

## **Minutes**

### **Local Elected Officials Consortium**

**Tuesday, November 8, 2011**

**2PM**

#### *workforce***CONNECTIONS**

7251 W. Lake Mead Blvd., Ste. 200

Las Vegas, NV 89128

#### Members Present

Councilwoman Gerri Schroder, Chair  
Commissioner Dominic Pappalardo  
Councilwoman Peggy Leavitt  
Councilwoman Anita Wood

Commissioner Lawrence Weekly  
Commissioner Andrew Borasky (Phone)  
Councilman Bob Coffin  
Commissioner George “Tommy” Rowe

#### Members Absent

None

#### Staff Present

Ardell Galbreth  
Suzanne Potter  
Jeannie Kuennen

MaryAnn Avendano  
Heather DeSart  
Carol Turner

#### Others Present

Matt Cecil, Legal Counsel  
Doug Lyon (Phone)  
Earl McDowell, DETR  
Charles Perry, SNMIC-NVHCA  
Doug Geinzer, SNMIC  
Ann Lynch, SNMIC

Michael Oh, City of Henderson  
Laverne Kelley, DETR-WISS  
Derrick Berry, DETR  
Hannah Brown  
Linda Robinson, SNMIC

#### **CALL TO ORDER, confirmation of posting, roll call**

The meeting was called to order by Chair Councilwoman Gerri Schroder at 2:03PM. Staff confirmed the meeting had been properly noticed and posted in accordance with the Nevada Open Meeting Law. Roll call was taken and a quorum was present.

#### **ACTION: Approve the Agenda with inclusions of any emergency items and deletion of any items**

*A motion was made to approve the agenda with as presented by Commissioner Lawrence Weekly and seconded by Commissioner Tommy Rowe. Motion carried*

#### **FIRST PUBLIC COMMENT SESSION**

Douglas Geinzer, CEO, Southern Nevada Medical Industry Coalition made remarks to the success of the Healthcare 20/20 program and expressed appreciation to Workforce Connections for funding the program. Following, Mr. Geinzer recalled the events that led to SNMIC’s high risk status.

**ACTION: Approval of the Local Elected Consortium meeting minutes of July 12, 2011**

*A motion was made to approve the Local Elected Consortium meeting minutes of July 12, 2011 by Commissioner Lawrence Weekly and seconded by Councilwoman Peggy Leavitt. Councilwoman Anita Wood abstained. Motion carried.*

**BREAK IN THE MEETING PURSUANT TO NRS § 241.015(b)(2)**

NRS § 241.015(b)(2) provides states: A “Meeting ... Does not include a gathering or series of gatherings of members of a public body...at which a quorum is actually or collectively present: ...To receive information from the attorney employed or retained by the public body regarding potential or existing litigation involving a matter over which the public body has supervision, control, jurisdiction or advisory power and to deliberate toward a decision on the matter, or both.”

Chair Councilwoman Gerri Schroder called a break in the meeting at 2:12PM and the public was excused.

**RESUME MEETING AFTER THE BREAK**

Chair Councilwoman Gerri Schroder called the meeting to order at 3:10PM and confirmed a quorum was present.

**DISCUSSION AND ACTION: Nomination for Reappointment to the workforceCONNECTIONS Board of Directors**

Hannah Brown, Urban Chamber of Commerce

Reappointment – (2 year term)

Category: Business

After it was established that Ms. Brown was appropriately categorized as a business representative and met criteria for Board membership

*A motion was made to approve the nomination to reappoint Hannah Brown for a 2 year term to the workforceCONNECTIONS Board of Directors by Councilwoman Anita Wood and seconded by Councilman Bob Coffin. Motion carried.*

**DISCUSSION: LEO Consortium Chair and Vice Chair Elections and Terms**

Councilwoman Gerri Schroder confirmed that elections for Chair and Vice-Chair will take place at the next regularly scheduled LEO meeting. Any of the LEOs from the eight jurisdictions may serve as Chair or Vice-Chair. The vote will be determined by the members of the Local Elected Official Consortium.

**ACTION: Accept and approved Workforce Connections Bylaws**

Mr. Galbreth asked the LEOs to review the Workforce Connections bylaws included in the agenda full packet and consider approving them. One approved, the revised bylaws which have been reviewed by each of the eight jurisdiction’s CFOs will replace the current outdated bylaws and bring inline what the LEOs are essentially doing today.

Councilwoman Wood requested a copy of the current bylaws to review what changes have been made. Matt Cecil, Legal Counsel, stated that he would provide to the LEOs an information packet that will include the bylaws. Further, Ardell Galbreth will provide a WIA Orientation/presentation to all LEOs and Board Members.

Following a brief discussion Chair Councilwoman Schroder asked that this item be continued to the next meeting so the LEOs can review the bylaws.

*A motion was made to continue item 10.a Workforce Connections Bylaws at the next scheduled Local Elected Officials Consortium meeting by Councilwoman Anita Wood and seconded by Commissioner Tommy Rowe. Motion carried.*

**ACTION: Accept and approve Workforce Connections' Interim Personnel Policy**

Councilwoman Anita Wood requested a change to paragraph 1.3 to replace *executed* with *signed*; Matt Cecil concurred. Following a brief discussion,

*A motion was made to accept and approve Workforce Connections' Interim Personnel Policy as revised in paragraph 1.3 by Councilwoman Peggy Leavitt and seconded by Commissioner Butch Borasky. Motion carried.*

**ACTION: Accept and approve Workforce Connections' Annual Budget for the period July 1, 2011 – June 30, 2012**

Mary Ann Avendano provided a brief overview of the Annual Budget, which has been approved by the Budget and Finance Committee and the full Board. Following a brief discussion,

*A motion was made to accept and approve Workforce Connections' Annual Budget for the period July 1, 2011 – June 30, 2012 by Commissioner Tommy Rowe and seconded by Commissioner Butch Borasky. Motion carried.*

**ACTION: Accept and approve settlement regarding Vauna Parr litigation**

Per the request of Councilman Bob Coffin, Matt Cecil provided an overview of the settlement agreement. The amount of the settlement agreement is \$14,000 which will be paid toward Vauna Parr's legal fees. In exchange, Ms. Parr has agreed to dismiss all litigation claims against Southern Nevada Workforce Investment Board (Workforce Connections). Mr. Cecil stated that a severance will be paid to Ms. Parr; however, the severance is not associated with the settlement agreement presented at today's meeting.

*A motion was made to accept and approve settlement regarding Vauna Parr litigation as presented by Councilwoman Anita Wood and seconded by Commissioner Tommy Rowe. Motion carried.*

**INFORMATION: Consolidated Direct Grants**

Carol Turner provided information on the consolidated budget - direct grants as presented on page 44 of the full agenda packet. The 2011 budget is for the following direct grants: State Energy Sector Partnership (SESP) \$4,050,000; Health Resources and Services Administration (HRSA) \$140,509; Department of Justice – Get Out (DOJ) \$692,096; YouthBuild Las Vegas PY09 (YBLV-09) \$1,100,000, and YouthBuild Las Vegas PY2011 (YBLV-11) \$1,100,000.

**INFORMATION: Program Year 2010 Awards and Expenditures – Monthly Update**

MaryAnn Avendano provided an overview of the PY10 Awards and Expenditures report as of October 6, 2011 provided on page 46-49 of the full agenda packet. Ms. Avendano stated that all providers have been closed out except for two whom staff is working with to resolve minor issues. The expenditure rate is 87% for the WIA ADW program, 88% for the WIA Youth program, 94% for the ARRA Summer Youth program, and 92% for the Governor's Reserve Youth program, 100% for Re-Entry (Wagner-Peyser), 65% for United Way/Olive Crest, 76% for the YouthBuild sub-awards PY09; 3% for the YouthBuild sub-awards PY11 (new award), 18% for the SESP program (3 year award), 47% for the HRSA program, and 44% for the DOJ program.

**INFORMATION: Program Year 2011 Awards and Expenditures – Monthly Update**

MaryAnn Avendano provided an overview of the PY11 Awards and Expenditures monthly report as of October 6, 2011 as provided on page 50 of the full agenda packet.

**INFORMATION: Chief Financial Officer Search Update**

A complete list of applicants for the Chief Financial Officer position is provided on page 52-53 of the full agenda packet. Staff is meeting with the CFOs from the various jurisdictions to identify the most qualified candidates for the position. The first round of interviews is scheduled on Thursday, November 10<sup>th</sup>. Four candidates have been identified for interviews, which will be done over the phone. The interview panel consists of the CFOs from the different jurisdictions, including Tom Wilson, Clark County Controller; Phil Stoeckinger, CFO, City of Las Vegas; Debra Sizemore, CFO, City of Henderson.

**DISCUSSION and POSSIBLE ACTION: Service Provider/Funded Partner Oversight Protocol**

Mr. Galbreth provided a brief overview of the Workforce Connections Policy 5.2, Non-Compliance Sanctioning Process provided on page 55 of the agenda packet. The policy is to outline the Board's process for levying sanctions against service providers for non-compliance and/or failure to adhere to the Boards established guidance as outlined in federal, state, and local policies. Sanctions will be levied against non-compliant agencies within ten working days after notification of required corrective action (pink paper) notices. Red papers notify service providers of monetary sanctions when appropriate corrective action has not been completed with the required timeframe. The Board manager may levy sanctions in \$5,000 increments, not to exceed \$25,000 in a single program year per service provider.

*A motion was made to direct staff to add the amendments and appeal process to the oversight protocol non-compliance sanction process by Commissioner Tommy Rowe and seconded by Councilwoman Peggy Leavitt. Motion carried.*

**INFORMATION: Financial Edge System Implementation Schedule – Monthly Update**

Mary Ann Avendano provided a brief update: staff is working on the transition to the fund based accounting software according to the implementation schedule on page 59-60 of the full agenda packet. Ms. Avendano estimated that the new system will be fully operational by the end of November, early December 2011. Staff is very confident and pleased with the new system.

**INFORMATION: Southern Nevada Medical Industry Coalition (SNMIC) Update**

Carol Turner provided an SNMIC's review of high risk determination beginning with concerns relating to financial reporting, internal control, allowable cost, and case manager identified in the May 2, 2011 Fiscal Compliance Review on-site monitoring of SNMIC:

- Financial Reporting: SNMIC's quarterly reports were late or incomplete for out of four quarters or 100% of the time
- Internal Control: SNMIC's CEO is performing almost all fiscal duties under the contract including invoicing, signatory on paychecks, timesheets, travel and cost reimbursements, contracts, and all bank accounts; SNMIC was required to have their contracted CAP perform a segregation of duties analysis regarding SNMIC's fiscal functions and processes
- Regarding SNMIC's internal control policy requires two signatures on checks with amount exceeding \$500, three checks contained only one signature; employee time cards did not have the required two signatures, and bank reconciliation completed by the contracted CAP did not have signatures reflecting two reviews (CEO and Administrative Manager)
- Allowable Costs: Workforce Connections hired a DOL contractor to do an invoice desk review audit on SNMICs PY10 expenditures. A summary of questioned costs included

parking fees for CEO's oversized vehicle and various meals for a total of \$5,372.04 in disallowed costs.

- Cash Management: despite extensive cash management technical assistance training, SNMIC found it difficult to maintain an adequate cash balance due to their failure to request advances and invoice expenditures in a timely manner; SNMIC's invoices were late or incomplete 5 out of 9 reports or 56% of the times. The full list of advance requests and invoice inconsistencies are provided on page 64-65 of the agenda packet.

Heather DeSart commented that in October 2010 SNMIC was a brand new provider and Workforce Connections does not sanction and "pink paper" brand new providers; however wC did make recommendations that SNMIC hire at least on a part-time basis a dedicated fiscal staff member so that they could have someone dedicated to the fiscal management component of the program; SNMIC failed to hire a fiscal person after receiving the recommendation or any time thereafter. Ms. DeSart stated that the dedicated time of Workforce Connections staff was unprecedented with the fiscal side of the program. Workforce Connections staff were on site at SNMIC on multiple occasions for several hours at a time providing technical assistance to SNMIC staff. It is the intent of Workforce Connections to provide all new providers as much technical assistance as possible to assist them with getting their program up and running. It is not the intent of Workforce Connections to sanction or be punitive to brand new service providers.

Mary Ann Avendano provided the following timeline wherein technical assistance was provided to SNMIC:

1. On May 8, 2011, wC staff spent three hours providing training on invoices and general technical assistance training;
  2. On June 16, 2011 Ms. Avendano spent three hours at SNMIC providing technical assistance and discussion on monitoring issues, invoicing, procurement, cash management strategies, cost allocation issues, and managing cash flow;
  3. Numerous e-mails and telephone conversations were ongoing between Workforce Connections fiscal staff and SNMIC and,
  4. SNMIC received fiscal training with all other services providers at the start of their program, including six hour training in October 2010 addressing all of the issues with running a WIA program, wherein the providers received a comprehensive training manual and copies of pertinent policies and forms needed to effectively run their program.
- Procurement/Contracts Management: during a Fiscal Compliance Review it was determined that no contract files contained evidence in writing that the contracts had been reviewed and approved by Workforce Connections prior to execution as required for contracts of \$1,000 and over; SNMIC did not receive quotes or bids as required by Workforce Connections Procurement Policy #2.2
  - SNMIC's procurement records were out of compliance with wC's Procurement Policy #2.2 six out of six contracts or 100% of the time; one contract was not executed, one was not fully executed, and there was no contract for SNMIC's CPA services.
  - PY11 Budget Negotiations: four proposed budgets were submitted by SNMIC with a wide variety of salary totals and positions for the CEO position held by Doug Geinzer; wC recommended that a part-time dedicated fiscal staff member be budgeted, hired, and retained by SNMIC but the position was never reflected in any of the proposed budgets; budget negotiations were never completed because SNMIC notified wC in October that they did not intent to renew their contract for PY2011.

The full update is provided on page 62-69 of the agenda packet

Ms. DeSart stated that staff will submit a report to SNMIC that delineates allowed and disallowed costs by November 18, 2011. Once all issues are resolved and both parties are in agreement, Workforce Connections and SNMIC will sign a Letter of Intent to facilitate the SNMIC close out process.

As a separate process, a new contract will be executed with the Nevada Hospital Association, a solid organization with extensive experience managing federal funds. Nevada Hospital Association received and successfully managed a \$20 Million infrastructure federal award.

### **SECOND PUBLIC COMMENT SESSION**

Linda Robinson, Board Member - Southern Nevada Medical Industry Coalition (SNMIC) introduced herself and commented on the success of the Healthcare 20/20 program in the State of Nevada. Ms. Robinson stated that it was unfortunate that the program was not a good fit and it was inevitable that ties would be severed with Workforce Connections due to the differences in the direction and focus of both organizations.

In response to why SNMIC did not hire dedicated fiscal staff as per Workforce Connections' recommendation, Doug Geinzer, CEO - SNMIC, replied that they had hired two outside CPAs that architected the chart of accounts in such a way that the data entry could be done in-house by administrative staff. Mr. Geinzer said that both he and the two CPAs closely watched the invoice submission process.

Ann Lynch, President – SNMIC, stated that their organization selected to sever their relationship with Workforce Connections and not apply for future funds because in spite of their efforts, SNMIC's Board was unsuccessful in correcting the situation with Workforce Connections staff. SNMIC was provided with a list of items which needed to be corrected by the end of October 2011. One of the items was that SNMIC's CEO be removed from the program among other things that Ms. Lynch stated were not previously discussed with her or CEO Geinzer. Ms. Lynch stated that the 11 day time frame in which SNMIC was given to correct the mistakes was not enough time and inevitably SNMIC would be put on high risk status. Ms. Lynch suggested that both the organization's Board of Directors and staff be involved and properly notified in situations such as this. Ms. Lynch hopes that Workforce Connections puts in place a protocol that properly informs agencies in default of all issues and provides them a reasonable amount of time to correct the issues as well as provide them the proper support and instruction needed to correct the issues.

Ms. Lynch stated that SNMIC's intent was to help the medical community and help the universities secure employment for their nurse graduates and it is heartbreaking that they were given no choice but to sever ties with Workforce Connections. Ms. Lynch wished the best of luck to the Nevada Hospital Association.

### **ADJOURNMENT**

The meeting was adjourned at 4:59 p.m.