



Maricopa County Workforce Development Board – Audit Workgroup Meeting Minutes

Friday, September 6, 2019 at 3:00 p.m.

MCWDB Staff Office

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WebEx: <https://mcwdb-1095-9b71.my.webex.com/meet/mcwdb>

Phone: +1-510-338-9438; Access Code/Meeting ID: 625 125 871

Members Present: Mark Lashinske, Drew Thorpe, Gregg Ghelfi (Ph), Lee Ann Bohn, Vanessa Andersen
Members Absent: n/a
Guest/Staff Present: Karen Nelson Hunter, Patricia Wallace, Isabel Creasman, Nancy Avina

Call to Order/Welcome/Introductions

Meeting was called to order by Audit workgroup lead, Mark Lashinske, at 3:03 p.m. Brief leading remarks were provided by Mr. Lashinske on the shared governance agreement.

Roll Call

WDB Liaison, Nancy Avina, took roll. Quorum of the workgroup was present.

Approval of August 23, 2019 Meeting Minutes

Lead, Mr. Lashinske, asked for a motion to approve the previous meeting minutes. Comment was noted in taking out hyphen in Ms. Nelson Hunter's name. Gregg Ghelfi made a motion. Vanessa Andersen seconded the motion. All were in favor; motion carried.

Review Action Items from Previous Meeting

The workgroup reviewed and discussed action items from the previous meeting. Drew Thorpe summarized the November deadline discussion held during the previous meeting and updated the workgroup on a subsequent conversation held with David Martin, Chair of the State Performance Excellence Committee (PEC), on the intent of the deadline, and need for additional time for implementation, if structure and agreement were initiated. Mr. Thorpe shared that Mr. Martin expressed the PEC would entertain the request as the intent was to ensure local areas were working towards meeting compliance. Based on this information, Mr. Thorpe proposed reopening discussion on structure and the 501-c3 option. Assistant County Manager, Lee Ann Bohn, expressed she was not comfortable with this. Mr. Thorpe acknowledged concerns and proposed bringing in a consultant to provide a business case and prepare legal documentation to move towards a 501-c3 organization. Mr. Thorpe summarized work done to date, national trends of 501-C3 boards and benefits, and points of contention. Mr. Thorpe further proposed taking time to do our due diligence to investigate this as a possible structure.

A motion was made by Mr. Thorpe to engage a consultant to develop a business case and project plan to form a 501-c3 entity for the workforce board structure. Vanessa Andersen seconded the motion. The Board Liaison restated the motion and the floor was opened for discussion. Ms. Bohn expressed various concerns with the nebulous extension provided and the path of 501-c3 from a County financial risk perspective. Ms. Bohn expressed her role in taking a proposal such as a 501-c3 to the Board of Supervisors and is not comfortable in doing so at this time, as it opens future risk to them. Discussion was held on clarification of what the future risk is.

Lead, Mr. Lashinske, requested motion be re-read; the Board Liaison re-read the motion. Clarification was provided regarding the motion - to review the process for becoming a 501-c3; not implementing the change, in the next 3 weeks. Discussion should revolve around the idea of whether it is a functional working option. Ms. Bohn clarified the concern of taking 3 weeks off from the timeline and the requirements that still need to take place to meet the audit findings. Mr. Greg Ghelfi agreed with Ms. Bohn and mentioned that process needs to occur separately to decide on a 501-c3 via a separate committee. Mr. Ghelfi mentioned that this committee

should work on getting past the DOL Audit. Mr. Lashinske noted that other options that also resolve the audit should be explored and is critical.

The motion was re-read.

Ayes: Drew Thorpe, Vanessa Anderson, Mark Lashinske.

Nays: Gregg Ghelfi, Lee Ann Bohn.

The motion passed.

Mr. Thorpe discussed an existing 501-c3, an advanced manufacturing entity, which can ease timeline concerns. This entity can become the boards' 501-c3 or can partner with the board as a short-term solution to house staff. Ms. Bohn shared possible impacts on board staff. Clarification on who the legal advisors for the board are, the board can use Maricopa County legal advisors as previously shared.

Ms. Bohn asked for clarification from Ms. Karen Nelson Hunter on her role in process. Ms. Nelson Hunter's role is to review documents and make recommendations to the PEC. Ms. Bohn inquired about what occurs if a shared governance agreement is not provided by November. Ms. Nelson Hunter explained that this information would be shared with the PEC. The PEC would then decide next steps. Discussion regarding concerns with timeline ensued, the workgroup discussed paralleling finalizing the agreement, while having discussions of a possible 501-c3 conversion.

The workgroup discussed structure; specifically, where each party sits. A service contract needs to be completed by November. A checklist on what needs to be in the contract is available from the Department of Labor; Mark Monroe from DES can provide technical assistance. Actions clarified, Drew Thorpe and Patricia Wallace to begin drafting a service agreement/statement of work, which will be kept as a separate document. In parallel, the SGA needs to be developed; Ms. Nelson Hunter will provide a checklist for the SGA, as well as a conflict of interest checklist and a bylaws checklist.

Additional discussion on what compliance looks like, process of parties involved, and PEC meeting schedule. Draft documents should be submitted to DES for review and feedback; MCWDB for approval; Board of Supervisors for approval; submitted to DES to present to the PEC for final approval. It is anticipated that the PEC will meet at the end of September/early October. During this meeting, public comments can be made for reassurance of timeline extension.

Workgroup discussed the need to begin putting pen to paper given the timeline. Conflict of interest concerns were discussed. Ms. Bohn will provide a possible County structure via an organizational chart ensuring that it resolves conflict of interest during the week of the 16th.

Fiscal Agent roles and responsibilities were discussed based on clarifying questions and conflict of interest. Issues with current conflict of interest brought forth. Extensive discussion was held on current circumstances, concerns, and difficulty ascertaining who the current fiscal agent is. Need to define what the fiscal agent does, who the fiscal agent appointed by the Board of Supervisors is, and what responsibilities the board going to assign to them. A meeting with the fiscal agent is being coordinated by Ms. Wallace; scheduling conflicts are currently being worked through. Fiscal agent structure remains unresolved.

Summary comments made by Mr. Lashinske. Ms. Bohn inquired on good Arizona SGA examples that contain details of board hiring staff that works within a County structure. Ms. Nelson Hunter indicated she may have examples to share from Pinal.

Discussion on Next Steps/Action Items

1. Drew Thorpe to take action on the motion of engaging a consultant to develop a business case and project plan to form a 501-c3 entity for the workforce board structure.
2. Drew Thorpe and Patricia Wallace to begin drafting the Service Provider Contract.
3. Karen Nelson Hunter to provide checklists for the Service Provider Contract and Shared Governance Agreement, Conflict of Interest, and Bylaws.
4. Lee Ann Bohn will provide a possible County structure via an organizational chart dividing parties on the week of the 16th.
 - a. Additionally, articulate where the Fiscal Agent will sit under the County structure.
5. Chairman of the MCWDB and the Fiscal Agent meeting to be coordinated; Tuesday or Wednesday next week 4:00 p.m. - 5:00 p.m.
6. Karen Nelson Hunter to provide Fiscal Agent roles and responsibilities to Executive Director, Patricia Wallace.
7. Next workgroup meeting to be held on Monday, September 23rd from 8:30 a.m. to 10:00 a.m. A hold will be sent by the Board Liaison

Call to the Public

No public comments made.

Adjournment

Workgroup Lead, Mr. Lashinske adjourned the meeting at 4:20 p.m.

**For additional information, contact MCWDB Staff, at: mcwdb@maricopa.gov.*