



Executive Committee
November 25, 2013
BGADD
Lexington, KY

Board Members Present	Staff Present
Bushnell, James	Compton, Jennifer
Kidwell, Monica	Lupson, Erica
Lindeman, Barry	McNeill, Owen
Manuel, Mark	Leacock, Lynn
Smith, Daryl	Turley, Chris
Walker, Lynette	
Akin, Robert	
Bailey, Sandy	Guest Present
Coles, James	David Duttlinger
Collins, Lori	Mayor Baker
Gray, David	

Call to Order

Chairman Smith called the meeting to order.

Community Involvement Report

- Madison County was certified as a Work Ready Community. Madison County was the first county to go from IN PROGRESS to CERTIFIED WORK READY.
- Newtown Pike BCTC’s campus is changing fast with twice as many buildings down. Fourth Street is open again and is two way.
- Mark Manuel participated in the Commerce Lexington tour through Bowling Green and noted that the Mayor stated, “You can’t overestimate the importance of your WIB. Make sure they are functioning because they are the key to making sure we move forward.”
- Health Career Camps: Planning ran into a little bit of challenge with the Advanced 2 Camp mainly because of the timing and availability of people on some of the campuses. Staff is currently getting applications and interest back from students who previously attended the camps.
- Bluegrass Healthcare Consortium 501 Status: received notification from IRS to make a few changes. Once those are done and status is obtained, the Consortium will be able to proceed with trying to get grant monies to do various projects of the consortium.
- Kentucky was one of 5 states selected to participate in what is called a Reconnectivity Grant with the US Department of Labor. There were different tracks available. The state chose to pursue a Social media track and will be working with a virtual institute for the next two months and then developing some social media strategies for the Kentucky Career Center that would be implemented state wide. There will be opportunity for the local WIBs to be a part of that.
- Garrard County is home to a new reality show LOGHEAD based on Rocky Top Log Furniture. This is good for the entrepreneurial era we are in.
- Community Ventures was awarded the SBA Micro Lender of the Year Award which is a fairly distinguished honor. They have been the recipient of this award over the last several years.

- David Gray, Local 181, reported involvement with some of the Bluegrass Pipeline Project meetings, which does have economic benefit that will last beyond the construction of the pipeline.
- Daryl and Mark spoke at the Central Kentucky Roundtable. From a public policy perspective, the workforce is getting much higher on the radar in the region.
- Kentucky and the Kentucky Workforce Investment Board were commended at the KWIB Meeting, stating that Kentucky is a nationwide Best Practice based on the Work Smart Kentucky Plan.

Consent Agenda

Chairman Smith presented the Consent Agenda which included the following items:

1. Minutes (Aug. 26, 2013)
2. Financial Report (September, October)
 - Difference from the Sept to Oct financial report included the following:
 - Oct funding added to Adult & DW
 - DW funds decreased by \$11.00 while Trade funds increased by \$11.00 as a result of a support service payment made out of the wrong account and FY13 books having to be reopened
 - Adult funds increased by \$2,084 as a result of voiding a customized training contract due to nonpayment of match on the employer’s part from FY13 books.
 - Large increase in Trade training (over \$111,000) for 93 students paid in October
 - Oct financial report also included section on funds received and definitions of categories.
3. Staff Report (September, October)

Motion: To approve items 1 through 3 listed on the consent agenda.

Made by: Mark Manuel

Second: James Bushnell

Motion passed

Old Business

Strategic Plan

Updated strategic plan activity report was submitted for the month of October. Key activity included:

- Healthcare Consortium requested to enter into a partnership with CEDIK at the University of Kentucky, to contract with Marisa Aull to provide services to the consortium one day per week. This is a similar contract that was entered into last year with CEDIK to complete the work of the Industry Partnership Grant. The contract total around \$10,000.

Motion: To pass the Healthcare Consortium proposal to work with Marisa Aull

Made by: James Bushnell

Second: Mark Manuel

Motion: Passed

- The final Mystery shopping results were provided to the Frankfort office on Nov. 7th.
- Scott County is moving forward to a Work Ready Status.
- High School graduation rate is being adjusted for the Work Ready Communities Initiative. New criteria will be calculated with the method used in reporting for the State of Kentucky (Cohort Method, beginning with Class of 2013). New goal states that a county must be at or above the State Average for the most recent reporting year and present a plan to reach the national goal of 98% by 2022.
- Marketing was discussed and the fact that there are still a lot of businesses that do not know what programs we have available to help the workforce. This is the challenge for 2014.

Ad-hoc Committees

Professional Services

In July, the Board took action to hire an attorney to advise on all contracts and agreements. After that meeting approval was sought from the Kentucky Department of Workforce Investment and subsequently from the US Department of Labor. Approval was obtained to allow the Board to hire an attorney to advise the Board on contracts and agreements.

Lynette Walker, Committee Chair report:

- The Board asked the committee to make recommendations for legal services. Notice was posted on Oct. 27th. Two RFP's were returned. The Committee's recommendation is to approve the firm of Sturgil, Turner, Barker and Maloney as the representative for the Board.

Motion: To approve the attorney firm.

Made by: Lynette Walker

Second: Monica Kidwell

Motion passed

Discussion: Mayor Baker asked for confirmation that the Kentucky Association of Counties (KACo) attorney was pursued to save money. Chairman Smith reported that he had spoken to KACo attorney and they agreed that the BGWIB was on the right track with hiring their own attorney.

Finances

Mark Manuel, Committee Chair reported:

- The Ad Hoc committee looked at transfers, money coming in and money going out.
- The report included in the board packet also indicates a list of questions that the committee presented back to the Bluegrass ADD. The Chief Financial Officer has provided answers to the questions that are currently being reviewed by the committee.

Chairman Smith stated that the BGWIB is the steward of federal funds and the whole organization is under investigation by the state auditor. He added that it is prudent on the boards part to look at any policies and procedures that the board has that need to be strengthened going forward. The Area Development District has a contract with the State of Kentucky with some very precise items that the board is to uphold which backup the federal mandates through the Office of Management Budgets.

Lease Agreements

Chairman Smith stated that he had received a request from Mayor Baker requesting to speak, along with David Duttlinger, regarding the Lexington lease agreement.

Chairman Smith yielded the floor to Mayor Baker. Mayor Baker then reported that she had a meeting with Mayor Gray that she set up rather quickly.

Mayor Baker yielded floor to David Duttlinger who made the following comments:

- We are having an issue with the compliance of the lease with the Kentucky Career Center located on Industry Road. We have been without a lease since 2004.
- Since 2005, the Bluegrass WIB invested \$300,000 in an elevator and office furniture in lieu of rent at that location.
- This is a bad reflection on the Bluegrass ADD. When something goes wrong with the Bluegrass WIB it is a reflection on the Bluegrass ADD and vice versa.
- Jennifer and David attended a meeting with Rick Caldwell of Lexington-Fayette Urban County Government (LFUCG) where we looked at a square footage map and came to an agreement as to what was occupied by the WIB.
- David stated that the last page of handout shows rent quotes. Lexington is \$10.52 a sq. ft. This rate is only to cover their cost that is associated with the space. The class A rate in Lexington is typically \$20-\$30 a sq. ft.
- Decision was brought before the ADD board in August and it was agreed that David would sign a lease based on the approval of the Bluegrass WIB.
- While waiting for the approval from the Bluegrass WIB, Jennifer was checking to see if the mandated partners would be staying at that location.
- During the next few months, Lexington did receive notice that the mandated partners would be staying at that location.
- We would be the final piece of the puzzle to make it a One Stop Center.
- Jennifer's research showed that a high performing WIB only has to have one of its career centers as a One Stop and it is I believed that the one in Danville would qualify. There are actually three within our area.
- The issue at hand is that the lease was not signed and returned on time. We have received a notice of eviction that was served on November 13, 2013, giving us 90 days to be out of the property.
- There would be negative repercussions on the WIB if we get evicted from the property.
- Mayor Baker contacted Daryl about having an emergency meeting. It was not able to get done.
- David talked to Kevin Atkins, Chief Development Officer and Beth Mills, Commissioner of Department of Social Services at LFUCG, and we were told we could make a decision next week and let them know which way we want to go. That day is today.

The Board then began discussion on the courses of action to be taken:

- First is to do nothing and let the eviction notice stand which would mean picking up the furniture and relocating all the workers.
- Second is to sign the lease and we still have a 90 day clause if we decide the lease doesn't suit.
- A negative consequence for course of action one is that the Herald Leader will pick up on this and there would be an article about Bluegrass ADD being evicted from the Career Center.
- A negative consequence for course of action two is that if the lease is signed and then later staff leaves it might look as if we do not want to partner with them. This consequence can be mitigated by telling them upfront of the uncertainty of staying there.

A recap of events was presented:

- David, Jennifer, and Daryl met with Commissioner Mills on October 21st at the Lexington Career Center and stated that they would pursue the lease with the Board. At that time, a deadline of November 25th was asked for.
- Later that week an email was received asking that the board provide LFUCG an answer on October 28th, which was the date of the last full board meeting.
- A response was sent to that email stating that we were interested in continuing working this through the WIB's process but that we would not be able to get the Board the information that they needed and do what we needed to do in two short days.
- She then came back and said November 15th.
- Daryl called an Ad Hoc Finance Committee meeting to discuss the lease. The meeting was scheduled for November 13th, and the minutes for that meeting will be reviewed later. The eviction notice was received on the afternoon of November 13th.

Robert Akin asked what the urgency is if we have not had one for all of these years. Mayor Baker suggested that it is just a process for LFUCG to clean up their files by December 15th when they adjourn for the holidays.

A breakdown of leases per location was discussed and the pros and cons of the current location of the Lexington Center on Industry Road, the con being parking and the pro being the location of the center to bus routes.

Discussion was held on moving WIA offices to the second floor of the Industry Road location. Lori Collins suggested that if they moved upstairs with the Office of Employment & Training (OET) the Board would only be responsible for shared operating expenses.

Motion: Our intent is to have the lease reviewed by an attorney and then execute the recommended changes.

Made by: Mark Manuel

Second: Monica Kidwell

Motion: Passed

Discussion about wording of motion occurred. It was also noted that the retroactive date of the proposed lease agreement would not be allowable under WIA regulations.

Motion: To strike previous motion.

Made by: Mark Manuel

Second: Monica Kidwell

Motion passed

Motion: "Our intent is to have the lease reviewed by our attorney and then move forward based on that review as quickly as possible."

Made by: Mark Manuel

Second: Lynette Walker

Motion passed

Local Plan

- The local plan is under a 30 day review, and there have been no comments on it to this date.
- Jennifer, David and Mayor Baker went over the local plan, and Mayor Baker has already signed it.
- Jennifer noted a change to date in Performance Negotiation that was scheduled for November 6. It did take place with the state, and measures are included.
- The other change was Maria Brown who was the state EO Officer has been replaced by Kelly Tharpe.

Motion: To Approve the Local Plan

Made by: Lynette Walker

Second by: Mark Manuel

Motion Passed

New Business

One Stop Committee

- No update.

Youth Council

James Bushnell, Youth Council Chair, provided the following report:

- During a Youth Counsel conference call last week, Mattie Morton, Youth Coordinator for LFUCG program, was asking if FY13 funds can be used in FY14. As staff got into a discussion with LFUCG financial staff, it was stated that some of the invoices submitted were not actually monies that had been spent.
- A letter was sent to Ms. Morton, stating that there would be an audit of invoices that had been submitted.
- Jennifer stated that we would be asking for backup documentation. The audit will be a complete review back to July 1, 2012.
- Daryl reminded the Board that there are federal regulations regarding funds.
- Lori added that it is good that staff discovered the issue as opposed to her team of monitors being in there and discovering it.

Adjournment

With no further business, the meeting was adjourned by Chairman Smith.

Motion: To adjourn meeting.

Made by: Monica Kidwell

Second: Lynette Walker

Motion passed