

Yavapai County Workforce Development Board Executive Committee November 7, 2018 Meeting Minutes

Attendees:	Present/Absent	Number of Absences in 2018
Anita Payne, Chairman	Present	2
Philip Tovrea, Vice-Chairman	Present	1
Steve Silvernale	Absent	1
Mark Timm	Present	1
Gary Hassen	Present	1
Mel Ingwaldson	Present	1

*Excused

Guests: Chris Fetzer, NACOG Executive Director
Leah Cickavage, NACOG Operations Manager

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

I. Call to Order/Welcome/Introductions

Chairman Payne called the meeting to order at 9:00 AM. A quorum was present. She called for introductions around the table.

II. Approval of the July 12, 2018 Minutes

Chairman Payne called for questions and comments regarding the minutes of the July 12, 2018 meeting, there were none. She called for a motion to approve; **so moved by Mark Timm and seconded by Phil Tovrea. The motion carried unanimously.** WDB Executive Director Teri Drew noted for the record that the approval of the July 12, 2018 minutes included the Executive Session minutes as well.

Approval of the September 13, 2018 Minutes

Chairman Payne then called for questions or comments regarding the September 13, 2018 minutes, there were none. She called for a motion to approve, **so moved by Mark Timm and seconded by Phil Tovrea. The motion carried unanimously.**

III. Chair’s Report

Chairman Payne noted that Ms. Drew received Congressional Recognition from U.S. Representative Paul Gosar and recognition from Prescott Mayor Greg Mengarelli as well, during a Prescott Chamber of Commerce Business event where Ms. Drew was awarded the Excellence in Economic Development Award. Discussion followed with congratulations to Ms. Drew. It was noted that NACOG Executive Director Chris Fetzer also shared that information with Regional Council at their last meeting. Ms. Drew thanked everyone for the recognition.

Chairman Payne moved to Agenda Item #5 ahead of the Chair’s report and introduced NACOG Executive Director Chris Fetzer to begin the discussion regarding the WDB Executive Director position.

IV. WDB Executive Director Compensation Discussion

Chairman Payne began by stating for the minutes that the Board has been trying for several months to discuss compensation and a new title for the Director, now Executive Director Teri Drew. She noted that a 7% increase was recommended and unanimously accepted by the Executive Committee. She noted several email exchanges between herself and Mr. Fetzer, and she consequently invited Mr. Fetzer to attend the next Executive Committee meeting. She turned the meeting over to Mr. Fetzer for his thoughts and concerns.

Mr. Fetzer began by thanking the Executive Committee for the opportunity to meet with them today, and noted that he takes full responsibility for “putting the brakes” on this process, acknowledging that a response to Chairman Payne’s initial communication in August was expected in September. Mr. Fetzer acknowledged that there are new regulations in place with respect to the state regarding workforce boards and the hiring of staff/Directors. He has researched and reviewed the working documents of the Board; the Scope of Work Memorandum and the Roles and Responsibilities of each party, including the Board of Supervisors, NACOG and the WDB. He noted that, historically, NACOG has had the responsibility of appointing staff, and realizes that the Executive Committee now has authority to appoint staff on their own behalf. Mr. Fetzer continued by explaining his desire for clarification of the role of Ms. Drew as the Board’s Executive Director. He cited several items of backup he had received and asked if compensation is a one-time discussion or if it is a continuing expectation. He noted that his goal is to clarify roles and responsibilities of everyone involved before making future decisions about staff and in the best interests of all involved; the County, the WDB and NACOG. Mr. Fetzer concluded by explaining to Chairman Payne that this was why he slowed the process down.

Mark Timm commented that Mr. Fetzer’s concerns were understandable, and noted that the Executive Committee was seeking that type of guidance from NACOG and Mr. Fetzer. Mr. Timm noted that there are certain responsibilities of the Board as well that are new to them, such as the writing of the job description and responsibility to the staff. He noted that, with the process being new to the Board, they sought guidance from Gayle Benton, the HR Director for NACOG. He noted that the Board looked at this through NACOG’s regulations, noting Ms. Drew’s current role and comparing it to those of her peers. The roles and responsibilities were updated to reflect the recognition of the level of work that Ms. Drew does. He noted that, following their meeting with Ms. Benton, the scope and process of a title change in relationship to appropriate compensation for Ms. Drew amounted to around a 7% increase, and the Board’s desire is to work in alignment with NACOG’s policies and procedures. He noted that, in his way of thinking, future changes would not be ongoing unless another job description was identified.

Mr. Fetzer thanked Mr. Timm for his insight, and noted that his communications with Chairman Payne included the discussion around equity as it relates to NACOG’s classification and compensation system as well. Mr. Fetzer noted a couple of paths to consider, and requested feedback from the Executive Committee; 1) if this is an isolated, one-time discussion there is a need to develop more clarity in roles and responsibilities, and 2) if the Board is moving in a bigger direction to make its own non-profit corporation, other contractual agreements may be considered. Phil Tovrea asked if that would be dependent on the County. Ms. Drew noted that she spoke with Phil Bourdon, who stated that the County has developed a very clear process that the Board shall negotiate agreements, in this case with NACOG, and once an agreement is made it would be brought to the County for legal review. Ms. Drew also remarked that discussions about incorporating the Board may be reserved for a later conversation with different implications. Mr. Timm noted that the idea was to work directly with NACOG’s existing structure, and not have so much exceptionalism to make a decision for the Executive Committee’s request. He remarked that the job description and pay should be centered around the job and scope, not around the individual. In that sense, he stated it may also apply for future talent that the Board may

seek to hire. Mr. Timm noted that he and the Executive Committee feel that this compensation request is reasonable and appropriate for the scope of this position and the level of current talent given.

Ms. Drew asked for clarification from the Board that, if there comes a time to appoint a new Director in the future, would the board want to be part of that process? She noted that the law allows the Board to seek out a Director and make decisions. Mr. Timm agreed that the Board has a level of accountability for the person who holds the title and position of Director, and the Board would certainly want to be a part of the process of the selection of a new Director. Ms. Drew noted that her appointment did go through a public process with a majority vote in favor.

Chairman Payne thanked Mr. Timm, noting that Steve Silvernale had called her and was adamant that the proposal sent to Mr. Fetzer was firm and that he is very supportive of Ms. Drew and what she contributes to our community and to this Board, and he wants to proceed. She noted that she is not certain about Gary Hassen's position but that he voted for it and participated in the discussion. Chairman Payne commented to Mr. Fetzer that she is not here to ruffle feathers but rather to look at the position and the work and leadership provided, and as stated before, not the person but the job. Chairman Payne remarked that the WDB is led by Ms. Drew, and her previous title didn't fit; the Executive Director title should have more compensation. She noted that the Executive Committee is looking to Mr. Fetzer for direction and guidance to accomplish their goal. Mr. Fetzer responded that he appreciated the conversation and that he has gained clarity of the intention of the Board. He noted a misalignment with the title according to NACOG titling protocol and policy, but that can be sorted out and brought to resolution, and that he will work on the compensation side of it with Ms. Benton. He noted that he is not far apart from the Board in terms of compensation, but will communicate his understanding to Chairman Payne and work with Ms. Drew to put it in writing. Ms. Drew added that Mr. Fetzer was looking for some kind of a flow chart, noting the firewall and the organizational chart that was developed as a response to the law. She highlighted two of the bullet points of the organizational chart; first, matters related to the Board, Ms. Drew reports directly to the County Manager, and the third bullet notes that the Regional Director reports to the Executive Director regarding staffing, career and individual services.

Gary Hassen joined the meeting. Ms. Drew continued to note clarification can be brought into the Scope of Work regarding the roles and responsibilities as the simplest process. Ms. Drew described the Scope of Work Memorandum, which defines what the Board does, what the Board of Supervisors is responsible for, and what NACOG does as the Administrative Entity and the One Stop Operator. She noted that the Scope of Work is a legal document approved by the Board of Supervisors and NACOG, with Chris Fetzer's signature of approval. Ms. Drew suggested that this document can be used to provide the clarity in roles and responsibilities being sought. Ms. Drew briefly reviewed the Attachment #3 to the Scope of Work Memorandum, noting a broad recognition of the authority of the Board to hire and recommend salary for the Executive Director. She noted that the proposed changes to these roles and responsibilities will be taken to the Board of Supervisors for approval. Mr. Timm agreed that this seems to be the best route to bring clarity to roles. Brief discussion followed regarding the goal to be broad yet specific in areas that require more clarity for the sake of all parties involved.

Ms. Drew introduced Gary Hassen. Mr. Timm summarized that perhaps the next step would be for Ms. Drew and Mr. Fetzer to collaborate on this recommendation and return to the Committee with a draft document for approval. Mr. Fetzer agreed. Mr. Hassen commented that he would like to have this wrapped up as soon as possible. Chairman Payne asked Ms. Drew to draft new language for the Scope of Work regarding the Roles and Responsibilities. She updated Mr. Hassen on her previous comments regarding Mr. Silvernale's concerns and desires. She invited Mr. Hassen to share concerns. He said his biggest concern is to get this done as it began in April and is now November. Chairman Payne asked Mr.

Fetzer if he needs anything else from the Executive Committee. Mr. Fetzer replied no, that he will continue working with Ms. Drew. Mr. Timm asked Mr. Fetzer if his questions and concerns were answered to which Mr. Fetzer replied yes. He acknowledged that looking at the Scope of Work and the Roles and Responsibilities is important not only for the present but also for the future. Ms. Drew said the goal would be to have a final document prepared in time for their next meeting in January 2019.

Chairman Payne thanked Mr. Fetzer and the Executive Committee for their input on this important decision. She then moved back to Agenda Item III to complete the Chair's Report.

➤ **Membership Consideration**

Chairman Payne reported that Alycia Botkin has been recommended to replace Mark Kendall as Title IV representative. She also noted that Christopher Tafoya replaces Tim Tucker as Title III representative. Councilwoman Dee Jenkins has also joined as a private sector representative from Camp Verde. Ms. Drew noted that it is important to note that Councilwoman Jenkins is a private business owner, Quintus Inc., a medical device manufacturer in Camp Verde, and has past experience also with W. L. Gore – noting her business skills will be useful to the Board. Chairman Payne then announced that Tracie Schimikowsky resigned last month, and we will be asking Supervisor Garrison for recommendations to replace Ms. Schimikowsky. Ms. Drew noted that Supervisor Garrison has recommended Verde Valley Medical Center, who will identify someone to compliment the Board as a Verde Valley representative.

Chairman Payne turned the meeting over to Ms. Drew for the Director's report.

V. Director's Report

➤ **Program Update**

Ms. Drew began by updating the Committee on Board recertification, noting that it has been completed and will go before the Governor's council in November. She thanked the Committee for their electronic votes on the membership candidates, which allowed the Board Recertification submission to be complete. Ms. Drew noted that the One Stop Centers needed to be certified, and that the Workforce Arizona Council did not approve any One Stops in the state for certification under the premise that all of the One Stops have room for improvement. Ms. Drew noted that a list of deficiencies was prepared for Yavapai County, and at this time all of the items noted for our certification requirements have been satisfied and Yavapai County is now eligible for certification, pending the November meeting of the Workforce Arizona Council (WAC).

The Plan has been updated and published and is open for public comment for 30 days. She noted that there was no contribution from our partners to make any recommendations for changes. Title IV did comment that they had no changes for the update. Some discussion followed regarding opportunity for partners to comment during the public comment period. Ms. Drew agreed that the partners could indeed comment during that time, and she noted that some local areas are requiring the state to provide comment during the public hearing/comment period.

Ms. Drew then spoke about the Infrastructure Funding Agreement (IFA), noting that Title II has committed \$14,913 for computers and TABE testing, and will have a presence in the One Stops through the avenue of workshops and proctoring. Ms. Drew noted that part of the discussion with Title II was for them to contribute to the Board budget, as the law states that all partners must contribute a fair share toward costs. Ms. Drew was informed by the Director of Title II that the Department of Education has a different interpretation of the law regarding cost sharing. Ms. Drew asked for something in writing to that effect from Title II, and she will push it up to the State. She noted that, following the elections, there is a new Superintendent of Schools at the state level, and that interpretation may change.

Ms. Drew reported that the Inter-Governmental Agreement for PY 2018-19 has been executed and received by the State Department of Economic Security, noting a mailing issue as a source of delay. The original contract was lost in the mail which resulted in the state holding back the new funding under the new contract, so a duplicate contract was obtained, signed by the Board of Supervisors and sent back to the state. Ms. Drew noted that she negotiated with the state to use some funds from last year in the meantime, and the state's Fiscal Director allowed it so there would be no interruption of funding.

Ms. Drew reported that, once again, Title I met or exceeded performance standards on all levels by an average of 126%. She noted that the WAC will probably raise Yavapai County's performance standards, but the ability to meet standards is based on the economy and those who walk through our doors, and our efforts in outreach. She commented that Yavapai County's performance measures were higher than even the state's, because we can achieve more.

Ms. Drew reported that RESA is an employer that Title I assisted a great deal, and in fact they received an award this year during the Annual Awards Ceremony in August. Unfortunately, RESA has now laid off all of their staff, and are involved in several lawsuits with vendors. Ms. Drew noted that our effort is to keep folks from applying for unemployment services, reporting that their resumes are better with skills gains we supported – 3D printing training and certification. Ms. Drew also reported that Quality Plastics has merged with another investor and will now include glass products. Quality Plastics is another primary Title I employer.

Ms. Drew concluded her report by sharing that the WAC has been looking statewide for applicants for their board, and she noted that Yavapai County Supervisor Randy Garrison submitted an application as a private business owner, and is expected to be appointed to the WAC by the Governor soon. She commented that it's exciting to consider having a voice for Yavapai County on the Governor's Council.

Chairman Payne thanked Ms. Drew and excused herself from the meeting, noting that she appreciated everyone's time and attendance. She then turned the meeting over to Vice Chairman Phil Tovrea.

VI. Member Comments

Vice Chairman Tovrea called for member comments. Mel Ingwaldson thanked the committee for the opportunity to serve on this board and spoke a bit about the Youth Council and expansion of the pipe trades to connect with other boards and getting into apprenticeships and working with dislocated workers.

Gary Hassen asked Ms. Drew if the Navajo Nation looking to purchase the Navajo Generating Station (NGS) as he has recently heard. Ms. Drew reported that she is working with the coal communities, especially Coconino County, City of Page and NGS, where approximately 1,000 people stand to lose their jobs. She noted that there were two prospective buyers, the Nation and a private sector buyer, but nothing has gone through as of yet. She spoke of recently hearing rumors of the dismantling the rail to NGS, which would be a major area of concern. She noted that Coconino County Career Center rapid response going on there in Page, and is utilizing a crosswalk tool in partnership with the Office of Economic Opportunity (OEO) to assist displaced workers to connect with employers that are hiring their skill sets across the state. Another project that OEO has developed is a "heat map" loaded with current employers and job openings across the state or even in a particular region for any specific trade or skill that can be typed into the search bar. Ms. Drew commented that the effort is in helping the region to be resilient, noting deficits in revenues already in those coal communities. She is working with several individuals with the workforce areas in Coconino and Navajo Counties to help them get state rapid response money. She reported that they have made presentations to WAC and state to put it on their radar, and to make it possible for them to ask for assistance from the Governor. Mr. Hassen thanked Ms.

Drew, noting the huge impact on the area. Mr. Ingwaldson noted that he hasn't heard about it in the trades, but infrastructure will be big, and he asked if solar has been considered as an alternate to coal. Ms. Drew noted that solar hasn't been discussed much, but natural gas has been discussed more. She noted that the interest of the Navajo Nation is to repurpose and not disassemble the plant, which would cost as much as \$2 million to accomplish. She noted that it is EPA requirements that cause layoffs, and the implications for the environment for anything left behind are also conversations still on the table. She replied to Mr. Ingwaldson that she has mentioned the trades in the interest of retaining the families, noting that the alternate industry of hospitality is a very different type of work and income. She noted that agriculture is also being considered as an option. Some discussion followed regarding solar energy.

Mark Timm asked for an update on the employer in Prescott Valley that will be leaving the state, to which Ms. Drew replied that there has been a delay in moving forward. She noted that about 40 employees are to be laid off, and they are working with Embry-Riddle for two things: 1) to develop an entrepreneurial "boot camp" in cooperation with the Small Business Development Center (SBDC) and 2) to assist the employees in attaining their pilots licenses. She noted that several employees have indicated a desire to start their own businesses. Discussion followed regarding interest in other areas of the country.

Vice Chairman thanked Mr. Timm for his input while HR related discussions are being held.

VII. Public Comments

Vice Chairman Tovrea called for public comments, there were none.

VIII. Adjournment

Vice Chairman called for a motion to adjourn, **so moved by Mark Timm and seconded by Gary Hassen. The meeting adjourned at 10:04 AM.**