



Special Called Bluegrass Workforce Innovation Board Executive Committee Meeting
May 12, 2016
Bluegrass Area Development District
Lexington, KY

Board Members Present	Staff Present
Boggs, David	Colliver, Clinton
Menke, Kim	Gibson, Ashley
Phillips, John	Glasscock, Amy
Sisson, Bill	Jones, Shawn
Puckett, David	May, Staci
	Turley, Chris
	Guests Present
	Atkins, Kevin
	Back, Adam
	Gritton, Orbrey
	Hightower, Andy
	Landry, Janet

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 April 14th (Executive Committee) and April 19th (Full Board) Meetings

Chair Menke and the rest of the executive committee reviewed the minutes from these previous meetings.

Motion: To approve April 14th executive committee minutes and April 19th full board minutes.

Motion by: Bill Sisson

Second by: David Puckett

Motion passed

II. Board Organization

a. Required Board Activity/Schedule

Chair Menke mentioned that it was determined that the Local Plan must be submitted by July 1, 2016. Mr. Adam Back, attorney for the board, then began discussion of the Whistleblower and Conflict of Interest Policies. He stated that he will email a red-line draft to the full board for review.

b. BGWIB Board/Terms/Vacancies

Chris Turley, Director of Workforce Services, stated that he has sent communication to the state in regard to the current board vacancy but has yet to receive a response.

c. Proposed Meeting Schedules/Logistics

Chair Menke reminded all executive committee members that the next full board meeting on May 18th will be held at the Bluegrass ADD, rather than Danville due to Mr. Lassiter's (board member) conflict of schedule. Mr. Turley reminded Chair Menke that the conference room at the Bluegrass ADD would be in use by another party from 3:00 pm-5:00 pm and proposed to move the meeting to 1:00 pm. Due to scheduling conflicts, Mr. Bill Sisson, board member, offered to host the full board meeting at Baptist Health Hospital in Lexington, KY.

d. Committee Structure/Membership & Leadership

This agenda item was not discussed.

e. Partnership Agreement

Chair Menke informed the executive committee that Mr. Back has been working diligently to set up a meeting with the co-CLEO's to finish the final draft of the partnership agreement. A scheduled meeting has been set for May 24, 2016.

f. Draft By-Laws

Mr. Back stated that the latest version of draft by-laws cleanup will be emailed out to the board for revision and then approval will be needed following the revision.

g. Additional Training

Chair Menke mentioned that the board is in the process of gaining membership to the National Association of Workforce Boards.

III. Finance

a. Budget Reporting/Monitoring

Clinton Colliver, WIOA Financial Officer, asked Chair Menke if the executive committee would like to table the March report for the finance committee to review. David Boggs, board treasurer, informed the committee of the upcoming finance committee meeting on Monday, May 16, 2016, at 2:30 pm, where the budgets/legal fees will be reviewed. Mr. Colliver then proceeded to report the budget as requested by Mr. Boggs. He stated that he added a hard percentage to show the budget in comparison to the fiscal year.

Mr. Colliver informed the board that the budget is somewhat underspent in most categories due to delays in contracts, incentives, and invoices being submitted. However, employer services in the adult and dislocated worker categories are nearing the budgeted amount. Mr. Menke mentioned that Mr. Colliver will be developing a visual to distinguish the funds in the budget to be more of an informational aid to the board members. Mr. Colliver continued with the budget report by reviewing the FY16 YTD expenditures. The budget is 16% ahead of last year's due to the delays attributed to the ongoing corrective action plan first introduced in the spring of 2015. After further discussion, Mr. Colliver submitted his report to the executive committee.

b. Legal Fees

Mr. Turley discussed the previous board meeting where a motion was passed to request more transition funds. After the payment of \$10,000 to Heartland Communications, the balance of \$855.63 is left in transition funds. Per the board's motion, Mr. Turley requested an additional \$20,000 but has yet to receive a response. He made clear to the executive committee that the transition funds do not go against the 10% administrative cap set in the budget.

As a recap, Mr. Turley reviewed the approved Stoll, Keenon, Ogden legal bills from January-March, as well as the Walther, Gay, and Mack CLEO legal bills from January-March. However, these bills have yet to be paid due to the uncertainty of receiving the transition funds that Mr. Turley mentioned earlier. Mr. Menke asked if the bills could be paid now and charged to the transition funds later. Janet Landry, Bluegrass ADD CFO, stated that it is possible; however, it is more difficult to proceed that way, and she would prefer to wait to receive the transition funds.

While reviewing the legal bills, Mr. Sisson questioned why there was so much money tied to the Local Elected Officials and why the

Bluegrass WIB was paying for this. Chair Menke stated that the Local Elected Officials and their attorney were working on the partnership agreement long before the board was involved. Mr. Back also mentioned that a partnership agreement is required with the new WIOA law.

Chair Menke notified the executive committee of the approved payment of the Walther, Gay, and Mack legal bills by the Bluegrass ADD executive committee (paid on 5/2/2016), but not approved by the Bluegrass WIB. These bills will be reviewed by the finance committee. Mr. Back then summarized the letter from the state's legal counsel. At the previous full board meeting, a recommendation from Mr. Back was made to not approve the legal bills, in large part due to questioned costs. Following the BGWIB full board meeting, a Bluegrass ADD executive committee meeting was held, and these legal fees were approved during that meeting. On April 27th, a letter was received from the Executive Director of Legal and Legislative Services for the Cabinet. This letter stated that federal workforce dollars could not be used for certain administrative costs, including legal fees related to questionable/disallowed costs.

Mr. Turley then read the exact motion made at the Bluegrass ADD executive committee meeting: "Motion to pay legal fees associated with the resolution of questioned costs from the Education and Workforce Development Cabinet from September 2015-March 2016, but prior to the Workforce Cabinet's final determination, and to bill those expenses against Workforce Administrative funds received prior to January 1, 2015 which are governed by OMB Circular A-87, Appendix B, part 10, with the understanding that if the charged expense is disallowed by the Workforce Cabinet that a journal entry would be made to reverse the expense and charge it against non-grant funds." To further clarify this motion, Mr. Turley stated that the circular in fact does allow the payment of legal fees as long as funds used are were issued prior to January 1, 2015; workforce national experts support this circular, as well. Following this explanation, Mr. Sisson and Mr. Phillips question who would pay the legal fees if they are deemed disallowable by the state.

Mr. Turley stated that legal fees would be paid by the Bluegrass ADD, coming out of non-grant funds. Mrs. Landry explained that these local dollars (non-grant funds) come from dues paid by each local city and county within the Bluegrass ADD's district; however, these cities and counties can choose not to pay these dues, as the Bluegrass ADD is not a taxing authority. The other sources of non-grant funds are interest earned from the ADD's bank accounts and

rent coming from Arnold Dental, located on the 2nd floor of the Bluegrass ADD. This brings the total of non-grant funds to approximately \$130,000-\$140,000.

c. FY 17 Budget

Mr. Boggs announced that the finance committee has started to review a budget for the upcoming 2017 fiscal year; although the funds for 2017 are not certain. The finance committee will be reviewing this budget on Monday, May 16, 2016, and will be planning to make a recommendation to the full board on Wednesday, May 18, 2016.

IV. Current Operation Report

a. Policies

Mr. Turley asked Chair Menke to table this item for the full board meeting on Wednesday, May 18, 2016. Chair Menke suggested that Mr. Turley quickly summarize the content of the Individual Training Account policy. This policy establishes limits to the length of approved training and the funding provided to cover the cost of training which leads to a degree, diploma, or certification for Adults, Dislocated Workers, and Youth; each local area determines and sets its own funding limits. In the Bluegrass, the current funding limits are based on category of eligibility:

- Adult-\$12,000 over a two-year period
- Low Income Adult, Dislocated Worker, and Youth-\$15,000 over a two-year period.

The proposed changes for this policy are to include allowing **\$750 per 6 week term** or \$500 per summer session (or **\$1000**) for the Adult category and to allow **\$937.50 per 6 week term** or \$1000 per summer session (or **\$2000**) for Low Income Adult, Dislocated Worker, and Youth.

Participants can qualify for the larger of the two allowable summer funding limits only if the program in which they are enrolled follows a traditional semester schedule and requires full time enrollment year round. If utilized, a participant will only be eligible for assistance with one summer session. Mr. Turley stated that this language was written in the updated policy specifically for the AMT program, which requires full time attendance for five semesters. This allows each participant to receive the full amount for the required summer session.

The updated policy provides more flexibility in meeting participants' needs.

Motion: To approve the updated Individual Training Account policy.

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

b. BGWIB Website

Mr. Turley discussed the outdated BGWIB website. Mr. Turley and Chair Menke suggested an ad-hoc committee to work with Staci May, Marketing and Communications Specialist, to update the website.

c. One-Stop Certification

Mr. Turley provided an update of the Lexington Career Center. It is scheduled for review on Thursday, June 9, 2016, and is the last career center to be certified. However, Mr. Turley has sent communication in regard to the Frankfort Career Center as it has major ADA compliance issues and cannot be certified; he is still waiting for a response.

d. Business Team Lead

Mr. Turley informed the executive committee that, typically, the Business Services Manager will serve as the Regional Team Lead for the Bluegrass Area. This Business Services Team looks at certain areas in the region to improve and establish relationships with businesses and to provide excellent customer service to these employers. Mr. Turley made a recommendation that Jesse Moyers, Business Services Manager at the Bluegrass ADD serve as the Business Services Regional Team Lead. Before a motion was made, Chair Menke suggested that a representative of K-12 be added to this team, along with a representative of the Office of Vocational Rehabilitation-stated by Mr. Turley.

Motion: To approve Jesse Moyers as the Business Services Regional Team Lead.

Motion by: Bill Sisson Second by: John Phillips Motion passed

V. New Business

a. Letter from Legal Council

Although this agenda item was discussed earlier in the meeting, Mr. Boggs expressed his concern about the Bluegrass ADD executive committee's approval of legal fees and suggested that further action be taken.

b. Disallowed Cost

This agenda item was discussed earlier in the meeting.

c. BGADD Final Determination Response

Mrs. Landry briefly mentioned that Jon Gay, attorney for the Bluegrass ADD and the Local Elected Officials, has submitted a response to the May 11, 2016, letter from the State Legal Council, along with copies of the invoices.

d. MOA-Four Party Agreement

Chair Menke quickly reviewed the current MOA agreement just for the executive committee to reference. A new agreement will be prepared for the start of the new fiscal year.

Before Chair Menke adjourned the meeting, he reminded the executive committee of the full board meeting on Wednesday, May 18, 2016, at Baptist Health-Lexington. He then adjourned the meeting. A motion could not be made because a quorum was no longer present.