



**EXECUTIVE COMMITTEE MEETING
MINUTES**

**Monday, June 18, 2012
3:30 p.m.**

**Merrimack Valley Workforce Investment Board
439 South Union Street
Lawrence, MA**

Members Present: Joseph Bevilacqua, Chair, Anne Ormond, Cal Williams, Peter Matthews

Members Absent: None

Staff Present: Ralph Abislaiman, Barbara Zeimetz, Mary Kivell, Arthur Chilingirian

1.) Call to Order

A quorum of committee members being present, Board Chairman Joseph Bevilacqua called the meeting to order at 3:30 p.m. He said that the reason for this meeting is to discuss a couple of items prior to the full board meeting in Newburyport.

Joe said that he wanted to mention that the MA WIB met in the Merrimack Valley at Northern Essex Community College. The meeting packet contained a Boston Globe article that mentioned the MVWIB's assistance to Solectria. Joe also said that one of his Chamber companies is working with a company formerly manufacturing in China and bringing back to this region. He said that Rafael was also recognized at that MA WIB meeting.

2.) Approval of Minutes of March 8, 2012 Meeting

Joseph Bevilacqua then called for a motion on the minutes of the March 8, 2012 meeting.

Motion by Peter Matthews seconded by Cal Williams to approve the minutes of the March 8, 2012 Executive Committee meeting as submitted. Motion passed.

3). New Business

- **Career Center Chartering**

Joe Bevilacqua said that the Career Center does an amazing job and their numbers are spectacular. If you come in any time of the day, you can see the number of people being served. What we want to talk about is the re-chartering of the Career Center. Rafael will give us a report as the current charter expires on June 30, 2012. We can then discuss what course of action we want to recommend to the board.

Rafael said that we are at the end of a charter that lasted the past five years. He said that we were considering possibly doing a 6 month extension or a one year extension as Chili has requested. There are a couple of things to consider such as whether we RFP for a new operator going forward with Chili and whatever staff he chooses stay. Rafael said that a re-chartering may allow us to better deal with budget cuts. Joe noted that all the WIBs will be affected by continuing cuts in funding. He said that the option is to extend the charter for either six months or one year and then develop a longer charter if that is the consensus of the board.

Ann Ormond wondered exactly what the charter is and Rafael said that it is a contract between a WIB and a Career Center operator. It is part of a WIB's legal role alongside Career Center oversight and monitoring. He said that there is not enough specificity in the current charter and it needs to be amended.

Joe said that other WIBs in the state have other entities run the career center and we need to make a determination whether to extend the charter for 6 or 12 months and develop an RFP with the board determining the length of the new charter.

Barbara Zeimetz said that Brockton, Hampden, Metro North and Boston were privatized when WIA was first implemented. Privatization cannot be done now so we are obliged to keep State staff. That means that we can only put out to bid and re-charter the non-state employee or WIA side. That WIA side is currently staffed with Lawrence municipal employees. Barbara said that one issue brought to the table in meetings with the city, which is concerned with its liability and retirement payment issues, is whether WIA employees should be on the city payroll. To remedy this situation, the WIB can put career center services go out to bid and look to maintain the best possible services with less funding.

Peter Matthews wondered if the state needs to approve going out to bid and Rafael said that DCS would need to look at what we do. Barbara said that they would review it for legality. Joe said that employees are part of the city and the tension is who they work for. Barbara said that Lawrence is the lead city and has to receive funds. Some WIBs create more distance and less work for the city

and become its fiscal agent. More financial authority and responsibility is incorporated into the WIB.

Joe said that for years Lawrence has had the lead role because it has the largest population in our region. Barbara said the municipal employee situation goes back as far as CETA and JTPA. Joe wondered if there is any advantage for us to ask that Rafael Abislaiman be Fiscal Agent/Title I Administrator now that Fred Carberry is leaving. Rafael said that depends on what the Mayor wants to do. He said that he told him he could save the salary. Rafael also said that Fred knew the system and there are lots of checks and training dollars that need to be process and watched over. Our fiscal staff is unsure that the City can do it as quickly within a more integrated system. The City wants us to either integrate more or go our separate way.

Peter Matthews then asked if we were here today to solve changes to the charter. Rafael said we would like to give a one year extension and revisit changed through amendments and by doing an RFP. Peter asked whether charter discussions would include who can be board member. Rafael said that could be possible but that we also need to keep in mind that some board members are mandated by federal law.

Joe said that if a college is a bidder and a member of the board, we may need to check with the state for any possible conflict of interest violations. Barbara said that colleges can also bid. For example, Middlesex Community College runs the career center in Lowell and sometimes also receives training grants. One thing Barbara said is that performance outcome updates should be updated every year and be part of charter requirements. She said that getting an RFP out is not so difficult but cautioned that the transition takes a long time.

Rafael said that we need direction on the time period and a recommendation to the full board. Chili said that he feels that one year is the way to go on the extension because we won't know much until after the national election and we may be dealing with block grants. Based on that input, Joe said that amending and extending the charter for one year and working on putting out an RFP seems to be the consensus. Barbara also said that the Mayor needs to be in agreement if we proceed to RFP the career center.

Motion by Cal Williams seconded by Peter Matthews to recommend to the full board to amend and extend the current Career Center Charter for the period of one year. Once the recommendation is accepted by the full board a request will be made to the Mayor to concur. Motion passed unanimously.

Peter Matthews then said that he is still concerned about how sometimes potential funding recipients discuss and vote on funding allocations. Ralph said

that if a board or committee chair recognizes them, they can speak about the allocations that affect them. If the chair does not recognize them, they cannot speak. Barbara Zeimetz said that interested parties have not been allowed to speak in the past. She stated that they should not be allowed to speak in the future. Barbara referenced the fact that all incoming board members sign conflict of interest forms and Joe said that at each board and committee meeting the chair should state that anyone who can benefit should refrain from discussion and voting.

4.) Executive Director's General Update

Rafael Abislaiman said that the city is in a financial bind and it may not get better in the long term. We have had meetings with the city budget and finance director who wants us to integrate more into the city's financial systems or separate from the City. We are looking for ways to distance ourselves from the city with a minimum of disruption. In one scenario, the only checks that the city will continue to sign are payroll and benefits checks. The WIB will execute temporary employee, training contract, supplies and equipment payments and record keeping. He said that may make the board more liable as a 501C3 but that increased liability can be addressed with insurance.

Barbara said that Cambridge and Springfield have all the money come to the board. The difference here is that many of us are municipal employees, on the city payroll, and unionized. We need to be in agreement and if we hold the payroll we need to be able to run the business. Rafael said that we are negotiating with the Mayor and the City fiscal staff and that he will keep members apprised of developments.

Joe asked if we have the appropriate controls here and Rafael said that we basically do it all here now. We have a very good system and one that is regularly audited and monitored by the State. Barbara said that the city retains the liability for WIA money. In some other regions, the State has indemnified the city for E & O.

Rafael wondered if we need two insurance policies one as a city unit and another as a 501C3. The board currently has liability insurance and he has been in contact with our insurance agent to see how we should proceed. Rafael then said in the longer term we need to consider whether we should have a larger role in summer youth employment since the MVWIB may become their employer of record. The concern right now is the retirement system. Discussion continued on retirement payment obligations and how the state pension system is underfunded and that the City is concerned that it may need to make up the difference.

Rafael said that we are looking at an obligation to contribute 30% of funds to training while at the same time our allocation has been cut by about 8%. Joe

said that at the federal level the concern is the amount of dollars not spent directly on training and that they are looking to put dollars into training directly related to getting people employed. He said that we will not again see larger past funding levels.

Rafael said that our WIB is tracking 14,000-15,000 individuals served every year. We need to find ways to help people with less money. WIA has never been reauthorized since 1998 and there are currently two bills (one Democrat and one Republican) in the House. The Republican bill is advancing towards acceptance and it may create an entirely separate program and not WIA. But there is a great deal of uncertainty and no one knows what will happen after the House negotiates with the Senate and before a Presidential signature on a bill is achieved.

Chili explained that there is a new State program called REA/EUC that will result in an uncertain amount of income. Its payments are based on the number of people served and current REA/EUC enrollments are below expected numbers. We are losing a lot of money and may not be able to make it up. Ralph said that there may consequently be staff cuts. The WIB has filled Deborah Andrew's Youth Program position with one of Chili's staff.

Joe repeated that there is much national uncertainty and that we must carefully monitor changes and progress.

5. Adjournment

Having no further business Cal Williams made a motion to adjourn seconded by Peter Matthews. Motion passed.

Respectfully submitted,

Mary Kivell

Mary Kivell

Recorder