

NORTEC  
WIB AND GOVERNING BOARD MINUTES  
THURSDAY, JANUARY 26, 2012  
ANDERSON, CA

I. CALL TO ORDER

The meeting was called to order by H. Oilar, WIB Chair, and W. Otto, Governing Board Chair, at 10:03 a.m.

II. ROLL CALL

There was a quorum of both the WIB and Governing Board. ➡ [Roster](#)

III. APPROVAL OF MINUTES, OCTOBER 27, 2011

***A motion made by G. Mistal, and seconded by B. Maffett, for WIB approval of the October 27, 2011, minutes passed the WIB unanimously.***

***A motion made by J. Bullock, and seconded by P. Huebner, for Governing Board approval of the October 27, 2011, minutes passed the Governing Board unanimously.***

IV. APPROVAL OF AGENDA

***A motion made by T. Cochran, and seconded by R. Sandler, to approve the agenda as posted, passed the WIB unanimously.***

***A motion made by J. Chapman, and seconded by L. Baugh, to approve the agenda as posted, passed the Governing Board unanimously.***

V. WIB APPOINTMENTS

There were no WIB appointments.

VI. PUBLIC COMMENT

S. Knox welcomed Dr. Kimberly Perry, Butte College President, to the Workforce Investment Board. Knox also introduced Glenda Humiston from USDA Rural Development who was on the agenda to speak about micro/local lending/access to capital.

VII. PROGRAM COMMITTEE REPORT

M. Piller presented the Program Committee report.

A. Program Monitoring

1. Standard Compliance Review - M. Piller stated on-site monitoring visits for a standard compliance review for all funding sources was conducted by Betti Austin, Program Services Director, for Rural Human Services, STEP, the Job Training Center, and three of the four counties under the Alliance for Workforce Development. There were no findings.

Reviews of the Smart program and the Butte County division of the Alliance for Workforce Development were scheduled in late January and early February.

2. Compliance Review of the "Tsunami" National Emergency Grant – S. Knox stated NoRTEC received a letter from an employee of Rural Human Services, alleging fraud in the Tsunami NEG program. Knox reported he, Michael Cross (Assistant Director), and Jeanne Hough (Fiscal Officer) traveled to Crescent City to review documentation and ascertain whether the allegation had any merit. Knox said there was no indication fraud had taken place, but there were program and fiscal issues that required further review.

On January 4-5, 2012, Terrienne Brown (Program Operations Director) and Jeanne Hough (Fiscal Officer) monitored the Tsunami grant on-site and reviewed program and financial records. Knox stated there were some questioned costs associated with paying wages to participants for time not worked, payment of damages to private property that should have been turned into RHS' liability insurance carrier, and the purchase of materials that were outside the scope of the contract. In addition, Knox said there were a number of issues regarding the proper documentation of procurement and the distribution of work clothing to participants. Knox said the monitoring report had been issued, and RHS had ten working days to respond.

B. State/Federal Monitoring

1. Program Monitoring by State, Compliance Review Division – S. Knox reported the monitoring visit resulted in two findings. The first, an issue with Youth Council composition, was already resolved at the October meeting when the Workforce Investment Board appointed a member of a juvenile justice/law enforcement agency.

The second finding was with the composition of NoRTEC's Workforce Investment Board. State law requires organized labor representatives make up at least 15% of the total membership; NoRTEC's percentage was only 13%. Knox said this would mean adding another member to the Workforce Investment Board, increasing an already extremely large board to 40 members.

Knox said he was working with the Governing Board to examine the issue, and an update would be given at the April 2012 meeting.

2. Compliance Review by State, Equal Employment Opportunity Office – M. Piller reported there were no findings from this review.

C. Client Numbers

The members reviewed the client enrollment and contract performance reports as presented in the agenda (see agenda for link to reports).

D. Plant Closure Updates

The members reviewed the business closures and layoffs that had taken place since the last meeting (see agenda for link to report).

E. “Headline” Program Reports

The members reviewed the Community Coordinator reports as presented in the agenda (see the agenda for summaries and links to full reports).

F. Staff Training

M. Piller reported on staff training as outlined in the agenda.

G. Youth Council Report

Kathy Garcia gave a report on Youth Council activities, including an update on the Expect More Tehama! Program.

H. NoRTEC Website

T. Brown gave a brief preview of NoRTEC’s new website.

***A motion made by B. Maffett, and seconded by G. Mistal for approval of the Second Quarter Program Committee Report passed the WIB unanimously.***

***A motion made by J. Chapman, and seconded by J. Bullock for approval of the Second Quarter Program Committee Report passed the Governing Board unanimously.***

VIII. FINANCE COMMITTEE REPORT

Bill Hamby, Finance Committee Chair, presented the Finance Committee report.

A. PY 2011/2012 Funding

Hamby reported NoRTEC currently has \$24,092,537 in available funding, a \$7,942,614 reduction from PY 2010/2011.

B. Approval of the PY 2011/2012 Second Quarter Financial Reports

Second quarter reports for PY 2011/2012 were presented to the members for approval. (See agenda for link to reports.)

- PY 2011/2012 Contracts Summary
- PY 2011/2012 Service Provider Contract Modifications
- PY 2011/2012 Program Expenditure Reports
- PY 2011/2012 NoRTEC Administrative Entity Report
- PY 2011/2012 NoRTEC WIB and Governing Board Expenditure Report

***A motion made by W. Hagge, and seconded by T. Cochran, approving the Second Quarter finance reports passed the WIB unanimously.***

***A motion made by P. Huebner, and seconded by J. Bullock, approving the Second Quarter finance reports passed the Governing Board unanimously.***

C. NoRTEC Fiscal Monitoring

M. Cross stated fiscal monitoring since the last meeting consisted of the review of the Tsunami NEG program, the details of which were previously reported during the Program Committee report.

D. State and Fiscal Procurement Monitoring of NoRTEC

M. Cross stated a draft monitoring report from the May 16-20, 2011, fiscal and procurement review had been received. He said there were issues of subrecipient reimbursement documentation, monitoring plan follow-up and updating of the One Stop Memorandum of Understandings. Cross said NoRTEC had 25 days to respond to the draft report, and results of the final report would be communicated to the members when received.

***A motion made by B. Maffett, and seconded by D. Beeson, for approval of the Second Quarter Finance Committee report passed the WIB unanimously.***

***A motion made by G. Hemmingsen, and seconded by J. Bullock, for approval of the Second Quarter Finance Committee Report passed the Governing Board unanimously.***

IX. EXECUTIVE COMMITTEE REPORT

S. Knox reported on the incident at Rural Human Services as outlined in the agenda.

X. STATUS OF FUNDING APPLICATIONS

A. Prior Approval

S. Knox reported the MCLAUS IX project was funded for \$2.75 million to provide intensive and training services to workers laid-off in NoRTEC's eleven county area.

B. New Applications

S. Knox stated there were no new applications, but said NoRTEC was considering partnering with several other Local Workforce Investment Areas to submit an application to the Department of Labor for about \$12 million in Workforce Innovation Funds. He said the focus of the grant would be to provide training in demand occupations in our area.

XI. SMALL BUSINESS UPDATE

G. Mistal gave a brief update on legislation of interest to small business.

XII. GUEST SPEAKER

Glenda Humiston, California State Director of USDA Rural Development, gave a presentation to the members on micro/local lending/access to capital.

XIII. OLD BUSINESS

There were no Old Business items discussed.

XIV. NEW BUSINESS

It was noted the next WIB/Governing Board meeting would held in Chico, not Redding. The venue will be Canyon Oaks Country Club, and the time will be from 10:00 am – 2:00 pm.

XV. ADJOURNMENT

The meeting was adjourned at 12:35 p.m.