

**Yavapai County Workforce Development Board  
 General Committee Minutes  
 January 12, 2016, 10:00 AM  
 Town of Prescott Valley Library Crystal Room  
 7401 E. Civic Circle, 3<sup>rd</sup> Floor, Prescott Valley, AZ 86314**

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<u>Members:</u>	[Absences YTD]:		[Absences YTD]:	
Elaine Bremner	Absent	1	Leah Cickavage	Present 0
Teri Drew	Present	0	Rick Duff	Present 0
Andrew Furrer*	Absent	1	Anthony Gauthier	Present 0
Laura Hamblin	Present	0	Ralph Harris	Present 0
Gary Hassen	Present	0	Mel Ingwaldson	Present 0
Ginger Johnson	Present	0	Mark Kendall	Absent 0
Ken Lain	Absent	1	Craig LeFever	Present 0
Anita Payne	Present	0	Robyn Prud'homme-Bauer	Present 0
Steve Silvernale*	Absent	1	Linda Thein	Present 0
Lana Tolleson*	Absent	1	Phil Tovrea	Present 0
Scott Farnsworth	Present	0		

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

Guest: Ellie Bauer

\* = excused absence

A quorum was present.

**1. Call to Order: Chairman Anita Payne called the meeting to order at 10:10 am.**

Chairman Payne read the Workforce Development Board Mission Statement. She then noted that there were public comment cards on the tables for the public and members of the public were welcomed to submit comments for hearing.

**2. Approval of the November 10, 2015 minutes**

Chairman Payne called for a motion to approve the November 10, 2015 minutes.

**Robyn Prud'homme-Bauer moved to approve the November 10, 2015 minutes, seconded by Teri Drew. Unanimous motion carried.**

**3. Chair's Report**

Chairman Payne reported that the Executive Committee met but did not have a quorum, therefore there was no action taken by the Executive Committee. She then turned the floor over to NACOG Regional Director, Teri Drew.

**4. Director's Report**

Teri Drew noted that all the formalities with the Board of Supervisor items have been reviewed and approved as recommended by the Workforce Development Board, which includes the assignment of the One Stop Operator, the youth provider and the administrative entity for the Workforce Board. Each of those, through a competitive process, were awarded to NACOG. The Scope of Work was signed by the Board of Supervisors and submitted to the state. Next steps for the Board and the requirements through the Workforce Innovation and Opportunities Act will include Memorandums of Understanding with our partners. As of today we do not have final federal rules and regulations. Some of our partners prefer to wait for the final regulations before moving forward. Memorandums of Understanding are in a hold

pattern, especially in terms of identifying and negotiating cost-sharing agreements. In meeting with the Department of Economic Security, the goal and role has always been that we share space as much as possible, so DES hosts the One Stop in East County and NACOG hosts the One Stop in West County, resulting in an exchange of space for space. Therefore, there is no money exchanged. While it isn't NACOG's desire to collect money, the law does require that there must be cost sharing agreements in place. Under the Workforce Innovation and Opportunity Act, all of the affiliate partners, which are DES, NACOG with the Title I programs, Title II programs, Voc Rehab and Veterans Services, have a requirement to set aside 2% of their funds for infrastructure (One Stops). Yavapai County may be able to negotiate no costs for agreements with space and services as a shared in-kind. Teri noted that Tom Colombo shared that the Workforce Development Board carries responsibility for these decisions. The law clearly states that where dollars are spent there needs to be contributions. The next Executive Committee meeting will be dedicated to the process of identifying what those costs are. Teri reminded the Board that in August a WDB budget was handed out, as required by WIOA. The budget was approved at about \$53,000. Some budget areas were exceeded due to high costs for consultant services involved in developing the One Stop RFP and the Youth RFP. All of the funding for that consultant came out of the Title I (Adult, Youth, and Dislocated Workers), in the amount of about \$18,000. What the law says now is that this is not a Title I cost, but it's the cost of operating and delivering services in Yavapai County and should be a shared cost. There are no final regulations in place to allow us to go to our partners and ask for contributions. Therefore we have absorbed those costs and will continue to do so. By July 1, 2016 there must be something in place to associate those costs to. Future costs that will need to be shared include two planning processes; One will be a new comprehensive plan for workforce development as prescribed by the State of Arizona and the requirements of the WIOA federal law; the second will be considering the economic regional plan. Since that time, the State released notification that they have decided that there will be an equal designation for each of the 12 local areas in the state. Each area, including Yavapai County, will be their own economic development region. This has not been cleared yet through the Governor's office, however, if it does get signed by the Governor, the old Comprehensive Economic Development Strategy that was prepared last year will no longer be valid and a new plan will need to be developed. This cost will have to be shared by our partners, and will become a part of the discussion and decision making at the local level, with approval by the Board of Supervisors.

Ms. Drew opened the floor for member comments. There were no comments.

- **Manufacturer's Sector Strategy Update**

Ms. Drew complemented the WDB for taking the reins of Sector Strategies last year, and she recapped the 4 sectors: Manufacturing, energy, health care and viticulture. The viticulture community is working within their own association to work through strengths, weaknesses and goal setting, primarily through Yavapai College and the viticulture center already in place in the Verde Valley. There is no real assistance the WDB can offer to provide growing areas, so there is no need to get involved in this sector at this time.

Ms. Drew went on to report that the WDB was focused primarily in the manufacturing sector. A Manufacturing Forum was held in October, 2015. About 53 people attended the forum. Prior to the forum, a survey was sent out to the manufacturing community, 31% of those invited responded to the online survey. Teri circulated a handout that summarized the results of the survey. Community weaknesses were identified more so than strengths; such as the lack of a skilled labor force, limited labor, drug culture in the area not being conducive for growing a business, etc. The survey was curtailed towards labor, hiring and employment. The primary strengths noted were lifestyle, weather, and the desire to remain in this location as opposed to relocating with the resources that are available. Ms. Drew noted that the wages here are very low compared to the cost of living. This has been a long-standing

problem in Yavapai County, and it's more appealing to the skilled workforce to go outside of our area for the higher paying jobs. Embry-Riddle is turning out technical talent on a regular basis, and Yavapai County is fortunate to have them in our community. Embry-Riddle has implemented an internship program with local manufacturers to help them gain practical work experience while they are going to school, to better prepare them for better jobs when they graduate. However, sustainment of those students in our county based on the wage vs. cost of living is not favorable.

Also noted on the survey was the usage of resources, such as the Small Business Development Center, Yavapai College, NACOG and CTEC program. Although it was on the survey, no one noted temp agencies as a resource, even though many employers are using temp agencies in our area.

Ms. Drew concluded that the results of this survey lay the groundwork for a plan of action for the WDB. A question was asked regarding what skill was being looked for in the survey that we are lacking in. Ms. Drew replied that she though the exact skill was identified in the survey itself, and she will have to look at the full report and bring information back to the WDB.

It had been suggested in the Executive Committee meeting that the WDB dedicate time to these responses. Ms. Drew stressed that, before dedicating time to this survey, there is a need for a "collective voice" in workforce development. There is a lot of industry represented in the WDB, as well as government and non-profits, who are one of the top employers. Because of that representation, in order to include our voices, Ms. Drew asked the WDB to complete a new survey that was re-designed to fit the variety of businesses represented. This will be sent out electronically and due by January 29, 2016. There was no discussion regarding the employer's survey to be sent out, however some discussion followed regarding the percentage of the manufacturing sector in the economy of Yavapai County. Ms. Drew replied that the manufacturing sector is in the top 5 sectors of the local economy.

Ms. Drew took a moment to introduce Julia Sawyer, the new Executive Assistant to Teri Drew and the WDB.

Ms. Drew then went back to the Sector Strategies discussion. The manufacturing industry has revealed strengths and weaknesses. It is known that there are a lot of economic development folks in Yavapai County, and that there are several municipalities in Yavapai County, each of which have a plan, goals and strategies for industry. In light of all that, Ms. Drew announced preparations for an Economic Development Roundtable as the next step in the Sector Strategy process. At this Roundtable event, the plan is to know, understand and document what those plans, goals and resources are. Following much discussion with a representative from the Verde Valley and a representative from West County, it was decided that, due to the hardship of the separation the mountain brings, to have manufacturers meetings for folks east of the mountain as well as west, and then bring all the parties together at least twice a year to talk about common interests, goals and priorities. Participation should greatly increase with this type of opportunity.

Ms. Drew called for questions or comments. A question was asked regarding how WDB is partnering with some of the other economic developers in the area. Ms. Drew stated that this is what they are trying to do. She also said that her desire is that we work collectively rather than each organization individually doing the same thing. She has retained John Little to come on board and assist in the organization of these roundtable discussions. One of the partners from West County will host one, and a partner from East County will do the same. Discussion followed regarding following up with reports from each side. Ms. Drew responded in agreement, and commented that John Little had found that there is not one comprehensive database for manufacturers in Yavapai County. He was able to generate a list from this forum, and will create a database from that list of about 53 manufacturers; to include imports, exports, contacts, products, and a mechanism to invite more manufacturers to come in. Ms. Drew

mentioned that GPREP has a Business ActionTeam, which is an open communication between workforce and economic development. Recently a manufacturer was looking at coming to this area. Teri Drew worked together with Jeff Burt and they were able to meet the hiring and relocation needs of the employer. Ms. Drew also commented that it will generate expansion opportunities as well. Many of the manufacturers NACOG is working with are expanding and NACOG is providing more employees, helping the employers build their leadership teams by bringing them in at entry level and then taking them in under contract into management levels. It helps when an employer knows to ask for service, or when we know to reach out to an employer.

A comment was that we must begin to use cross-communication to be able to get a complete picture. Ms. Drew agreed.

- **WIOA Updates**

Teri Drew commented that there was not much to update regarding WIOA, still no rules or regulations from the feds. The state is beginning to build their draft plan, to be in place by March. The Workforce Arizona Council, which is the Governor's council for workforce is required by law. However, there is not one in place in the state of Arizona. Efforts are going forward to put a board together; names of potential council members have been presented to the Governor, but no appointments have been made.

Launch of Arizona @ Work is February 17th, 2016 statewide, which will bring all of the workforce programs, such as NACOG's Yavapai Workforce Connection, under the same name. Preparations are being made for the launch. NACOG will be changing the branding from Yavapai Workforce Connection to Arizona @ Work. The goal is perhaps a West launch on February 17 and an East Launch on February 18. Ms. Drew asked the board to mark their calendars for these dates, to attend the grand opening and ribbon cutting ceremony. The media will be invited as well as the Chambers of Commerce, Board of Supervisors and dignitaries of the area. Some discussion followed, concerning times of day and places. It's expected that the Governor will be making an announcement that same day, with media coverage of the event and a listing the sites of the ribbon cuttings and roll-outs statewide. The actual time of day has to be coordinated with the Board of Supervisor's office.

Ms. Drew continued her report with a recap that partner Memorandums of Understanding are still pending the final regulations from the state.

- **Membership Considerations**

Teri Drew reported that there are two membership openings on the WDB currently; one Private Sector on the Executive Committee for District 5 (BOS Chairman Supervisor Smith's district), which is the Prescott, Prescott Valley area; and one from the Department of Economic Security. Ms. Drew credited Supervisor Smith for making an effort to recruit an excellent candidate for the Private sector seat, but the candidate did not meet the qualification requirements for private sector. Ms. Drew expressed appreciation for his efforts, and hopes to have another name soon, perhaps from the retail community.

DES has a potential candidate to replace Linda Brannock, but training has to be completed with the candidate named before they will submit an application for the WDB. This seat is a requirement and needs to be filled as soon as possible.

With that, Director Teri Drew concluded her report. Chairman Anita Payne called for questions or comments from the members of the board. There were none, and Chairman Payne called for the first of four presentations on the agenda.

## 5. Presentations

- **Mel Ingwaldson – U.A. Local 469**

Chairman Payne called on Mel Ingwaldson of U.A. Local 469 to bring a brief presentation. Mr. Ingwaldson introduced himself as a business agent with the Plumbers and Pipefitters U.A. Local 469 with the State of Arizona. He is also the chairman of the Youth Council in Yavapai County. Youth training has been a passion of his. The topic of his presentation was apprenticeship. Mr. Ingwaldson passed around a brochure for the Arizona Pipe Trades Training Center. Apprenticeship became relevant in the 1950's and is changing to include more than the basics of how to put two pieces of pipe together or how to weld, but it encompasses a lot of different things. The union is a private industry, and raises its own money through the business partners they work with. The union bids per hour the money that funds the apprenticeship program. There are also ties to the government in the sense that several of their members work for cities in various roles, including inspections; colleges that call on them for repair services, etc. The apprenticeship program is probably less than half of the training that they do. They also do journeyman upgrade training. Workforce development is a perfect fit for the trade community. Their training program can also be applied to dislocated workers, dependent on certifications as plumber, pipefitter, etc. since the effort also goes out to private businesses for services. As a business agent, Mel works with individuals as well as hiring agents, making it a state-wide outreach.

On the Youth Council side of apprenticeship, the Council is expanding into the idea of apprenticeship programs. All apprenticeships work with community colleges and local colleges. The Union's apprenticeship is accredited through the college. Participants must be 18 years of age with at least a GED. NACOG and the Youth council partners with Joint Technologies Education District, a program that can assist young people interested in a trade to earn while they learn, which is what apprenticeship is all about.

The Youth Council is detailing plans to expand and grow into apprenticeship over a 5-year period. There are 2 apprenticeship programs currently in Yavapai County, Fann Contracting and Aspen Cable and Communications. There is another one coming to the area as well. NACOG and the Business Assistance Center can set up with the Arizona Department of Apprenticeship to get registered. Per Mr. Ingwaldson, most apprenticeship programs in the State of Arizona are not union apprenticeship programs.

A question and answer segment followed Mr. Ingwaldson's presentation, which was very informative, and can be a valuable tool in workforce development. Ms. Drew stressed the need to educate the employers on the difference between the cost of replacing employees to the cost of training. She also remarked that a new rule under Workforce Initiative and Opportunity Act requires 20% union participation on the workforce board, and that she felt the WDB could gain better understanding of our labor partners by these presentations brought by the union members.

Chairman Anita Payne called for any further questions or comments. Some further discussion followed. Mr. Ingwaldson concluded his presentation with his hopes that apprenticeship candidates in Yavapai County partner with the unions to not only learn the trade but to also learn the business aspect of it to bring more business and skill to the local area.

- **Anthony Gauthier – U.A. Local 469**

Chairman Payne then called on Tony Gauthier to share his presentation. Mr. Gauthier is also a member of U.S. Local 469, and spoke as a part of a team of 6 elected union officials. His role is essentially CFO and dispatcher for the Union. His primary theme was about living in rural Arizona and having more than just a job, but having a career. He spoke of his 32 years of experience and travel across the state and

country. The union gives folks an opportunity to have a decent wage and a decent pension, although it means being away from home a lot of the time. Due to the nature of the job demands as a skilled worker, it is seldom that there are job opportunities at home. Even during the time of recession, jobs were available to the skilled trades.

Several questions were asked regarding topics such as travel and wages, and education. Mr. Gauthier emphasized that it's not for everyone to live this type of a lifestyle, but it pays well. The apprenticeship program pays by levels of certification over the 5-year period of time, but there is the "earn as you learn" with certification at the end. Much discussion followed regarding the educational process, in comparison to going to college to receive a degree, or the number of hours required at a trade school to qualify for state licensure, as opposed to achieving certification through an apprenticeship program.

Chairman Payne called for questions, and having none, thanked Mr. Gauthier for his presentation.

- **Rick Duff – Union Hiring Hall**

Chairman Payne then called for Rick Duff to share his presentation. Mr. Duff clarified that he is not actually with a Union Hiring Hall, but that the organization he works for, GD Barri and Associates, is a temporary hiring agency. They are one of few temporary services in the nation who works for both white collar and union. Mr. Duff passed out a summary document regarding the company he works for, which is located in Phoenix. GD Barri was established in 1989, and Mr. Duff has been there since 1992. Mr. Duff currently drives to Phoenix 3 days a week to work. As a temporary hiring agency, GD Barri works with power plants across the country; nuclear, fossil, coal, gas turbine, solar and even a trash dump that collects methane gas. He gave highlights of the make-up of the staff they supply. The white collar workers are also transient, just like the skilled union workers. They service 43 states and have also worked in Mexico, although out-of-country work is no longer being considered. Mr. Duff listed several clients that they service. He has signed over 300 union agreements across the country and has about 150 active agreements today. Apprentice programs are happening in all crafts.

The perfect candidate for apprenticeship is one who is committed and proud of what they do, demonstrated by enthusiasm in school and that attitude will spill into work.

Mr. Duff touched on why they use Union Craft, because they are the best trained craft workers in the world. There is consistency in training, ease of obtaining a workforce anywhere. Also, you can count on verification of training and no issues with health care with the unions because it's already in place.

This applies to Yavapai County workforce because they can live here and work here with better wages and health care. Or they can work anywhere in the country. Also, public opinion matters because it's important in recruitment of young people with incentives. Public perspective of trades needs to reflect the importance of unions.

There will be a shortage of craft labor in the near future unless we see more young people come into apprenticeships and trades, and without educating young people on where the work benefits actually came from, not the government, but unions. Unions brought fair wages and healthcare, and an emphasis on safety in the workplace was mandatory in unions before the government ever established OSHA.

Chairman Payne commented on how important it is to get the word out about the benefits of union apprenticeship as an alternative to going to college. She thanked the presenters who are bringing this information to the table and asked for comments. A question was presented regarding union membership and how does one get into the union. The response followed from Mel Ingwaldson, that Arizona is a right-to-work state, so it comes down to personal choice to be a member or not, if you work

in a trade. Part of the apprenticeship program includes culture and heritage, which instills a “right of pride” in being a part of the trade. Ms. Drew asked about how veterans can become involved in apprenticeships once they leave service, how they can be recruited. Mr. Ingwaldson stated that there is a direct entry program available through his organization called “Veterans in Piping”. There are training facilities on several military bases across the country. There are several other services offered to veterans as well, for fitting them in to a trade, such as “Helmets for Hardhats”. Ms. Drew suggested that this type of discussion can start a new momentum to get started in Yavapai County to introduce these programs to young people in Yavapai County.

A roundtable-type discussion followed the conclusion of Mr. Duff’s presentation. Members discussed the coordination of efforts between the unions and local colleges for some types of trades. There isn’t much collaborating between all of the colleges, but more emphasis in partnerships and getting the word out about the programs. Other discussion followed regarding the history of unions and the correlation between the decline of the middle class to the decline of the unions. Also mentioned was the East Valley Technical, a testing placement program at Gateway Community College, for future apprentices. Ms. Drew suggested that perhaps NACOG could possibly be proctoring those types of testing opportunities, as NACOG is credentialed to conduct testing. Other topics of discussion included recruitment of business to the Arizona market and the difficulties related to the lack of labor forces.

- **Ralph Harris – IBEW Local Union 640 (Electricians Union)**

Chairman Payne then asked Ralph Harris to proceed with his presentation. Mr. Harris was a member of IBEW Local Union 640 for 40 years, and has served as an instructor at the training facility, as a union organizer, a vice president, and a business representative, and more. He is still currently a member. IBEW is involved in manufacturing, utilities such as APS Alignment, warehouses, dam sites, railways, etc.

Mr. Harris spoke of “collective bargaining”. The need to better negotiate wages and benefits is a big part of the union. 51% of a group of employees has to agree to form a union. Instead of forming a localized union within a place of employment, an alternative is to become a part of a collective bargaining union, and join forces with other groups. The “at-will” employer can fire an employee for any reason. This is a reason that many groups choose collective bargaining unions, because an employer then has to show “just cause” to fire an employee.

The IBEW, the Pipefitters and all the other trades are a part of the American Federation of Labor and the Congress of Industrial Organizations (AFLCIO). This organization is a great resource to go to for contacting other trade organizations, empowering negotiations. There is a lot of competition for labor positions due to the bidding process, and with the less stringent requirements in the state of Arizona for license or certification in some trades, i.e. the contractor has to be licensed but the electrician does not have to be licensed, the mix makes it an unfair advantage for the non-union contractor, who can pay less for the work that the skilled laborer should be providing. However, those unlicensed workers can only work in the area they are, while the skilled labor union employee can go to another state and still find work.

Chairman Payne asked the board if there were any questions or comments. She thanked Mr. Harris for his presentation.

## **6. Youth Council Updates**

Chairman Payne then asked Mel Ingwaldson for the Youth Council report. Mr. Ingwaldson informed the Board that the Youth Council will be meeting tomorrow, and that he had given most of his Youth Council information previously. He thanked Leah Cickavage for her help with the committee. He also apologized for over-extending his budget on the RFP that was completed in the fall, but expects great returns. He thanked the Board for the opportunity to serve.

Chairman Payne thanked Mr. Ingwaldson for his report.

## 7. **One Stop Committee Reports**

Chairman Payne called on Leah Cickavage for the One Stop Committee report. Ms. Cickavage reported that the One Stop Committee report was emailed out, and she asked if there were any questions or comments, and there were none.

- **ETPL Update**

Ms. Cickavage passed out information to the Board on the Eligible Training Providers List. She spoke about Subsequent Pending Programs, which are programs that the Board had previously approved. They then come back up for recertification or for more information. Ms. Cickavage reported that the largest category at this time is Yavapai College. There were some items missing from the list of courses offered. Items missing were hourly starting wages for the courses and the refund policy. Ms. Cickavage asked Chairman Payne for a motion to approve the amended applications or requests. **Chairman Payne called for a motion to approve, moved by Scott Farnsworth, seconded by Teri Drew. The motion passed unanimously.**

Ms. Cickavage updated the Board regarding the ASIS course for the training of certified Massage Therapy Instructors that had been brought before the Board at the last meeting, but needed more information. Ms. Cickavage had contacted the director of the school and learned that there is no authorizing entity. Therefore there is no licensure that they could carry and have it be transferrable to another program or teaching venue. The students would still have their massage therapy license, but that would be the only licensure they would have after the end of the course. It is a 24-week course, 350 hours, at a cost of \$2,450.00 with a \$50.00 registration fee. Teri Drew reminded the Board that this had been brought forward to be considered for recommendation for the Eligible Training Provider List, remembering that we can only spend money for folks on the ETPL. She commended the Board for recognizing a potential issue and asking for more information from Ms. Cickavage. It is necessary for the Board to consider moving forward to allow this or not. **Gary Hassan moved to disapprove, seconded by Ginger Johnson. Motion passed unanimously.**

Ms. Drew suggested the possibility of approaching ASIS about utilizing the OJT program instead, so that NACOG and the Workforce Board can still support someone trying to advance into an instructor position, but not to place them on the ETPL.

Ms. Cickavage continued with another item on the ETPL. There are also times when schools come up for re-approval. Again, the ASIS massage therapy course that had been previously approved, and is currently open for ETPL funds from WIOA. This is a 24 week course, 750 hours, at a cost of \$10,800.00 plus \$225.00 for state licensing and testing fees. Successful completion of the course gives candidates a certificate of completion as well as the opportunity to test before the State Board to obtain licensure. Hourly wage is from \$12.00 - \$30.00, dependent upon whether they will be self-employed or not. LMI projections show that this is going to continue to grow in Arizona, 25% over the next several years. There has been a 93% success rate for individuals who have gone through the course.

**Chairman Payne called for motion to approve, so moved by Gary Hassan, seconded by Robin Prud'homme- Bauer, motion passed unanimously.**

There was a comment regarding the cost of the course being so high. Ms. Cickavage stated that she has seen higher costs for the same course, especially in the Phoenix area. One that is comparable is around \$18,000.00. Ms. Drew commented that the State of Arizona now requires licensure of Massage Therapists, and demand drives the cost up.

- **Wanted Analytics Review**

Ms. Cickavage continued on to and passed out a handout for Wanted Analytics Review and summarized the trends that are being seen. She stated that the average posting duration for new jobs is 46 days. In Yavapai County there are 2,455 job openings with 22 candidates per job opening. Ms. Drew noted that the last time it was 44 candidates per job opening, which reflects the declination of the labor market. A request was made to see the statistics separately for the West County and the East County. Ms. Cickavage agreed that she can drill down into those statistics.

Ms. Cickavage continued with a summary of the top skills currently sought, and the desired certifications being sought by employers. She also broke down the educational level of the residents of Yavapai County. She continued to share the top graduate courses that folks are enrolling in.

Chairman Payne thanked Ms. Cickavage for her reports and acknowledged the time it took to make this report.

**8. Member Comments**

Chairman Payne called for member comments. Ms. Drew announced and congratulated Leah Cickavage for her recent promotion at NACOG to the position of Operations Manager.

**9. Public Comments**

Chairman Payne called for public comments, but there were none.

**10. Adjournment**

**Chairman Payne adjourned the meeting at 12:14 PM.**