

**WorkforceCONNECTIONS**

**BOARD MEETING  
MINUTES**

**April 24, 2012  
10:00 a.m.**

**Culinary Academy of Las Vegas  
710 W. Lake Mead Blvd.  
Parlors C&D  
North Las Vegas, NV 89030**

**Members Present**

Alex Garza	Charles Perry	Commissioner Lawrence Weekly
Commissioner Tommy Rowe	Councilman Bob Coffin	Councilwoman Peggy Leavitt
Councilwoman Anita Wood	Councilwoman Gerri Schroder	Dan Gouker
Dennis Perea	Dr. David Lee	Bill Regenhardt
Ken LoBene (Phone)	Michelle Bize	Pat Maxwell
Vida Chan Lin	William Bruninga (Phone)	Mujahid Ramadan

**Members Absent**

Valerie Murzl	Commissioner Butch Borasky	Commissioner Dominic Pappalardo
Dan Rose	Hannah Brown	Mark Edgel

**Staff Present**

Ardell Galbreth	Heather DeSart	Suzanne Potter	Clentine January
Rick Villalobos	Kim Colagioia	Jaime Cruz	Debra Collins (Phone)
Sylvia Spencer	Carol Turner	Jim Kostecki	Celia Diaz
Lauren Stewart	Chris Shaw	Cornelius Eason	Melodye Stok
Byron Goynes	Beth Rubins	Nicole Jacobs	Jerrell Roberts
Madelin Arazoza	Janice R. Greer	Chanda Cook	Kelly Woods
Linda Yi	Jeannie Kuennen	Rosie Boulware	Tish Carroll

**Others Present**

Matt Cecil, Board Counsel	Earl McDowell, DETR
Dr. Tiffany Tyler, Nevada Partners, Inc.	Stacey Bostwick, SNRHA
Vincent Miller, Goodwill	Sherry Ramsey, Goodwill
Capucine Holmes, GNJ Family Life Center	Helicia Thomas, GNJ Family Life Center
Doug Geinzer, SNMIC	Nield Montgomery, The Learning Center
Monique Harris, Southern Nevada Children First	Suzanne Burke, Southern Nevada Children First
Janice M. Rael, Nevada Partners, Inc.	Penny Hagen, FIT
Leslie MacNeil	Sharon Morales, LCCCF
Otto Merida LCC	Tracey Torrence, SNHRA
Denise Gee, HELP of Southern Nevada	Pamela HELP of Southern Nevada

(It should be noted that not all attendees may be listed above)

**1. Call to order, confirmation of posting, and roll call**

The meeting was called to order by Chair Commissioner Lawrence Weekly at 10:03 a.m. Staff confirmed the meeting had been properly posted in accordance with the Nevada Open Meeting Law. Roll call was taken and a quorum was present.

2. **ACTION: Approve the Agenda with the inclusion of any emergency items and deletion of any items**

*A motion was made to approve the Agenda with noted revision to Agenda Items 8.a and 8.c by Commissioner Tommy Rowe and seconded by Dennis Perea. Motion carried. Revision: change date range from July 1 through July 30 to July 1 through June 30.*

3. **FIRST PUBLIC COMMENT SESSION:**

Doug Geinzer, CEO, Southern Nevada Medical Industry Coalition (SNMIC) commented that with the new leadership the Board can reconsider removing the high-risk designation from SNMIC's record. Mr. Geinzer stated that SNMIC has proven in nine months that it has been the most successful program the Board has ever seen.

4. **DISCUSSION and POSSIBLE ACTION: Approval of the Board Meeting Minutes of March 27, 2012**

*A motion was made to approve the Board Meeting Minutes of March 27, 2012 as presented by Councilwoman Gerri Schroder and seconded by Councilman Tommy Rowe. Motion carried.*

5. **Youth Council ~ Ken LoBene, Chair**

- a. **DISCUSSION and POSSIBLE ACTION: Approve the Youth Council's Recommendation to Negotiate and Execute Youth Contracts for the Green and Healthcare Consortium Partners for the period May 1, 2012 through September 30, 2013 for:**

**Green Initiatives for Tomorrow – Latin Chamber of Commerce Community Foundation: \$500,000.00**

At the Youth Council meeting, the Youth Council denied staff's request to negotiate a contract with Healthcare Consortium Partner, New Growth Nevada Corporation; therefore, any action taken by the Board will be for Green Consortium Partners, Green Initiatives for Tomorrow – Latin Chamber of Commerce Community Foundation only.

Beth Rubins, Program Specialist, who was assigned to assist with the facilitation of the Youth Green Consortium, provided background and introduced Stacey Bostwick from the Southern Nevada Regional Hosing Authority (SNRHA) and Dr. Renee Cantu from the Latin Chamber of Commerce Community Foundation (LCCCF), fiscal agent for the Green Initiatives for Tomorrow (GIFT) program. The GIFT Program Scope of Work and Budget are provided on page 14 – 19 of the agenda packet.

Dr. Cantu stated that the GIFT program will serve more than 100 participants; the goal is 125 participants. The cost per participant is \$5,000. Dr. Cantu stated that the GIFT program will represent a consortium of five organizations, LCCCF, SNRHA, CCSD Career & Technical Education, UNLV Educational Outreach, and Gene Ward Elementary. The consortium will reach out to a diverse youth population, targeting youth with economic barriers, adjudicated youth, pregnant and parenting youth, out-of-school youth, and youth at-risk of dropping out of school. The program will target zip codes that are low income and high need.

Ms. Bostwick, SNHRA, described Gene Ward Elementary School's role in the consortium. Ms. Bostwick stated that Gene Ward Elementary will be involved in community activities such as their community garden, which provides an environment for service learning opportunities, green work experience opportunities, and career exploration.

*A motion was made to approve the Youth Council's Recommendation to Negotiate and Execute Youth Contracts for the Green Consortium Partners for the period May 1, 2012*

*through September 30, 2013 for Green Initiatives for Tomorrow – Latin Chamber of Commerce Community Foundation in the amount of \$500,000.00 by Councilwoman Gerri Schroder and seconded by Councilman Bob Coffin. Motion carried.*

- b. DISCUSSION and POSSIBLE ACTION: Approve the Youth Council’s Recommendation to Publish a Request for Proposals (RFP) for WIA Youth Summer Component Leading to Year-Round Youth Services in an Amount not to Exceed \$500,000.00

Clentine January, Project Specialist provided background: the summer component will run July 1 – September 30<sup>th</sup> and will provide work experience opportunities for in-school and out-of-school WIA eligible youth ages 14 – 19 years. After September 30<sup>th</sup>, the program will lead into a regular year-round youth program. The RFP will be published on April 30<sup>th</sup>.

The Board made a recommendation to staff to revise the RFP schedule to move up the Bidder’s conference to allow time for the proposals to be evaluated and contract recommendations made at the Board meeting on May 22, 2012; staff concurred.

*A motion to approve the Youth Council’s Recommendation to Publish a Request for Proposals (RFP) for WIA Youth Summer Component Leading to Year-Round Youth Services in an Amount not to exceed \$500,000.00 and request the RFP schedule be abbreviated so that contract recommendations can be made at the May 22, 2012 Board meeting was made by Councilwoman Anita Wood and seconded by Charles Perry. Motion carried.*

- c. DISCUSSION and POSSIBLE ACTION: Approve Youth Council’s Recommendation to Amend the \$3,260,000.00 Request for Proposals (RFP) Published March 30, 2012 for In-School and Out-of-School Youth Services in an Amount not to Exceed \$4,260,000.00

Ken LoBene stated that the Youth Council’s recommendation is to move out the Ready for Life Graduate Advocate Initiative (RFL GAI) to a service provider. The program is in an incubation period to allow staff to collaborate with the school district and negotiate the MOU.

Mr. LoBene explained that when programs are run in-house, the agency takes 26% of the funds for overhead costs plus an additional 37% of salaries. Mr. LoBene stated that the Youth Council was not aware of this until the recent Youth Council meeting then immediately decided to move the program out as quickly as possible to a service provider.

Ardell Galbreth explained that the 37% is based on a cost allocation plan per the OMB A-87 for programs that are run in-house wherein cost pools are created and receive a certain percentage from each program that is run by staff (i.e., financial, legal, and administrative costs). Mr. Galbreth stated that this is why it is more feasible to have programs run by service providers – the overhead is reduced and more money goes toward serving clients.

Mr. Galbreth stated that the Workforce Investment Act discourages local boards to run programs in-house. For example, the Adult & Dislocated Worker program would require a waiver from the Governor to operate such programs. Also, if the local board operates a youth program, service delivery is limited to only three program elements, which means that whatever clients are recruited by board staff for that particular program must be referred to a service provider to receive the other WIA required program elements. Mr. Galbreth stated that this is somewhat a duplication of services and not the best use of WIA funds.

Dan Gouker stated that he reviewed the salary listing provided in the agenda packet and noted that there is staff listed under “youth” that are assigned to the RFL GAI internal program including a RFL So. NV Regional Director, RFL Systems Director, RFL Business Developer, and RFL Communications Specialist in addition to the RFL GAI Director, RFL Community and Employment Liaison, and ten RFL GAI Coordinators. Mr. Gouker calculated the salaries at \$788,500 stating that it is absolutely absurd to have that kind of staffing levels for a program that is not supposed to be an in-house program to start with. Mr. Gouker stated that this is exactly why the Southern Board is getting hammered by the State for these kinds of staffing levels that are absolutely not justifiable.

Dennis Perea stated that the Governor’s auditor recommended that the State institute State Compliance Policies to be put before the Governor’s Workforce Investment Board to force some of these issues. Mr. Perea stated that he would be happy to engage with Board members as the State develops these.

Following discussion,

***A motion was made to approve Youth Council’s Recommendation to Amend the \$3,260,000.00 Request for Proposals (RFP) Published March 30, 2012 for In-School and Out-of-School Youth Services in an Amount not to exceed \$4,260,000.00 by Dan Gouker and seconded by Councilwoman Anita Wood. Motion carried.***

- d. DISCUSSION and POSSIBLE ACTION: Approve the Youth Council’s Recommendation to award Clark County Summer Business Institute an amount not to Exceed \$75,000.00 in Governor’s Reserve Funds to Support Summer Employment and Education Opportunities for Youth

***A motion was made to approve the Youth Council’s Recommendation to award Clark County Summer Business Institute an amount not to exceed \$75,000.00 in Governor’s Reserve Funds to Support Summer Employment and Education Opportunities for Youth by Dan Gouker and seconded by Councilwoman Anita Wood. Commissioner Lawrence Weekly abstained. Motion carried.***

**6. Adult & Dislocated Worker Committee ~ Valerie Murzl, Chair**

- a. DISCUSSION and POSSIBLE ACTION: Approve the Draft of the Contract Extension Evaluation Tool for Incumbents

Sylvia Spencer, Research & Development Director, provided a brief overview of the proposed Scoring Rubric designed to evaluate current WIA Funded Partners for the purpose of making objective recommendations for continued funding for PY2012. The Scoring Rubric is provided in the full agenda packet.

Heather DeSart, Deputy Director-Workforce Development stated that as the alignment of the ADW and Youth programs begins, staff will bring to the Youth Council and this Board a similar tool for future contract extensions for the Youth with added language.

***A motion was made to approve the Draft of the Contract Extension Evaluation Tool for Incumbents as presented by Councilwoman Anita Wood and seconded by Councilman Bob Coffin. Motion carried.***

- b. INFORMATION: Regional Sector Update Healthcare & Green Economy

Jaime Cruz provided a brief update on the Green Sector strategies, including Department of Labor’s monitoring of the SESP Grant. Dennis Perea, Deputy Director, DETR commented

that he was very happy with the exit interview with DOL. Mr. Perea stated there were a couple points of concern, the big one being the expenditure rate, which has been a national problem. Mr. Perea stated that overall it was a great audit.

Debra Collins, Project Specialist I, reported on the upcoming Operation Healthcare Bound event on Wednesday, May 23, 2012. Thirteen hospitals are participating and over 150 youth will attend the event. Lauren Stewart and Celia Diaz from Communications provided further details on the event and the planning behind it. The flyer is provided on page 44 of the agenda packet.

Linda Yi, Project Director Nevada Healthcare Sector, thanked Ms. Stewart and Ms. Diaz for their efforts and provided a brief update on the Nevada Healthcare Council. Ms. Yi commented that the council is moving right along. At the last meeting DETR Director Woodbeck addressed the group and the Health Industries Specialist that is being appointed by the Governor's Office of Economic Development has been appointed for Healthcare and will be attending the May meeting.

Ms. Yi stated that the council has pretty much finalized the Bylaws which will affect all of the sector councils, not just the Healthcare sector. The Governor's Board will vote on the Bylaws at their meeting this Thursday.

Ms. Yi and Ms. Collins have been invited to Washington DC to present on the Nevada Healthcare Sector Council and the work done on the HRSA Grant along with other States that received the grant. Ms. Yi stated that she hopes to identify other funding opportunities at the DC event.

Charles Perry applauded the healthcare strategies but stated that he is disappointed that there is no participation from post-acute care organizations, such as long-term acute care hospitals, rehabilitation, and nursing facilities. Mr. Perry hopes that as the agency moves forward it reaches out further into the continuum of care and tries to bring these groups into focus.

- c. INFORMATION: Bios of Re-Entry RFP Proposal Evaluators  
This is an informational item only. Backup is provided in the agenda packet.
- d. INFORMATION: Review Survey Response Summary for RFP 101 Workshop  
This is an informational item only. Backup is provided in the agenda packet.

7. INFORMATION: Common Measure Performance Reports for 3<sup>rd</sup> Quarter PY2011  
This is an information item only.

8. Operations Update

- a. DISCUSSION and POSSIBLE ACTION: Approve Revised PY2011 WIA Formula Budget July 1, 2011 through June 30, 2012  
Jim Kostecki, Finance Manager, provided a brief overview of the budget and noted two items: 1) the agency received an additional \$141,000 of ADW funding to a slight change in the Governor's allocation; 2) Administrative and Operations budget was reduced by approximately \$200,000 by reducing various line items, including \$50,000 in potential staff cuts and \$150,000 for staff's vision of what the agency needs for the remainder of the year. The funding was moved to the Strategic Initiatives line.

***A motion was made to approve Revised PY2011 WIA Formula Budget July 1, 2011 through June 30, 2012 as presented by Commission Tommy Rowe and seconded by Pat Maxwell. Motion carried.***

b. INFORMATION: Revised PY2011 WIA Formula Budget Narrative

This is an information item only.

c. DISCUSSION and POSSIBLE ACTION: Approve PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013

Carol Turner, Financial Consultant, provided a brief overview of the budget. Mr. Turner commented that this is a tentative budget for next year, as staff is still waiting for the actual allocations from the State. Based on the State's increase, staff estimated an increase in Adult funds by 9.69%, Dislocated Worker .51%, and Youth 9.65%. Mr. Turner noted that this budget includes 10% administrative costs and 10% operations, which was reduced by 6%, resulting in an additional \$1.7 Million that will go to service provider contracts.

Mr. Perea pointed out that the Governor's executive auditors proposed that expenditures are capped at 16% (10% Administrative and 6% Program). Mr. Perea stated that a State Compliance Policy needs to be written to move forward with this.

Mr. Galbreth stated that it would be a critical mistake to reduce the budget much further than it already is. Mr. Galbreth stated that the budget presented today will address most of if not all of the concerns that have been expressed by the Board, Local Elected Officials, and the State and that it has the ability to achieve all of the agency's objectives. Mr. Galbreth stated that with this budget and the collaboration with the State and the local area entities the agency will be able to leverage resources to achieve the economies of scale such as increased services to clients while maintaining the quality of oversight thereof.

Dan Gouker stated that the Budget Committee had a lengthy discussion regarding the budget and the Committee will be looking carefully at all line items now and at every Budget meeting. Mr. Gouker pointed out at the bottom of the budget where Finance staff added the funding terms for each funding year, including how long the funds are good for.

***A motion was made to approve PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013 by Councilwoman Anita Wood and seconded by Michelle Bize. Dennis Perea opposed because the budget fails to meet the recommended 16% Admin/Program costs. Motion carried.***

d. INFORMATION: PY2012 WIA Formula Budget Narrative

This is an information item only.

e. INFORMATION: Adult and Dislocated Worker & Youth Funding Plans

Ms. Turner provided an overview of the funding plans.

f. INFORMATION: PY2011 Awards & Expenditures

Mr. Kostecki provided an overview of the PY2011 Awards & Expenditures report. Mr. Kostecki noted that CCSD-Desert Rose (ADW Health Sector provider) is underspent but program staff is working with them to get through their issues. CCSD-Desert Rose stated in an email that they fully expect to spend all of their funding by the end of June 2012. Mr. Kostecki said he hopes they do.

Ms. DeSart stated that CCSD-Desert Rose is struggling and staff is providing a lot of technical assistance. Ms. DeSart stated that staff asked CCSD-Desert Rose to stop enrolling clients because the provider was enrolling and training clients but not placing them into employment, which puts performance in jeopardy. Ms. DeSart stated that staff asked the provider to put their clients in on-the-job training activities and classroom activities with job placement as an objective to continue their expenditure rate.

Mr. Kostecki noted that the Nevada Hospital Association (ADW Health Sector provider) is underspent because the program did not start until January 2012. Staff will keep a close watch to ensure spending is on track.

Mr. Kostecki commented that the unallocated \$3.3 Million of ADW PY11 funds will be put out in an RFP next year.

g. INFORMATION: Program Year 2010 Audit Findings Status Update

Ms. Turner provided a brief overview of the Audit Findings Status report. Ms. Turner stated that the PY2010 audit findings have been added to the report and noted that many of the findings are repeat from last year's audit, which was expected because the audit for June 30, 2010 was not completed until April 29, 2011, so staff only has a month or two to begin to make corrections.

Ms. Turner stated that the corrective action plan portion has also been updated and policies and procedures are in place, with the exception of the new Financial Edge system, which staff is continuing to reconcile. Ms. Turner stated that primarily staff is focusing on the policies and procedures for the next month.

Councilman Coffin stated that the audit had material deficiencies and significant weaknesses and asked Ms. Turner to make note of the differences on the next report as well as the method for addressing the problems. Ms. Turner concurred and stated that the CFOs have also requested that the report indicate whether or not the finding will be addressed this year.

Councilwoman Wood stated that the agency has made tremendous progress and thanked the staff for their effort. Councilwoman Wood stated that Mr. Galbreth has made some good decisions and the agency is moving in the right direction.

h. INFORMATION: Financial Edge System Implementation Update

Mr. Kostecki stated that staff finished entering all the entries from QuickBooks into the new Financial Edge (FE) system for the first six months through December and the trial balance from QuickBooks to FE. All transactions from January forward were done in FE so it's now a matter of reconciling all of the accounts. The goal is to have all the accounts reconciled by year-end. On Monday, staff was training on the PaperSave software which will provide scanning capabilities to FE.

i. INFORMATION: Workforce Connections Standing Professional Services Contracts

This item was provided at the request of the Board.

Dan Gouker expressed concern regarding the amounts and necessity of some of the contracts, including Second Chance of San Diego, The Solar Institute, Jantec.

Mr. Gouker commented on the Operation HOPE contract and amendment to provide re-entry job readiness services. Mr. Gouker read the following clause from a letter dated February 13<sup>th</sup> to Mr. Ponder, Executive Director of Operation HOPE regarding the termination of Operation HOPE's contract with Workforce Connections Re-Entry program (attached):

*Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made.....and any other appropriate analysis to determine the most economical approach.*

Mr. Gouker said, the letter states that Workforce Connections staff would be doing the re-entry function so this provider would be in violation of that particular clause.

Mr. Gouker read and provided a copy of the language taken directly from 29 CFR part 97.36 – Procurement (4) (attached), including the words omitted from the letter:

*Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.*

Mr. Gouker commented that staff is quoting policy that has nothing to do with the duplication of services to clients; it has to do with duplication of copy machine leases and buying newspapers?

Mr. Gouker asked to know why this vendor was denied.

Mr. Gouker stated that he was in lengthy conversation with UNLV yesterday and they were told about the Re-entry RFP after the initial meeting (mandatory bidder's conference) so they were ineligible to apply for the RFP.

Mr. Gouker suggested that the Board and LEOs look at every professional services contract and if there is an expiration date, staff should be able to provide a very good reason why it should extend.

Mr. Gouker stated that there are some issues here and ultimately the responsibility falls with this Board and specifically the Local Elected Officials on any malfeasance on the spending of this money – so these issues need to be addressed.

Mr. Galbreth replied that he does not have all the answers to the many questions raised but many of the contracts, as they expire, will not be renewed. Regarding the issue of the propriety of contracts being awarded and whether or not services are being done in-house, all of these elements are being reviewed according to WIA and the associated policies and directives. Mr. Galbreth stated that any irregularities will be brought to this Board and the LEOs.

- j. INFORMATION: Workforce Connections Current Staff Position List  
This is an information item only.



**9. Interim Executive Director's Update ~ Ardell Galbreth**

Mr. Galbreth informed the Board that Chair and Vice-Chair Elections will be held at the next Board meeting and if any Board member is interested in serving in an officer position they should submit their notice by then. The term of the officer positions will be effective July 1, 2012.

In reply to Mr. Ramadan's questions regarding committee chair elections, Mr. Galbreth replied that Chair and Vice-Chair of committees are elected annually by said committee and the Board is only responsible for electing its own officer positions.

Mr. Ramadan suggested that the various committees take a serious look at who is chairing the committee and make change where necessary. Mr. Ramadan stated that he will eventually bring this back to the Board to look at ongoing issues.

Dr. Lee asked staff to look into the status of the Emerging Markets and Brand & Value Committee; Mr. Galbreth stated that the Emerging Markets was recently dissolved by the Board and will follow-up accordingly. Councilwoman Wood asked Mr. Galbreth to provide a list of all the standing committees.

a. DISCUSSION and POSSIBLE ACTION: Approval of OMB A-133 Auditing Services to L.L. Bradford & Company in an Amount not to Exceed \$65,000.00

The summary of proposal scores and executive summaries from each respondent is provided in the full agenda packet. Staff is recommending approving L.L. Bradford & Company.

Councilwoman Anita Wood stated that Piercy, Bowler, Taylor & Kern (PBTk) were concerned that one year ago two RFP were published, one for one year and the other for two years, which PBTk believes was awarded to them. Therefore, PBTk believes they are still under contract with Workforce Connections for auditing services. Councilwoman Wood recommended that this item is continued until the issue with PBTk is resolved. Discussion ensued.

Matt Cecil, Legal Counsel, read from PBTk's contract with Workforce Connections submitted by PBTk on September 15, 2011:

*This letter including the integral attachments hereto constitutes the complete understanding between Piercy, Bowler, Taylor, & Kern Certified Public Accountants and Business Advisors, a professional corporation and the organization relating to services to be rendered to the organization and supersedes all proposals and other communications oral or written...subject to a new letter of engagement it is agreed that this agreement may be considered for renewal annually for subsequent years under substantially the same terms unless and until terminated by either party for any reason or amended in writing. For example, for changes in fee arrangements or other clarification or modification of terms. Nevertheless our engagement will be considered complete each year following the rendering of all reports and communications agreed to on an hourly basis; however in the event of a significant change in management or the composition of those in charge with governance or financial oversight, continuation of these arrangements will be subject to the results of our normal investigatory client acceptance procedures and our approval of new management or other key personnel.*

Mr. Cecil stated that the key language is "that our engagement will be considered complete each year following the rendering of all reports and communications agreed to on an annual basis" and in his opinion it appears as though each year the contract is complete, the services are completed, and afterwards subject to renewal according to the contract.

Mr. Cecil stated that he has also reviewed the June 18, 2011 RFP which was awarded to PBTK. Mr. Cecil read from the RFP which states:

*The initial term of the awarding agency's contract shall be for two years...either party may, upon 30 days written notice, terminate the audit agreement contract for any noted reason.*

Mr. Cecil stated that although the RFP states for two years, the contract specifically states that it supersedes any of the proposal language or what not. Mr. Cecil stated that there is a legal doctrine called the Doctrine of Merger which would state that the contract itself merges or assumes all terms in the contract or any other terms not in the contract is considered overruled, for lack of a better word. Mr. Cecil stated that this is his position and will answer any questions. Discussion ensued.

Councilman Coffin stated that he was concerned that all of a sudden this has become a big issue with staff after receiving a very harsh audit. Councilman Coffin stated that he agrees with Councilwoman Wood to continue this item in 30 days and stated that he felt there was no need to change accountants. Councilman Coffin stated that it does not look good to terminate the auditors after receiving a harsh audit.

Mr. Galbreth stated that staff does not have an issue with the auditor and staff accepts all findings and is currently in the process of making correction action on the findings. Mr. Galbreth stated that staff has no concern about which firm gets the auditing services contract. Mr. Galbreth stated that he was viewing this in the best interest of the agency, including the quality of the audit and the cost thereof. Mr. Galbreth stated that L.L. Bradford & Company is the second lowest bid received.

Denis Perea, Deputy Director, DETR, asked if L.L. Bradford & Company has experience with governmental auditing and why staff is not recommending the lowest bidder, Tompkins & Peters CPA, P.C. who, according to Mr. Perea, have extensive experience in governmental and fund auditing.

Mr. Galbreth replied that L.L. Bradford & Company has the experience. Mr. Galbreth also noted that qualified individuals from Clark County, North Las Vegas, and Workforce Connections staff members (Finance Manager and financial consultant) reviewed and scored the proposals and made the recommendation to staff.

In response to Councilwoman Gerri Schroder's question regarding the reason for PBTK wide price range of \$55,550 to \$180,050, Mr. Galbreth stated that staff did not quite understand it as well. Mr. Galbreth stated that the RFP asked for a flat rate and all of the proposals had a flat rate with the exception of PBTK.

Carol Turner, Financial Consultant, stated that the agency paid PBTK a range up to \$150,000 for the audit only, not including the interim services, which was approximately \$110,000 for 2011.

Michelle Bize commented that the agency would need to give notice to PBTK by July 2012. Mr. Galbreth concurred and stated that PBTK has not yet received notice that their contract is about to be terminated because the agency does not want to do that until a new auditor is in place. Mr. Galbreth stated that if another auditing firm is approved, staff will give PBTK a thirty day notice accordingly.

Dan Gouker read from the attached document from the Government Finance Officers Association titled Best Practice: Audit Procurement (1996 and 2002):

*Government entities should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract, consistent with applicable legal requirements. Ideally, auditory independence would be enhanced by a policy requiring that the independent auditor be replaced at the end of the audit contract...*

Following, Mr. Gouker stated that if the Board is going to move forward with this, there is time to refer this back to the Budget Committee for review and to answer some of the questions asked, including that if a flat rate was asked for, would it disqualify a respondent who did not provide a flat rate. Mr. Gouker stated that he is not suggesting any proposal be disqualified; however, the rules in the RFP are very clear and ask for one flat rate. Mr. Gouker stated that he also has a real issue with a \$100,000 span of services and recommends with the Board's approval that this be referred back to the Budget Committee for additional review.

Following discussion,

***Councilwoman Anita Wood made a motion to continue this item for 30 days and refer it back to the Budget Committee to perhaps meet with PBTk to find out exactly what understandings were and to investigate into the recommendation here and the proposals to see if we can't firm this up. The motion was seconded by Charles Perry. Commissioner Lawrence Weekly abstained because PBTk handles his account in terms of his elected position. Motion carried.***

Commissioner Tommy Rowe recommended that one of the audit services review committee members be present at the Board meeting to explain the scoring results.

Jim Kostecki, Finance Manager, explained that the RFP had a scoring grid which outlined the criteria in which the proposals would be scored. Mr. Kostecki stated that all four members of the audit services review committee are present at the meeting today.

As part of the Interim Executive Director's Report Mr. Galbreth provided an overview of the Workforce Connections Reduction in Force (RIF) plan. The RIF plan is provided on page 108 of the agenda packet. The methodology that will be used is an assessment by Mr. Galbreth, Human Resource consultant and legal counsel, of all the positions in the functional areas as they relate to the mission of Workforce Connections. If the position supports the mission it will be retained and if the position does not support the mission it will be eliminated. Employees are ranked by seniority in each department. Employees may bump a lesser senior person if they have the skills and expertise to perform the position held by the less senior position. Employees that move to another position also assume the same opportunity and pay rate for that corresponding position. The reductions are not performance related and if new positions become available at Workforce Connections, the laid off staff will have an opportunity to apply and will receive priority for the position that is posted. Mr. Galbreth stated that the total cost saving will be \$1,367,862, which will go out to the service providers to increase the number of participants served. Discussion ensued.

Commissioner Weekly stated that at the last Board meeting Valerie Murzl put some strong comments on the record and today Mr. Gouker referenced the Local Elected Officials and their responsibilities to this Board. Commissioner Weekly stated that the Board is just as relevant as the LEOs and thanked Mr. Gouker for getting involved today and raising questions.

Commissioner Weekly addressed the LEOs, "we have to step our game up because it's obviously clear that the remainder of these Board members feel though as if we are not doing our jobs or we have this big responsibility, we're letting things slide through the cracks and lots of things are being rubber-stamped."

Councilwoman Peggy Leavitt suggested that new Board members are trained in a classroom setting on WIA, our programs, our providers, responsibilities as a Board member, and other fundamental elements of the Board.

Mr. Ramadan stated that he received a letter from each of the City Managers that stated they would go to court before they allowed the Board members more control and that it would remain with the Local Elected Officials. Discussion ensued.

Commissioner Tommy Rowe requested that a discussion regarding SNMIC's high risk designation needs to be on the next agenda. Legal counsel stated that it was on the last agenda; however, it can be brought back. Commissioner Rowe stated that he wants to discuss how this provider can be taken off high risk.

Mr. Galbreth confirmed that SNMIC was in fact removed from high risk status in January and has been properly notified. Mr. Galbreth stated that he has had discussions with SNMIC since his appointment as Interim Executive Director.

**10. SECOND PUBLIC COMMENT SESSION:**

Janice Rael, Nevada Partners, Inc. distributed a document that provides an overview of where Nevada Partner's program is at as of the end of the 3<sup>rd</sup> quarter. Ms. Rael stated that contractually, Nevada Partners has already met and exceeded their commitment by 22%. Ms. Rael invited the Board members to visit Nevada Partners for a personal tour.

Tracey Torrence, Southern Nevada Regional Housing Authority (SNRHA) stated that a report will be provided to the Board next week to make them aware of their financial obligations within their budget. Ms. Torrence stated that the information in the agenda indicates they are at 40% spent but they are actually at 90% obligated in Healthcare and 70% in Green. Ms. Torrence stated that the information presented in the agenda packet is accurate as far as invoices received but not as far as how much funds are obligated.

Stacey Bostwick, Southern Nevada Regional Housing Authority (SNHRA) commented that the deadline for the Youth RFP is next Monday, April 30<sup>th</sup> with the amendments that were made today it is not possible for new providers to be considered because the notice of intent to apply was due on April 16<sup>th</sup>. Ms. Bostwick asked if the deadline would be changed to allow new providers an opportunity to apply.

In response to Ms. Bostwick's question, Mr. Galbreth stated that staff will make adjustments accordingly.

Commissioner Weekly asked Mr. Galbreth and Ms. DeSart to be available immediately following the meeting to address any further questions Ms. Bostwick or others may have regarding the Youth RFP process.

**11. Adjournment**

The meeting adjourned at 12:57 p.m.