

WORK2FUTURE BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 19, 2014
ACTION MINUTES
CTO: 11:50 a.m.

WIB STAFF PRESENT: Jeff Ruster, Christopher Donnelly, Elizabeth Kaylor, B.J. Sims, Joy Salandanan, Monique Melchor, Martha Morado, Lawrence Thoo, Karen Bringas.

WORK2FUTURE FOUNDATION STAFF PRESENT: Richard Martinez, Sangeeta Durrall, Dann Bergman, Rose Sahagun, Bige Yilmaz.

I. QUORUM VERIFICATION:

Present: Rose Amador-Le Beau, Denise Boland, Benny Boveda, Jeff Burrell, Janeen Dittrick, Jack Estill, Joseph Flynn, Richard Friberg, Jose Gonzalez, Dr. Bob Harper, Sue Koepp-Baker, Glenn Ledet, Rocky Maddex, Olivier Minkowski, Steve Preminger, Rashad Said, Mitch Schoch, Fernando Sepulveda, Alex Torres, Steve Wymer, Sima Yazdani.

Absent: Fabiola Czech, Leslie Gilroy, Bill Guthrie, Van Le, George Massoud, Pamela Moore, Rachel Perez, Hermelinda Sapien, Danielle Sellers, Bryan VanHuystee, Henri Villalovoz, Erin Wright.

II. OPENING REMARKS: Read by Chair Joe Flynn.

III. CONSENT ITEMS

ACTION: Upon motion by Steve Preminger, seconded by Rashad Said, and approved, the Board accepted the following consent items:

- (a) Grant Report of June 1, 2014.
- (b) Labor Market Information Report of June 1, 2014.
- (c) April Training Report of May 22, 2014.
- (d) May Customer Service Report of June 9, 2014.
- (e) May BusinessOwnerSpace.com (BOS) Report of June 6, 2014.
- (f) Outreach Report of June 6, 2014.
- (g) April Budget Variance Report of June 5, 2014.

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

ACTION: The Minutes of work2future's March 20, 2014 Board meeting were approved.

Motion: Sue Koepp-Baker
Seconded: Glenn Ledet

B. New Business

1. Executive Director's Update

Executive Director Jeff Ruster provided a brief update to the Board and presented work2future's 2014 Employee of the Year award to Elizabeth Kaylor, work2future's Boards and Committees Liaison, Customer Relations Manager, and Equal Opportunity Officer.

2. FY 2014-2015 Budget

Prior to the discussion and vote on the Budget item, Sima Yazdani, Benny Boveda, Denise Boland, and Rashad Said left the room, recusing themselves as required based on their declaration of a conflict of interest arising from their membership on the Board of Directors of the work2future Foundation, which would receive a distribution in the event the Budget is approved.

The Executive Director discussed the Budget with the Board, saying that prior to the unanimous approval of the FY 2014-2014 Budget by the Executive and Finance Committees at their June 2014 meetings, there had been some robust discussions regarding the various elements of the budget. As in the past, the committees and Board in March 2014 had been presented with three budget scenarios: a high case, a low case, and a base case representing the most likely scenario to allow staff to consider funding for contracts and allocations for training and staffing prior to receipt of the actual allocation.

The actual allocation work2future will receive, \$8.5M, was close to the \$8.3M base case presented to the Board in March 2014 and represents a decrease from last year's allocation of approximately 8%. The Executive Director said that last year's shift to the Foundation will allow work2future to use its allocation and reserves to maintain similar staffing and service levels, as well as maintaining performance and high customer satisfaction levels.

The Budget, the Executive Director explained, includes the usual 15% carryover reserve into next year, as well as \$1.3M of unallocated reserves that, based on client demand, would be used for client-related services including training, a model that has been effective over the years. In addition, 20% of the SB 734-required 25% of work2future's Adult and Dislocated Worker allocation will be dedicated to training, with the remaining 5% of the SB 734 requirement to be met through leveraged training provided through other entities.

ACTION: Approval of work2future's proposed FY 2014-2015 Budget.

Motion: Jack Estill

Second: Mitch Schoch

Abstaining: Janeen Dittrick

3. FY 2014-2015 Agreement with work2future Foundation

The work2future Boardmembers who also serve as Foundation Board members remained outside the room during the discussion and vote on this item.

Interim Executive Director Richard Martinez provided an update on Foundation operations since the Foundation's launch in April 2014.

Director Christopher Donnelly presented the Foundation Agreement item to the Board, mentioning that the Foundation's budget is actually \$3.6M, so the Foundation will need to fundraise the additional \$300K based on work2future's \$3.3M distribution to the Foundation that includes funding for staffing and client supportive services.

This item was unanimously approved by the Executive and Finance committees at their June 2014 meetings.

The Director added that the FY 2013-2014 performance measures listed in the memo would be achieved by the Foundation, and that if EDD provides new FY 2014-2015 performance measures for work2future, those new goals will become the Foundation's FY 2014-2015 performance goals.

ACTION: Approval to negotiate and execute an amendment to the current agreement with the work2future Foundation to provide WIA services to adult and youth clients in work2future's facilities for an amount not to exceed \$3.3 million.

Motion: Glenn Ledet

Second: Jack Estill

4. FY 2014-2015 Adult Workshop Funding

Rashad Said and Sima Yazdani remained outside the room, and Rose Amador-Le Beau left the room prior to the discussion and vote on this item based on a conflict of interest arising from their organizations' provision of workshops to work2future clients.

work2future Manager Martha Morado presented the Adult Workshop Funding item to the Board. This item was unanimously approved by the Executive and Finance Committees at their June 2014 meetings.

ACTION: Approval to allocate a minimum of \$600,000 for selected contractors to provide workshops to WIA Adults and Dislocated Workers, and for staff flexibility to adjust amounts within the \$1.5M training budget to respond to client needs.

Motion: Rocky Maddex

Second: Steve Preminger

Abstaining: Olivier Minkowski

5. FY 2014-2015 Youth Career Technical Trainer Funding

Rose Amador remained outside the room during the discussion and vote on this item, based on a conflict of interest arising from her organization's provision of career technical training to work2future Youth clients.

work2future Manager Monique Melchor presented this item to the Board. The item was approved by the Youth Council Committee in May 2014 and unanimously approved by the Executive Committee in June 2014.

ACTION: Approval to allocate funding in the amount of \$292,627 to selected contractors to provide career technical training to WIA Youth, at a rate not to exceed \$2,000 per participant, subject to funding availability.

Motion: Jack Estill
Second: Jeff Burrell
Abstaining: Richard Friberg

6. FY 2014-2015 Youth Services Contractor Funding

work2future Manager Monique Melchor presented this item to the Board. The item was approved by the Youth Council Committee in May 2014 and unanimously approved by the Executive Committee in June 2014.

ACTION: Approval to negotiate and execute an agreement, based on the renewal option provision of the Youth Services contract, for an amount not to exceed \$425,000 with Workforce Institute to provide WIA Youth services for FY 2014-2015, subject to funding availability.

Motion: Jack Estill
Second: Steve Preminger
Abstaining: Richard Friberg

7. Workforce Innovation and Opportunity Act

A brief discussion was held regarding potential replacement legislation for the Workforce Investment Act.

8. Board Retreat Follow-Up

Three Board-driven action teams emerged from the March 20, 2014 work2future Board Retreat and subsequent discussions.

Boardmember team leader Jose Gonzalez provided a presentation on the Technology Team's progress toward recommending technologies such as customer relationship management tools to benefit and streamline Foundations operations. A presentation on the Underemployment Team's progress was provided by Rashad Said, Mitch Schoch, and Vice Chair Sima Yazdani. The Fundraising team co-lead Sue Koepp-Baker also discussed the progress of her team with the Board toward identifying and pursuing revenue sources for the Foundation.

C. Set Items for Next Agenda

- Presentation by Silicon Valley Partners
- Gilroy Job Center

D. Announcements

- **Janeen Ditrack:** the EDD office on Zanker Road is seeking a sponsor for wireless internet.
- **Director:** Rachel Perez of Gavilan Community College is retiring at the end of the month.

E. Next Board Meeting

The next Board meeting is scheduled from 11:30 am through 1:30 pm on **Thursday, September 18, 2014** at work2future's Business Services and Administration facility, 5730 Chambertin Drive, San Jose, 95118.

V. PUBLIC COMMENT: none

VI. ADJOURNMENT: the meeting was adjourned at 1:37 p.m.