



**Special Called Bluegrass Workforce Innovation Board Meeting**  
**April 19, 2016**  
**Bluegrass Area Development District**  
**Lexington, KY**

Board Members Present	Staff Present
Adams, Woods	Colliver, Clinton
Boggs, David	Gibson, Ashley
Dougherty, Jon	Jones, Shawn
Farmer, Lisa	Lupson, Erica
Gray, David	May, Staci
Henson, Ryan	Turley, Chris
Julian, Dr. Augusta	Guests Present
Lassiter, Jody	Back, Adam
Menke, Kim	Duttlinger, David
Oney, Regina	Vaught, Jacqueline
Sisson, Bill	

**I. Call to Order**

**a. Establish Quorum**

Chair Menke established that there was a quorum present.

**b. Introduction of Board Members and Guests**

Chair Menke allowed all members and guests present to introduce themselves.

**c. Minutes from February 11<sup>th</sup> (Executive Committee) and February 17<sup>th</sup> (Full Board) Meetings**

Chair Menke and the rest of the full board reviewed the minutes from these previous meetings.

*Motion: To approve February 11<sup>th</sup> executive committee minutes and February 17<sup>th</sup> full board minutes.*

*Motion by: Bill Sisson      Second by: Dr. Augusta Julian      Motion passed*

## **II. Board Organization**

### **a. Required Board Activity/Schedule**

Chair Menke mentioned that they are still working towards a final master board activity/schedule and is hopeful that will be completed soon.

### **b. BGWIB Board/Terms/Vacancies**

Chair Menke stated that during the previous meetings, there were two board vacancies. However, one of the vacancies has been filled with Steve Sigg, President and CEO of Software Information Systems here in Lexington, KY; he will serve a one year term. There is still a second vacancy that is in the process of being filled.

### **c. Proposed Meeting Schedules/Logistics**

Chair Menke asked the full board to review the proposed meeting schedules for both the executive committee and the full board. He then proposed cancelling the May meeting and using that time for committee structuring instead.

### **d. Committee Structure/Membership & Leadership**

Chair Menke briefed the full board of the previous discussion concerning the committee structures. He listed each committee and the standing chair of that committee. Mr. David Boggs, board treasurer, questioned if the committee meetings are required to follow the open meetings law, since a quorum would not be present for each meeting. Mr. Adam Back, board attorney, stated that he had not reviewed that issue, but he believed that the open meetings law does not apply to committee meetings. Chair Menke discussed the committee structuring handout and encouraged the standing chairs to start recruiting for each committee.

### **e. Partnership Agreement Meeting**

Chair Menke informed the full board of the partnership agreement meeting that was held between Mayor Gray, Judge Harold McKinney, Jon Gay, Adam Back, Chris Turley, and himself. He stated that the meeting and conversation of the agreement was very successful. Chair Menke then asked for Mr. Back to review and discuss the partnership agreement.

### **f. Draft Partnership Agreement**

Mr. Back stated that a red line draft against the prior version was given to the full board, in order to review and to suggest any changes before approval. The current draft has been presented to the LEO's attorney (Jon Gay) and the BGWIB executive committee;

it has not yet been approved by the local elected officials. Mr. Back stated that most of the red-line draft is just general cleanup. Mr. Bill Sisson, board member, inquired about the data collection of needs assessments in each community. Mr. Back responded that it would be the responsibility of the administrative agent to perform those duties. Mr. Back then continued by stating that any expenses associated with audits will be under the 10 % administrative cap. Additionally, Mr. Back added his own language to the draft partnership agreement in regard to dispute resolution/mediation. He announced that if a dispute between the LEOs and the BGWIB cannot be resolved, the assistance of the Cabinet of Education and Workforce Development will be requested.

Mr. Back stated that the liability section of the partnership agreement has been significantly changed. He mentioned that obtaining insurance for the protection of the BGWIB members has been contemplated and is advisable; this would fall under the 10% administrative cap. Once this is partnership agreement is finalized, it will go to the Cabinet. Chair Menke then suggested a motion to designate the executive committee to take action concerning the partnership agreement.

*Motion: To designate the BGWIB executive committee to take action concerning the partnership agreement.*

*Motion by: Bill Sisson      Second by: David Gray      Motion passed*

#### **g. Draft By-Laws**

Following the Partnership Agreement discussion, Mr. Back reviewed the draft by- laws. He expressed that most of edits were just general cleanup. He briefed the full board on several items of the by-laws such as staggered terms, committees, and code of ethics/conflict of interest. Mr. Back informed all members that an attendance policy section had been added to the by-laws. This requires special attention because it is new to by-laws. A director may be recommended for removal if he/she is absent from three (3) meetings, without an approved excuse by the executive committee, during a program year period (July 1-June 30).

Following this discussion, Mr. Back stated that he also made changes to section two, under Officers. Language was added to the by-laws in regards to the carry-over of officers to continue board activity. The Vice-Chair will become the Chair after the Chairperson's completed term. With this new language, Mr. Back

thought it to be necessary that the Vice-Chair be a part of the private sector due to the by-laws stating that the Chair must be from the private sector. Continuing with the by-laws description, Mr. Back reviewed the layout of the executive committee. It would consist of the current officers, plus the committee chairs and has the authority for certain business actions between full board meetings. Mr. Ryan Henson, board member, questioned the language of the by-laws and his concerns of the word “director”. Mr. Back responded by the word director simply meant any board member. Since some confusion of this term was brought to Mr. Back’s attention, he suggested revising the by-laws to more common language.

In regard to the executive committee’s authority of approving any business, Mr. Back stated that this committee has the power to approve any contract up to \$10,000, with the signature of two officers. And any contract over \$10,000 must be signed by the board chair and the treasurer, after approval of the full board. Mr. Bill Sisson, board member, asked Mr. Back if the by-laws needed to be approved by anyone after completion. Mr. Back responded that the LEOs would have to approve them, if stated in the inter-local agreement.

*Motion: To approve by-laws as changed and to have Adam Back review by-laws before submission to the Local Elected Officials.*

*Motion by: Bill Sisson      Second by: Woods Adams      Motion passed*

#### **h. Additional Training**

Chair Menke informed the full board that he has reached out to the National Association of Workforce Boards inquiring of a membership for the BGWIB, for more board training.

### **III. Finance**

#### **a. Budget Reporting/Monitoring**

Clinton Colliver, WIOA Financial Officer, reported budget from October-February, listing the Adult, Dislocated Worker, and Youth funds that the board approved at the last meeting. Mr. Colliver stated that through October 2015, the budget has been expended by 33% and that this would be a good time for the board to review budget performance. Mr. Sisson then questioned the carry-over. Mr. Colliver stated that grants are received on a two year basis, and what funds aren’t expended in the first year, carries over to the second year. Mr. Sisson again questioned the administrative cap

and Mr. Colliver explained that in the budget, under admin allocation, it displays the total amount of funds (\$786,000) to be expended on administrative costs. Mrs. Jacqueline Vaught, Assistant CFO, informed Mr. Sisson and the rest of the board that a schedule has been provided that breaks down each fund, which ties into the Year to Date cumulative report. Mrs. Vaught stressed to the board that the WIOA financial department is held to the 10% administrative cap and any errors will be caught before submission to the state. After this discussion of the October report, Mr. Turley suggested to have November-February reviewed by the finance committee due to the abundance of questions/concerns and the lack of time scheduled for this meeting.

**b. Legal Bills**

Mr. David Boggs, board Treasurer, referred to the previous executive committee meeting and the approval of a motion, concerning the payment to Heartland Communications for the assistance provided to the board training. The invoice to Heartland Communications totaled \$10,000. Mr. Boggs then lead into the payment of the outstanding legal bills. He met with Mr. David Duttlinger, Mr. Jon Gay, Mr. Adam Back, Mr. Chris Turley, and the financial staff at the Bluegrass ADD to discuss payment of these legal bills.

Following this discussion, Mr. Boggs made the motion to pay all the legal fees relating to the partnership agreement, the by-laws, and standard business legal items. He mentioned that in regard to these legal bills, the State and the Department of Labor will be contacted for allowable/disallowable clarification. Mr. Colliver responded to a question, concerning the 10% administrative cap, by stating that he already figured in the legal bills, so it would still fall underneath that administrative budget, but not affect the 10%. To reiterate Mr. Boggs' previous motion, Mr. Back stated that "there is a particular regulation that is in effect, that would apply here, that it would be a prohibition against the expenditure of federal grant dollars for activities taken adverse to the federal government, or its delegates, or state entities and others." To clarify his statement, Mr. Back explained to the board that these federal workforce dollars cannot be used for administrative costs including legal fees, to the extent that this regulation applies.

*Motion: To approve payment of Stoll Keenon Ogden January-March legal invoices and the Walther, Gay, and Mack legal invoices for the Local Elected Officials through January and February.*

*Motion by: David Boggs      Second by: Bill Sisson      Motion passed*

Once this motion was passed, Mr. Turley asked Chair Menke if a motion needed to be made in order to request the additional \$30,000 from the state, assist with the payment of these recently approved legal invoices. Chair Menke then requested Mr. Boggs to make this motion.

Motion: To have Chris Turley, Workforce Services Director, to request an additional \$30,000 for transitional fees.

Motion by: David Boggs      Second by: Woods Adams      Motion passed

**c. FY17 Budget**

Mr. Turley stated that conversation regarding the FY17 budget was solely informational and suggested the finance committee begin work on that budget very soon. Before moving on to the next agenda item, Mr. Sisson inquired about the allocation for FY17. Mr. Colliver answered his question by stating that a minor allocation will occur on July 1, 2016, the main allocation will occur on October 1, 2016, and the youth allocation will be received on April 1, 2017.

**IV. Current Operation Report**

**a. SETA Update**

Mr. Turley gave a brief update of the Southeastern Employment and Training Association (SETA) conference and the staff that attended. A detailed write-up by each attending staff person was placed in the packet for the executive committee to review.

Following Mr. Turley's update, Mr. Menke requested to go back to the Finance agenda item for further discussion. Mr. Boggs stated that a motion needed to be made concerning Mr. Colliver's budget status report. A motion was made to accept these reports in regards to programs, subject to review by the Finance Committee, in order for the Bluegrass ADD to seek reimbursement for the requested amount.

Motion: To accept Mr. Colliver's status report in regards to programs, subject to review by the Finance Committee, in order for the Bluegrass ADD to seek reimbursement for the requested amount.

Motion by: David Boggs      Second by: Bill Sisson      Motion passed

## **b. Contracts**

Mr. Turley reviewed the list of the youth contracts and last year's timeline of the RFP/bidding process. Legal notice of RFP's was sent out early July 2015 and proposals were to be submitted by July 23, 2015. After the youth council's assessment of each proposal, a recommendation was sent to the full board. The full board approved a total of eight programs. Outcomes will be provided to the youth committee for review and then given to the full board, as Mr. Sisson had inquired. Mr. Menke stated that Mr. Turley has become very strategic in his thinking as Mr. Menke is constantly questioning the return on investment. Continuing his update on the youth contracts, Mr. Turley suggested to the board that the youth committee convene to organize meetings, review performance of current contractors, the in-school and out-of-school ratios, and to determine grant agreements going forward. Each program is set for a one year contract, with the option to renew for a second year.

## **c. Policies**

Erica Lupson, Associate Workforce Director, gave a brief presentation on the Priority of Service Policy. With the new WIOA law, Mrs. Lupson stated that a Priority of Service Policy was required. The purpose of this policy is to increase the focus on serving individuals who have barriers to employment and applies to both individualized career services and training services. Recipients of public assistance, low income individuals, and basic skill deficient individuals are covered by this policy. Veterans are also protected by this policy. However, this policy may be inconvenient for business and may affect the time-frame in which the WIOA staff can work with businesses.

Mr. Sisson questioned the allocation of funds between the programs and Mrs. Lupson answered that these priority of service recipients are only for the Adult program. Mr. Sisson reiterated that participants need to be held accountable if the board is going to continue to provide the necessary training/funds. Mrs. Lupson expressed that the WIOA department has no control over participants, however, case management is provided on the front end, to screen each participant to determine if an individual would be a fit candidate for training. Mr. Turley also mentioned that if the Department of Labor common measures are not met, then the funding for the WIOA department will decrease.

Mrs. Lupson then requested that the full board review the Priority of Service and to make any suggestions/changes. Dr. Augusta Julian asked about individuals who did not meet these requirements and if they could still be assisted within the career center. Mrs. Lupson responded that as long as there are no priority of service individuals waiting for service at that moment in time, this individual could be assisted. After further discussion of Dr. Augusta Julian's concerns, she made the motion to approve the Priority of Service policy.

Motion: To accept Priority of Service policy as written.

Motion by: Dr. Augusta Julian      Second by: Bill Sisson      Motion passed

**d. One-Stop Certification**

Mrs. Lupson was asked to review the one-stop certification recommendations for Georgetown, Danville, and Winchester. She gave a brief recap of the one-stop certification guidelines and requirements. The application for each one-stop center has three (3) major parts: job seeker services, business services, and center operations; and a core team lead was designated to complete these three (3) major sections.

Mrs. Lupson informed the board that Georgetown and Danville are comprehensive centers, while Winchester is an affiliate center with only two (2) of the three (3) partners located in that center. The partners of each center include Office of Vocational Rehabilitation, Office of Employment and Training, and WIOA staff.

Following Mrs. Lupson's presentation, Mr. Sisson asked who certifies these career centers. Mrs. Lupson responded to his question by stating that it is ultimately up to the BGWIB to approve/disapprove the certification of each career center.

Before this motion was approved, a board member stepped out for a moment. Therefore, the motion could not be passed until he was back in the room. While waiting, Mrs. Lupson informed the full board that Lexington Career Center will be ready to certify in the near future, therefore she requested a recommendation to have Ryan Henson replace Jonathan White on the Local Review Team.

After discussion of the review team, Chair Menke was ready to proceed with the two motions.

Motion: *To certify Georgetown, Winchester, and Danville career centers.*

Motion by: *Bill Sisson*    Second by: *Jody Lassiter*    Motion passed

Motion: *To replace Jonathan White with Ryan Henson on the Local Review Team.*

Motion by: *Bill Sisson*    Second by: *Dr. Augusta Julian*    Motion passed

**V. New Business**

**a. Letter to Secretary Heiner**

Chair Menke briefed the full board of the letter from Secretary Heiner in regard to the final determination of the Bluegrass ADD findings.

**b. Marketing for Regional Career Fair**

Staci May, Marketing and Communications Specialist, gave a short presentation of the upcoming career fair (May 19, 2016) and marketing information/cost for this. She suggested focusing mainly on television airtime, as this had the highest return on investment. Mrs. May reached out to Lex18, Fox56, and WKYT asking for three proposals at \$500, \$750, and \$1,000. Based on the review of each proposal, Mrs. May stated that Lex18 provided the best deal in the \$1,000 range, Fox56 for \$750, and WKYT with the best package in the \$500 range. After reviewing each proposal, she recommended to the board the purchasing of all three networks totaling \$2,250.

Mr. Turley questioned the number of employers attending this career fair, and Mrs. May stated that as of this meeting, 46 employers have signed up to attend; and an estimated 1100 positions available.

Motion: *To approve all three marketing networks totalling \$2,250 for the Regional Career Fair.*

Motion by: *Jon Dougherty*    Second by: *Woods Adams*    Motion passed

After this motion, Mr. Colliver stated that the budget needed to be amended in the outreach line item, as only \$300 was available. With a quorum no longer being present, this recommendation will

have to be moved to the executive committee meeting on May 12, 2016.

With no quorum being present, there was no motion made to adjourn the meeting. Mr. Menke thanked everyone for attending.