



Arwood Machine Corporation
95 Parker Street
Newburyport, MA 01950

QUARTERLY MEETING

Minutes
Tuesday, June 28, 2016
7:30 AM

MEMBERS PRESENT:

Joseph Bevilacqua, Francisco Brea, Ron Contrado, Dennis DiZoglio, Andrew Herlihy, Susan Jepson, Supt. Maureen Lynch, Peter Matthews, Michael Munday, Ann Ormond, Steve Salvo, Fred Shaheen, Kathryn Sweeney, Abel Vargas, Bob Westcott, Juan Yopez

MEMBERS ABSENT:

Rosalin Acosta, Edward Bartkiewicz, Stacey Bruzzese, Sr. Eileen Burns, Cesar Camargo, Rachel Concepcion, Brian DePena, Atty. Wendy Estrella, Michael Fiato, Evelyn Friedman, Dr. Lane Glenn, Supt. John Lavoie, Jeff Linehan, Rosa Lopez, Joselyn Marte, Rosa Muñoz, Marianne Paley-Nadel, Carol Riemer, Donna Rivera, Michael Strem, John Terrault, Sr., Stanley Usovicz, Ellen Weinhold, Cal Williams, Anita Worden

GUESTS PRESENT:

Michael Bevilacqua, Arthur Chilingirian, Joe Eid, Cindy Key, Amy Weatherbee, Rep. James Kelcourse, Angela Vincent

STAFF PRESENT:

Rafael Abislaiman, Susan Almono, Franklin Fernandez, Mary Kivell, Tracy Myszkowski, Brian Norris, Corina Ruiz

1. Call to Order & Welcome

A quorum being present, Peter Matthews called the meeting to order at 7:50 a.m. and then called on Mike Munday, President & CEO of Arwood Machine Corporation.

Board member Mike Munday said that Arwood Machine Corporation employs around 100 workers from the region and offers an in-house training program. He said that he serves on the advisory boards of Whittier Technical High School and Lawrence Technical High School. Mike also said that he is pleased to host today's meeting and offered a tour of his facility after the board meeting.

Peter Matthews then recognized Rep. James Kelcourse who said that he is pleased to be invited to today's meeting and is looking forward to working with members in the future.

2. Approval of Minutes of the January 26, 2016 & April 26, 2016 Meetings

Peter Matthews called for a motion on the minutes of the January 26, 2016 and April 26, 2016 board meetings.

Motion by Mike Munday to approve the minutes of the January 26, 2016 and April 26, 2016 meetings as submitted. Fred Shaheen seconded the motion and it passed by unanimous vote.

3. Report of Chair

MVWIB Chairman Peter Matthews said that he is pleased to announce that the Career Center and MVWIB will be moving to 255 Essex Street in Lawrence late this fall or early winter. He said that there were competing goods in this decision but a recent site location RFP would have obliged us to leave our current South Union Street site in any case. We would have been required to move because our current site was not the lowest cost per square foot bidder. A six-member City of Lawrence site proposal review team, of which five reviewers are MVWIB members, selected a fine alternate site but their recommendations were superseded, as allowed by RFP guidelines, for reasons that will now be outlined.

The City of Lawrence leased space at 237-255 Essex for several decades and spent many millions of dollars to house Lawrence Public School (LPS) administrators. Under LPS State Receiver Jeff Riley, the administrative staff was downsized so that more resources could be used for qualified teachers. The City of Lawrence no longer needed as much office space at the site, and the space also cost too much. Disagreements with the 237-255 Essex Street landlord were adjudicated and the Lawrence Mayor, our CEO, as well as the Lawrence City Council, both agreed that the best course of action was to buy the Essex Street building instead of continuing to pay for leased space.

The MVWIB, its Lawrence Career Center, the Lawrence Family Resource Center, and LPS Administrators will soon reoccupy the site, renamed the Lawrence City Hall Annex. As a result of our co-location on Essex Street, Workforce Development will be readily available as a Family Resource and many more LPS Resource Center clients will become Career Center members. Workforce development and school system collaboration will be greater. The Workforce Innovation and Opportunity Act (WIOA) encourages closer relations with Partners and the new site will in part embody that goal.

The City paid for the building using a municipal bond and will now lease it to us and gain income over time. We should remember past Board discussions. Our paid, non-State staff are City of Lawrence employees and it makes sense for municipal employees to occupy a municipal building. The City and State have a defined benefit retirement system. Due to softer stock market returns and longer life spans, our and other public retirement systems nationwide are likely to cost tax payers money. With our prospective move to the City Hall annex, the City of Lawrence may realize many millions of dollars in license payments over decades.

Chair Peter Matthews continued by stating that he is a member of the Lawrence Partnership and he knows that this move will help not only reduce future regional tax liabilities, it will also increase economic activity in downtown Lawrence. More activity means more businesses and more jobs that our system can help develop and place people in.

Peter stated that board members all know that workforce development is a regional activity and not just something for the City of Lawrence. With both the Regional Bus Terminal and Northern Essex Community College only a couple of blocks away from our prospective site, and with much more numerous pedestrian traffic in the vicinity of the City Hall Annex, the Career Center will be more accessible to many of the most needy people in the region. More people will be able to get there from our entire region using public transportation, one of the greenest ways of doing so.

WIOA emphasizes appropriate services to the neediest people. The entire Merrimack Valley Workforce Investment Area will benefit by increasing low-income and poor people's access to the career center and by strengthening the inner-city of the most populous and least affluent city in our region. Merrimack Valley employers and tax-payers will benefit by strengthening the Immigrant City's core.

Peter said that we are not out of the woods yet. Change is always difficult and some may continue to oppose the move. If things go well and according to plan, we hope to occupy our new site in late fall or early winter.

4. Special Presentation

Peter Matthews then called on Dennis DiZoglio, Executive Director of the Merrimack Valley Planning Commission (MVPC) and MVWIB board and Planning Committee member to present the MVPC "State of the Region". Dennis began by stating that the MVWIB's Planning Committee has had many discussions on how to better connect the MVWIB with economic development. He said that the Commission had an annual meeting last week to gauge where they are and how they had changed. Dennis said that the MVPC has the same regional boundaries as the WIB and joint planning and execution are good ideas.

Dennis said that they monitored job growth from 2006 (the recession) and 2015. MVPC job growth went from -0.01% in 2009 to +5.5% in 2016. The State of MA went from -0.05% in 2009 to +4.6% in 2015. Dennis said that we are doing a little bit better than the State in creating jobs. We continue to have a slightly higher unemployment rate. Twelve of our communities are below the State rate but our three most populous cities hover at or above it. They are Lawrence, Methuen and Haverhill. We are making progress lowering the unemployment rate in all gateway communities and can make further progress if we work together.

Total commuters have gone up but those in the MVPC region are holding steady. We had 22% manufacturing jobs in 2006 and that dipped to 20% in 2010. We need to stabilize manufacturing as they are better paying jobs. Dennis said that manufacturing jobs in our region include Food Manufacturing: 1,470 jobs; Medical Equipment and Supplies: 3,613 jobs; Chemical Manufacturing: 2,516 jobs; and Fabricated Metal Products: 2,257 jobs.

Population growth topped out in 2010 at 333,748 for the region with a projection for 2020 of 348,000 and for 2030 of 366,000 out of a total of 7,131,600 MA in 2030. Dennis said that the increase in population growth is in part due to our region's lower housing costs.

Rental rates are lower here than in Metro Boston but there is a need for more affordable housing. Dennis said that 30% of income is spent on housing and 18% on transportation which is almost 50% of income. He also noted that the population is getting older and our aged population is expected to

double by 2035. There has been a significant increase in commute times with the average now at 28 minutes. Dennis spoke about congestion on both routes 495 and 93 but also on some side roads.

Dennis said that this region enjoys 39.5 miles of nature trails and that network is growing. In the past there were only 2 rail bed trails but 13 are now open and more are under development. There is a network from Newburyport towards Amesbury that connects to Salisbury and New Hampshire trails. There are also trails in Lawrence and Haverhill. Dennis also said that the MVRTA makes two million trips per year and the new Haverhill/Lawrence run has been successful. Dennis also mentioned that the commuter service to Boston has increased.

He then addressed the condition of Merrimack Valley bridges. Dennis said that in October 2014 64% were deemed Adequate, 8% Structurally Deficient, and 28% Functionally Obsolete. The roadways (excluding interstates and route 213) are 61.5% good; 10.8% fair, 7.1% poor, and 20.2% excellent. 0.4% failed.

Dennis spoke about a coalition of 5 area Mayors and 2 area town managers (North Andover and Andover) that was formed in 2007. He said that he has already been working with the MVWIB's Susan Almono has written several grants in partnership with them. The MVPC has a Clean Energy Action Plan, Stormwater Collaborative, DPW Subcommittee and Brownfields Assessment and Clean up committees and is working with the MVWIB to hire and train folks. He said that the MVPC economic development person, Angela Vincent, is working closely with the MVWIB to identify businesses and find ways we may work together. That concluded the keynote address.

MVWIB Secretary Ann Ormond relayed Mayor Holaday's regrets for not attending today's meeting as planned but she was called away to a large fire in downtown Newburyport at Abraham's Bagel Company.

5. Preliminary FY2017 MVWIB Income Budget

Fiscal Director Tracy Myszkowski spoke on the FY2017 budget stating that there is \$7,743,281 total in projected funds at this time. Tracy said that this is about \$88K less than where we started in FY'16. She said that approximately 1/3 of the funding is for customer training and youth wages and the remaining 2/3 is for agency staff and overhead expenses. The distribution of these funds is still being worked on.

Tracy continued stating that our WIOA funding has decreased by about 10% and Wagner-Peyzer by about 2%. We are into the second year of operating Multiple Employer and Sector Partnership National Emergency Grants or NEGs. Polartec will be closing and its dislocated workers will be eligible for a NEG and perhaps a Trade grant. We will write a proposal for a National Dislocated Worker Grant in order to serve these customers. Tracy said that the biggest impact in our funding is the 77% reduction in the UI funding, which covered the cost of seven full time employees. Tracy said that they are working with DCS to reduce the impact this cut will have on staffing and career center operations. The details of the reduction in force and overall operations staffing have not been worked out. Lastly, Tracy said that when we procured for site moving costs last year it was based on a move into a similar type building with a similar layout. Those moving costs were calculated at \$117K which we included in our operational budget.

6. Motion to Approve delegating MVWIB Annual Plan Approval to the Planning Committee

Chairman Peter Matthews said that on previous occasions in the past the board has voted to authorize the Planning Committee to approve the Annual Plan. Since there is some uncertainty on setting the final budget we are requesting a vote to authorize the Planning Committee to act on behalf of the board for final approval of the FY'17 budget.

Motion by Joseph Bevilacqua seconded by Bob Westcott to delegate the MVWIB FY'2017 Annual Plan approval to the Planning Committee. Motion passed unanimously.

7. Reports of Committee Chairs

- *Planning Committee*

Planning Committee Chairman Juan Yopez said that in the past quarter, the Planning Committee discussed many of the issues that came up at our last Quarterly meeting at Ana Jacques Hospital in Amesbury. At that time a board member from the Department of Career Services stated that we may be skirting the WIOA law by prioritizing training for those who have a higher tested grade level instead of working with those who tested at the lower end of the spectrum. He said that we are wrong to ignore a Federal mandate to work with the most in need.

Juan said that our executive Director does not think we are breaking the law by serving higher-level youth. He notes that although the majority of the out of school youth we train have high school diplomas, they don't have high school-level academic skills. These youth also need academic remediation and that they are all poor or low-income. Most fall under the federal definition of basic skills deficient because they perform at or below the 9th grade level. Rafael believe that youth who do not have a high school diploma or GED/HiSet should be served by Adult Basic Education providers who are also funded by WIOA. They are also prospective Career Center partners.

The MVWIB doesn't provide training to sixteen and seventeen year old drop-outs because we want them to stay in high school. 18 and older youth qualify for training under the WIOA Adult category because and it doesn't have the high school graduate or GED requirement. Our MVWIB Director states that WIOA Title II Department of Education entities are moreover specifically charged with addressing high school drop-outs and their ABE deficiencies. WIOA Title I programs do not have to do everything. We're not turning away basic skills deficient youths or adults. We work with, counsel and serve all adults and youth but we have to prioritize who gets training dollars. We must also discourage 16 and 17 year old inner-city kids from dropping out of school.

Juan said that his opinion as Planning Committee Chair is that we should be flexible. WIA was created and started when the US was at full employment. WIOA is now starting under conditions where employment seems to be improving but recessions will come again. Even now BREXIT may cause significant turmoil world-wide and here in the Merrimack Valley. It's not reasonable for us to create training policies that allocate funds without considering labor market conditions. When unemployment is low we can allocate a higher percentage of the funds to train lower skilled people. When unemployment is high, funds will be allocated in a manner that focuses training on those who have the highest probability of being hired and paying taxes. But we must be mindful of our obligation under the WIOA to serve all in need.

Juan reminded members that although the Planning Committee can set the percentage of funds to be spent, vendors dictate the minimum grade tests level needed to participate in their training for specific jobs. Although the career center sees about 10,000 customers per year not all customers

require training nor do we have the funds to train everyone. We typically train about 300 clients annually. We need to prioritize who is going to be trained.

The percentage of all career center clients (dislocated worker, adult and youth) without a high school diploma is only 11%. A good number of the 11% may be from the Caribbean, where, if they live in the country and work on a farm, they did not have access to education. Right now we serve and train many Latin Americans and other minorities. Should they have the right to most training funds because they're neediest and the most in need of education and training?

Juan continued stating that we need to make every effort to build training capacity. Vendors have to support their facility costs and requiring them to train at a site in Lawrence is sometimes a hardship. It is good to discuss strategies for transportation with vendors – things like mobile units and partnering with other trainers that may have a van. Our EPA participants are currently being transported to Tewksbury for training by GroundWorks Lawrence and their contractors. We may resume doing technical assistance for prospective training vendors. We are also making various efforts to involve our DESE contractors with Occupational Skills training.

In our recent group youth RFP, DESE WIOA Title II ABE providers were promised additional points for their proposals but none applied. We need to find ways to help build capacity without a funding guarantee. We'll continue to try to grow non-WIOA training money through such things as NAMC and EPA grants and a new state-funded grant for heavy equipment operator training. Since FY'17 money has not yet been received, National Emergency Grant (or NEG) and Non-WIOA money are currently being used to train eligible dislocated workers.

For example, as a member of the Northeast Advanced Manufacturing Consortium (or NAMC) we are working with NECC and area technical high schools on training that is not WIOA funded. We are also referring people to training programs sponsored by other entities such as MA MEP. We should be aware that electronic and other manufacturing job opportunities are mostly due to an aging workforce. In the long term, advances in computers and robotics are likely to cause a decrease in total workforce demand. There will always be a need for innovation and improvement in workforce development.

Chairman Peter Matthews outlined new career center site developments in his presentation. I'll add that the new City site's per square foot cost was able to come in lower than any of the bids that the City of Lawrence received from the private sector. The City is currently rfp'ing for a new roof and chilling units for the building, and some interior work has begun. The WIB is paying an architect to provide space design recommendations. We are working with the city and the school department and the cities facility supervisor Glenn Gary. Work should be done sometime in the fall or early winter.

We are obligated to pay the current landlord an additional 50% of the lease beginning July 1, 2016. The city will waive our initial base rent lease payments until the cost of the 50% holdover fee is recovered. Initially, we will only have to pay for utilities. Different WIB regions have different indirect costs. We are one of a few region where career center and WIB staff are city employees. Employees and the City together contribute 20% of the cost of each individual salary to cover retirement costs. The city budget director states that this percentage will not cover future costs. The city has not been financially compensated for being fiscal agent, has been incurring costs, and has been a good partner. Mayor Rivera is the second Mayor who has wanted to move us downtown.

They see it as an opportunity to make Career Center services more accessible to the poorest people while also helping to revitalize the inner City. We will make the best of it.

We've had a very good quarter and expended or obligated almost all our training funds. Our only budget issue involved youth training and that has been addressed. The Youth Committee report will cover that activity.

- *Youth Committee*

In the absence of Cal Williams, Kati Sweeney, read the Youth Committee report to the board. She said that this quarter, our youth staff worked with Bridging the Opportunity Gap, Connecting Activities (CA), Lawrence Mayor Summer Initiative, STEM Careers in Clean Energy, WIOA Youth, and YouthWorks Year-Round and Summer youth to help improve their life prospects. High school students, high school drop outs, and young, unemployed high school graduates were all served.

Our goal is to align all of our youth programs into a continuum of services that keep eligible youth engaged in learning, work and career awareness and planning and, most importantly, in taking the educational steps needed to relate learning and education to their individual interests so that they can get and keep good jobs.

Because we had trouble recruiting enough youth for ITAs, out-of-school group youth training was RFPd and training related to Electronic Assembly was approved. That group training program has both occupational skills and GED/HiSet remediation components and accepted youth who have dropped out of school. Although the program cost is \$6,000 per student, which is our ITA max, the group program contains a month of work experience including three weeks that are paid for by our grant. The RFP had about a six (6) week turnaround. In the future we may want to put out similar youth RFPs months in advance so that bidders can develop new programs. Vendors cannot both create a new program and respond well to an RFP. We need vendors who can provide more than one type of training but we can't ask vendors to do XYZ because we can't guarantee funding. There are not a lot of vendors and not a lot of WIOA training dollars.

Schools like community colleges and Voke high schools have guaranteed income but their first priorities are the students enrolled in their mainstream classes. We need to build capacity in partnership with them but also with other private and public sector training sites. Individual, self-paced computer software programs may also help. For example, Career Readiness 101 provides a service that is somewhere in-between our just counseling youth and providing funds to job train them. It provides computer-based interactions that strengthens youth and adult soft skills. If employers can be persuaded to accept 101 soft skills certifications, they may learn to value the different levels of certifications such as Career 101 bronze, silver, gold and platinum certifications. The MA Department of Labor bought the Career 101 program and provided it to career centers and DESE ABE providers.

This quarter we also learned that Lawrence Public Schools now have more than 14,000 students and that they have an increasing number of new, transferring and transitioning youth. The School System is also providing separate, Pre-K services in partnership with Greater Lawrence Community Action, Little Sprouts, Head Start and ten other partners.

The Lawrence Public School System is not only trying to keep kids from dropping out, it is also trying to bring drop-outs back into school. Although the LPS Family Resource Center works with school

counselors to monitor and engage youth at risk for dropping out, they also go door knocking to kids who have left and persuade many of them to come back by identifying their individual class credit gaps. They are also trying to increase parent engagement and professional development for staff.

Our workforce development system is much less funded than public school systems and we must look for ways to further support, and not just supplement, their efforts.

- ***Nominating Committee***

Nominating Committee Chair Ann Ormond said that there was no Nominating Committee report this meeting.

- ***Finance Report***

Treasurer Bob Westcott said that we had a report from Fiscal Direct Tracy Myszkowski and he would be meeting with her in July as more information is received. He mentioned that he was surprised to see that we are over projection in the number of people and candidates and that the average pay is higher than planned.

6. Report of Executive Director

Rafael Abislaiman said that Joe Bevilacqua recently asked him what is causing the very large drop in Lawrence's unemployment rate. Rafael said that there are more people employed. But, unfortunately, many jobs pay less than the old mill jobs. There's also too much flexibility in how employment is defined. If a worker is employed for one hour per month they are considered employed. Rafael said that UI tracking often ends when an unemployed person can no longer receive UI payments. A better indicator is the labor participation rate.

Rafael said that people respond to risk, reward, and punishment. Individual responsibility drives our economy and our economy is built on the idea of opportunity and responsibility. People who work smarter earn more money. That should be the message we give to youth and the poor. Many smart people aren't getting that message and don't take advantage of education.

Our system doesn't have enough dollars to train everybody who now need training to get better paid jobs. The best opportunity is the one children, youth and family get through public education. The biggest opportunity is school. The public school system provides almost \$20k per kid for at least 12 years. Youth need to hear the message that they need to stay in school and apply themselves.

This summer we have 265 summer youth employed kids and 180 of them are from Lawrence. But there are many more Lawrence and other inner-city youth who are not in school and not in summer jobs. Education is the way out of poverty and folks need to be reminded to take advantage of that opportunity.

Rafael referenced a recent conference on Cape Cod where Senator Wolfe, chairman of the Massachusetts Senate training committee, spoke. Senator Wolfe wants our system to get youth from Dorchester and Roxbury to work on the Cape at restaurants and hotels rather than having Cape Cod employers bring folks from Eastern Europe to fill their summer jobs. Senator Wolfe said that we should recruit the best and brightest of the poor kids in Dorchester and Roxbury and give them the opportunity to work on the Cape. Rafael stated that, instead of doing that, our system sometimes insists that we recruit the most problematic poor kids and provide them to employers. This approach all too often fails to help either employers or inner-city kids.

Peter Matthews said that Eddie Bartkiewicz is doing his job and letting us know that there could be a problem with setting limits for training. Peter said that the WIOA also states that regional boards can adjust requirements locally. There is a built-in contradiction. Peter said that he is on the side with Ralph and we will see if the issue gets up to the next level.

Bob Westcott asked Joe Bevilacqua if he uses the success of the WIB when talking with employers and Joe said of course he does. He always lets them know about job training opportunities. But Joe said that he finds employers concerned about who is referred to their companies.

Francisco Brea said that there were opportunities when he came to Lawrence but when union jobs started leaving things collapsed. He said that the ValleyWorks Career Center does a great job but temp agencies are a problem. Folks are always behind when they work for the temp agencies. He feels that the temp agencies do more harm than good because they are not permanent jobs.

7. Other Business

Peter Matthews then called on Arthur Chilingirian (Chili) and presented him with a plaque on the occasion of his retirement after thirty-nine years of exceptional service as City of Lawrence/DTD Employee and ValleyWorks Career Center Executive Director. Chili said that the award should be for his staff and that he hopes that over the years he helped make a difference in people's lives.

8. Adjournment

Having no further business Joseph Bevilacqua made a motion to adjourn and Francisco Brea seconded the motion. Motion passed and the meeting was adjourned.

Respectfully submitted,
Mary Kivell
Recorder