds for 07-08, in the amounts indicated in the report.

Motion: Mr. Brower moved to approve the action as stated.

Second: Ms. Carrillo

Motion Passed Unanimously

8. Action: Approve the rescission of \$12,840 from the 2007-2008 WIB Budget, to support the rescission of funds from Program Year 2007-2008 funding streams as directed by the 2007-2008 US DOL Budget.

Mr. Werner stated that this item falls under the same terms as Action Item #7. He stated that staff analysis found that the WIB returned over \$200K back to OET programs last year, exceeding the 4% threshold. Mr. Werner stated that the 1.43% rescission will apply to the 07-08 WIB budget, and will be made up in salary savings by not replacing an analyst that is transferring out of the division.

Motion: Ms. Carrillo moved to approve the action as stated.

Second: Mr. Weakley

Motion Passed Unanimously

9. Information: Discussion regarding the restructuring of WIA Title I programs operated through the Seaside One Stop Career Center.

Mr. Werner stated that, approximately 3 weeks ago, Ms. Dunn and Mr. Robinson informed him of the issues surrounding the DSES/OET budget and the required restructuring of services in West County. He added that the agenda packet contains a spreadsheet that outlines the estimated cost savings achieved by the restructure, which includes the movement of all OET staff to the Salinas One Stop, and Children's Protective Services moving into the vacated Seaside space. Ms. Dunn has previously indicated that staff would travel daily from Salinas to Seaside and maintain service levels for youth and adult core services. Mr. Werner stated that this is basically the same report presented to the Planning Committee the week prior. He added that, at that time, there were some initial inquiries of Ms. Dunn, including how services would be provided, how the relocation of CPS to this center would affect services, and how the remaining services available would be communicated to the public. Mr. Werner stated that initially, one to two people would handle adult and youth services, with an occasional presence by the Department of Vocational Rehabilitation and the Alliance on Aging. Mr. Bernahl asked if, during the Planning Committee report, did Ms. Dunn have any comments on why OET has been claiming for the last 12 months that Seaside is effective, efficient, and financially sound, and then suddenly realized their financial shortfall and their need to move immediately without discussing this issue with the board. He added that, as Chair of the Oversight Committee, there has been a constant battle to keep the Seaside center open. Mr. Brower stated that he believes that neither One Stop is positioned to serve the public appropriately, and referenced the Salinas One Stop's location on the outskirts of the city. He stated that he objects to pulling out of West County altogether, and stated that services should be provided at a different location in Monterey. Mr. Bernahl stated that he recently had lunch with Mr. Robinson, and was asked to keep the Seaside center open. He added that he was unaware that this drastic move of reducing staff and space was even a possibility to be considered. Mr. Werner stated that in reviewing the fiscal outlook for next year, he believes that the maximum rescission of about 4-5% currently proposed was the final financial blow to the workforce investment area. He stated that, with a potential for salary increases next year, the leases of both One Stop Centers under review, and the need to find a location for the recently evicted CPS division, there was a significant sense of urgency for DSES to restructure the costs of the Seaside One Stop. Mr. Werner stated that Ms. Dunn has indicated that OET's cost allocation for the Seaside facility would change from about 50% to approximately 14%, saving about \$100,000 through the end of this year alone. Mr. Werner stated that as we move forward, the most important thing is to be proactive and comply with the WIB policies in regard to services provided to the people and businesses in our county. He stated that the question is still, "How will you continue to provide services as directed by the Board?" Mr. Bernahl stated that we are still trying to solve problems in this part of the county. He stated that the Oversight Committee tried to maintain an open dialogue regarding the overwhelming financial challenges in running the Seaside One Stop, but everyone denied that a problem existed, and now this community may suffer. Mr. Werner stated that, at the Planning Committee meeting on January 22, 2008, EDD informed the committee that they have offered the use of their Webster St. location to OET free of charge. Ms. Dunn stated in that Planning Committee meeting that such a move was inappropriate at this time. Mr. Brower stated that the Board is in charge of the money. He questioned why board members received a memo after the fact about what they have done to our system. Mr. Bernahl inquired as to the role of the board in this situation. Mr. Werner stated that the Board is responsible for the approval of funding for core, intensive and training services, One Stop certification, allocation for a WIB and staff budget, accepting requests for proposals, monitoring and for overseeing One Stop operations which include services to businesses, job seekers, and financial expenditures in accordance with approved plans. Mr. Brower stated that, given those roles, why did DSES decide on their own to make this move? Mr. Bernahl asked if there were any legal issues surrounding their decision to act outside the board? Mr. Werner stated that as the administrators of WIA Title I funds, one would assume that in the board's June approval of allocations to youth, adult, and dislocated worker services, that the money be spent in accordance with the plan. He added that, due to the rescission, the provider has the requirement to restructure the services offered, provided that they comply with the approved policies. Mr. Werner stated that, as long as the provider demonstrates and implements a strategy that effectively serves the community in the most manner possible, the WIB board should give the provider the ability to respond to unforeseen circumstances. Mr. Werner stated that as we head into next year, it is appropriate to discuss a new service strategy. Mr. Werner agreed that this decision by DSES/OET could have been handled differently, but that there was still an opportunity for dialogue regarding service delivery going forward. Mr. Bernahl asked Mr. Gamotan if, due to his experience with the Oversight Committee and OET, did he have any insight on this decision? Mr. Gamotan stated that this was not really an overnight decision, and plans for the move go back possibly twelve months or so. Mr. Gamotan stated that when the move was initially considered, Supervisor Jerry Smith objected to the closure or reduction of services at the Seaside One Stop Center. Mr. Gamotan stated that the decision to keep the center open was based on the availability of competitive grant funding, such as the current \$650,000 that has still not been received. He added that the department was planning to operate with that money, but when the funding failed to materialize, they elected to cut their losses. Mr. Werner stated that those funds have been approved and are retroactive to July 1. The inability to receive these funds should not have been a factor in the restructuring of West County services. Mr. Bernahl reiterated that this move had never been considered as an option to the Oversight Committee. He stated that this decision breaks down 12 months of work by volunteers and staff, and he felt that the lack of dialogue on the part of DSES/OET was inappropriate. Mr. Brower was concerned because this was an information item to be discussed after the fact, and not an action item for the board to approve. Mr. Bernahl stated that he was just looking for clarification on who is responsible for this decision. He added that if the board was to be responsible, are there ramifications for OET not coming to the board? Mr. Gamotan stated that Mr. Brower is just "trying to throw gas on the fire", and that Mr. Werner was made aware of the move many months ago. He asked Mr. Brower to ask Mr. Werner why he failed to inform the board then. Mr. Werner stated that he was only made aware of the move by staff, who were in the process of moving their office items over to the Salinas One Stop, so he queried Ms. Dunn and Mr. Robinson at that time. He stated that Ms. Dunn and Mr. Robinson were asked to bring the decision before the Planning Committee, and did so at the January 22, 2008 meeting. In response to Mr. Gamotan's statement that the WIB did not bring in enough money to support Seaside OET operations, Mr. Werner stated that the WIB brought in \$1.9 million in grants this year, and \$1.7 million last year, two of the most successful years in the history of the workforce investment area since the implementation of WIA in 2000, despite the reduced funding levels for workforce development. The issue is not the receipt of

discretionary funding; rather it is the diminishing resources with the three funding streams (Adult, Youth, Dislocated Worker) and the increase in staff costs and overhead, therefore, these grants couldn't make up for those increases when combined with the rescission of funds. Mr. Werner stated that Monterey County represents an allocation of approximately 1% of WIA funds in California, and that the discretionary funds far exceed that percentage. Mr. Werner reiterated that attributing the restructuring of the Seaside One Stop to the inability to obtain competitive grants is fallacious. Mr. Gamotan stated that since Mr. Bernahl is in the middle of the road on this issue, he suggested that Mr. Bernahl meet with Ms. Dunn and Mr. Robinson to discuss the matter further. Mr. Bernahl stated that he plans to arrange that meeting. He stated that he feels like he has wasted his time in Oversight since he was not part of the true dialogue. Mr. Bernahl stated that he would like feedback as to where the decision came from, and how it fits with the mission of the board and the subcommittees. He stated that he feels this decision was a complete departure from the work that we have been doing, and that the lack of dialogue was disrespectful.

10. Information: Review of the final WIA Title I performance measure outcomes for Program Year 2006-2007.

Mr. Werner stated that the US DOL has 17 performance standards that workforce investment areas are required to meet. He added that staff negotiates these standards with the state based on regional benchmarks. Mr. Werner stated that he was happy to report that for first time in three years, we exceeded all measures, and that Monterey County was one of only four jurisdictions to do so of the 49 districts throughout California. He stated that those four workforce development areas would receive the highest amount of incentive money from the state. Mr. Werner extended his congratulations to OET and for surpassing all of the performance standards, as well as to the board that oversees the infrastructure.

11. Information: Presentation of the draft WIB Annual Report for Program Year 2006-2007

Mr. Werner stated that this draft is a succinct report of the actions of the board and the system. He asked the committee to review the report and contact WIB staff for any questions, concerns, additions or deletions. Mr. Werner stated that staff would consider the requests and include in the final draft of the report, which will be forwarded to the full board at their next meeting on February 13, 2008.

ANNOUNCEMENTS

- Mr. Werner stated that, with the resignation of the WIB chair, the February 13th full board meeting would have an election to choose a new Chairperson of the board, with the potential for elections for other leadership positions as well.

ADJOURNMENT

Motion: Ms. Carrillo moved to adjourn the meeting.

Second: Mr. Brower

Motion passed unanimously

Mr. Bernahl adjourned the meeting at 4:36 PM