

**Workforce Development Board (WDB)
Executive Committee
Worknet Merced County
1900 Airdrome Entry,
Atwater, CA 95301
May 12, 2022, 4:00 p.m.**



www.worknetmerced.com

Members Present:

Leslie Abasta-Cummings
Michael Altomare

Tim O'Neill
Daron McDaniel

Vinton Thengvall

Members Absent:

Jack Mobley

Others Present:

Erick Serrato, Reyna Espinoza, Linda Gutierrez, Mario Pena, Adrineh Terantonians, Nicole Ganier (via phone)
Patricia Hinson

-
1. **Call to Order/ Roll Call** – The Board Chairperson, Mrs. Leslie Abasta-Cummings, called the meeting to order at 4:03 p.m.
 2. **Public Opportunity to Speak** – None
 3. **Approval of Minutes** – *Altomare/O'Neill* approved March 10, 2022, meeting minutes.
 4. **Chair Comments:** The Chair thanked the members for attending the meeting.
 5. **Director's Comments:** Erick stated to members that today we are going to have two meetings in the same amount of time. The meetings will be the regular WDB Executive meeting, and then followed by a brief meeting of the Non-profit. We need to have a meeting in order to incorporate and then we can move forward. We need all WDB executive members to be present at the meetings.

Erick shared with members the trend of unemployment rate within Merced County and surrounding cities. Unemployment Rate: February 1993 – 22.4%, March 2022- 8.3%, September 2019 – 6.00%. He asked the following question; how might we cut the slack out of the system to minimize the time spent out of work?

Merced County Water Drought: Erick shared with members that last year's drought cost the Ag industry more than 1 billion thousand in jobs.

6. **Fiscal Update:** Erick stated that Equus staff is present to respond to the request from the Executive Committee members to have Equus staff come to the WDB Executive meeting to respond in regards to the gap in funding and over expenditure in salaries over the year. Present is Adrineh Terantonians, Regional Director, Equus Workforce Solutions, and on the phone is Nicole Ganier, Vice President of Operations, West Region, Equus Workforce Solutions. Erick added that he had a meeting with County Council to discussed what language will be

added to future grants to make sure that if there is an over expenditure, how we can recoup from that. He noted that first DWI Staff would need to share information in regards to Fiscal perspective and following we'll open up the conversation with Equus management staff to talk about what resolutions moving forward.

DWI Staff shared with members that inside their meeting packet there is a more detailed report on proposed Department Budget, preliminary funding estimates for PY 2022-2023, and major fiscal items for the current PY2021-2022. Staff noted that for Quarter 3 there is a 75% benchmark. There is a concern for MCOE, Youth Work Experience currently is under their expenditure plan by \$61,640. DWI staff will be meeting with MCOE staff to discuss the shortfall.

Erick added that this matter is very important because we are required to spend all of the money by June 30th, or it will impact how much money we get for future year. We have let MCOE know the issue and will be meeting with them next week.

Tim voiced his concern about when you tell somebody that you're behind spending that money, how do you know they are really making good use of that money?

Erick stated that the money can only be spent on Youth wages, with time-sheets.

Staff added that the Board (DWI Department) has submitted the proposed budget FY22/23 for \$8,937,157.00 with a flat revenue allocation, as we do not yet know what the allocation will be. Hopefully, we will be hearing from them in the next couple of weeks. A final budget will be presented to the Board at its June meeting.

Erick noted that Equus spend a year's worth of salary and benefits into the first 6 months of the contract. Equus Management was informed of the situation, and requested a meeting with DWI Staff to come out with a solution to the shortfall. Equus mentioned that if they did not find a solution, they would have to close January 1st. After some long and painful conversations with Equus management, it concluded that DWI would allow them to reconfigure their budget, and allowed them move other cost and put it into staffing. In addition, they laid-off ten employees, and together we came up with other ways to help their staff. We came up with a solution, but had many conversations with Equus management staff to let them know the impact of this matter and what the WDB had to do to stabilize the situation.

Adrineh Terantonians, present, and via phone, Nicole Garnier, to answer any questions Executive committee members might have.

Tim noted that as a Board member, when he voted for Equus, it wasn't just to give a company certain amount of money. It was for that money to provide a certain level of staffing to provide services, and the fact that it's not happening, it's not going to make it favorable onto their next contract.

Mike added that the real question is, what are we going to do moving forward?

Adrineh Terantonians, thanked the WDB Executive committee members for allowing Equus staff to be present at the meeting and for sharing their comments. She acknowledged the collaboration in the past two months with DWI staff and management helping them resolve the problem in regards to the salaries. It was due to an over site having the wrong budget in the system, which it now has been fixed. In regards to the staff that was let go, most of them were rehired working from home with other projects through Equus. She added that moving forward they will make sure they are serving the community, and that there is no interruption with the services.

They are more cautious when reviewing the budgets with monthly meetings with fiscal to make sure this doesn't happen again. In addition, they are making sure that the level of services is being provided to customers and the community. This is the first time this problem has existed in their organization.

Nicole stated that this is a complete embarrassment from the lens of their organization. They have never been in this situation before. They now have their head of finance who reviews the Merced County financials every month to make sure they are on track.

Tim asked Equus staff to take a step back and review what got them in trouble in the first place and review the situation to ask themselves, "What's the right thing to do" and "here is what we really should do in terms of making it right for us."

Nicole noted that she will take the feedback into consideration.

Erick stated that we are at the end of the procurement cycle and will be re-procuring services in the late summer.

Tim stated that the response to this last suggestion will definitely weigh-in on his part.

Nicole apologized and stated that she doesn't have the authority to provide him with the answer. But she will be speaking with their President at Equus and will respond to Erick.

7. PY 2022-2023 Contract Draft: Staff presented a draft PY 2022-2023 contracts to WDB Executive committee members. The PY 2022-2023 covered WIOA Adult, Dislocated Worker, and Youth contracts. The drafts contracts were developed in consideration of the following:

- Anticipated reduction of WIOA formula funding from the State, and the 13% year-over-year reduction experience in last year's allocation;
- Success and gaps in the performance of last year's contract goals and Performance-Based Outcomes (PBOs); and
- Current economic climate, County and Board priorities, and enhanced service strategies.

The draft Contracts for PY 2022-2023 were presented to the WDB Executive committee for feedback. The plan is to have a final program proposal at the June 22, 2022 WDB meeting for amendment or approval. All contracts must be approved prior to the beginning of the PY 2022-2023 which begins July 1, 2022.

8. Industry Engagement: Staff shared with members the following events/meetings:

2nd Annual Truck Fest- Rebranded as 'Jobs that Move' – June 28, 2022, 11AM - 3PM, location: Castle Commerce Center, 1930 Airdrome Entry, Atwater, CA.

Healthcare Focus: The Healthcare Leadership Council (HLC) for Merced County (led by Merced County Department of Public Health) includes various community-based organizations, employers, and other County departments. The goal of the HLC focus group is to provide executive-level support and a decision-making entity to help implement specific health programs and/or activities in Merced County. The Workforce Board will lead the council's pillar on Workforce Development.

Industry Sector Sessions- Continue to have sessions with WDB members to discuss Priority Sectors. Had two zoom meetings with WDB Members on April 20th, 1:00-2:00pm and follow-up session on May 11th, 1:00-2:00 pm.

9. **Merced County Microbusiness Grant:** Staff shared with members that the Microbusiness grant went live on May 9, 2022. The application process will remain open until August 8, 2022 or until funds have exhausted. One of the grant requirements was to partner with five community-based organizations, and the requirement has been met.

DWI Staff is coordinating with partners to host application support to small business owners in need of financial assistance. For the marketing of this grant, the program includes promotional flyers in English and Spanish, including social media marketing in Hmong, English and Spanish. Staff has been visiting swap meets throughout the county to promote the grant as well as reaching out to daycare providers. All members received copy of the flyer in English and Spanish. For more information, please call Mario Pena, (209) 724-2046.

10. **CERF:** (Community Economic Resilience Fund): CERF identified more than a dozen regions; Merced County falls within a region containing the counties of Merced, San Joaquin, and Stanislaus. The three-county region stands to receive \$5M in planning funds for an 18-24 months planning period. The current proposed structure includes San Joaquin Economic Development Partnership as Convener, Merced College as a fiscal agent, and Stanislaus Equity Partners as Coordinator. Each County in the region will be organized by a local organization. In Merced County, it is believed the Workforce Development Board will lead local convening. The Workforce Development Board may choose to create a working group to focus on the CERF process. The item will be added to the meeting agenda for WDB meeting on June 22, 2022.

11. **Grants Update:** Staff shared current activity highlights to include information of all grant submissions of the current program year (PY 2021-2022). Closing out four grants.

12. **Future Agendas & Meetings:** Following are agenda items to be considered for WDB Meeting in June 22, 2022.

- Bylaw adjustments (required)
- Approval of Budgets and contracts
- Youth Work Experience Programs
- Strategic Planning Retreat
- Sector Strategies Priorities

13. **Adjournment**

Adjourned at 4:45 p.m.