NORTEC
WIB AND GOVERNING BOARD MINUTES
THURSDAY, JANUARY 27, 2011
CORNING, CA

I. CALL TO ORDER

The meeting was called to order by J. Madden, WIB Chair, and W. Otto, Governing Board Chair, at 9:13 a.m.

II. ROLL CALL

There was a quorum of both the WIB and Governing Board. Roster

III. APPROVAL OF MINUTES, JULY 22, 2010

A motion made by T. Cochran, and seconded by J. Smith Freeman, for WIB approval of the October 28, 2010, minutes passed the WIB unanimously.

A motion made by J. Cook, and seconded by P. Huebner, for Governing Board approval of the October 28, 2010, minutes passed the Governing Board unanimously.

IV. APPROVAL OF AGENDA

A motion made by G. Mistal, and seconded by B. Maffett, to approve the agenda with a correction under Item XIV.A., noting the next meeting will be held on April 28, not April 22, 2011, passed the WIB unanimously.

A motion made by J. Bullock, and seconded by J. Cook, to approve the agenda with a correction under Item XIV.A., noting the next meeting will be held on April 28, not April 22, 2011, passed the Governing Board unanimously.

V. WIB APPOINTMENTS

There were no vacancies on the NoRTEC WIB.

VI. PUBLIC COMMENT

There was no public comment.

VII. PROGRAM COMMITTEE REPORT

M. Piller presented the Program Committee report.

A. Program Monitoring

M. Piller stated on-site monitoring visits for special projects were being scheduled for late January and early February.

B. State Monitoring

M. Piller reported the State conducted a review of NoRTEC's Youth programs the week of January 10, 2011. The NoRTEC office, Smart, the Job Training Center, and the Butte PIC were reviewed. The final report has not been received, but in the exit conference, the monitor indicated there were no findings or areas of concern.

The Department of Labor has scheduled a review of NoRTEC's Pathways Out of Poverty program on February 15-18, 2011. The monitor will visit the NoRTEC office, Smart, and the Butte PIC. The Job Training Center may also be reviewed.

Client Numbers

T. Brown reported NoRTEC had transitioned to a new client tracking system and reports were currently unavailable.

C. Contract Performance

T. Brown reported NoRTEC had transitioned to a new client tracking system and reports were currently unavailable.

D. Plant Closure Updates

The members review 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).

Kevin De Mers, from USDA Rural Development, gave a brief presentation on projects his agency and STEP had successfully completed.

F. Staff Training

B. Austin reported on staff training as outlined in the agenda.

G. Youth Council Report

Kathy Garcia, from the Job Training Center, gave an update on youth activities in Tehama County with an emphasis on the "Expect More Tehama" project.

A motion made by T. Cochran, and seconded by R. Sandler for approval of the Second Quarter Program Committee Report passed the WIB unanimously.

A motion made by J. Chapman, and seconded by L. Baugh 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 2010/2011 Funding

Hamby reported NoRTEC currently has $25,650,151 in available funding. An additional $3,600,000 has been requested.

B. Approval of the PY 2010/2011 Second Quarter Financial Reports

Second quarter reports for PY 2010/2011 were presented to the members for approval. (See agenda for link to reports.)

- PY 2010/2011 Contracts Summary
- PY 2010/2011 Service Provider Contract Modifications
- PY 2010/2011 Program Expenditure Reports
- PY 2010/2011 NoRTEC Administrative Entity Report
- PY 2010/2011 NoRTEC WIB and Governing Board Expenditure Report

Hamby reported there were some concerns about overexpenditure of funds in Butte/Nevada and Del Norte County programs. He said both programs had submitted corrective action plans, and Rural Human Services (Del Norte County) was not likely to be a problem. Hamby reported the Butte PIC submitted a reasonable plan.

R. Sandler asked if the problem with the Butte PIC was that they "overdrew" their funds.

S. Knox said the Butte PIC had drawn 80% of their funding as of December 31, 2010. Knox said this was a concern, and that was the reason the corrective action plan had been requested. Knox said the corrective action plan stated WIA money had been drawn first, and the next six months of funding would be coming from other sources.

L. Baugh asked if the overexpenditure in Butte and Nevada Counties would affect the other programs. He also asked if NoRTEC had the power to pull the contract if it appeared the corrective action plan was not working.

Knox said while NoRTEC had the ability to shift funding from one provider to another, this was not an instance when this would be appropriate. He also said NoRTEC's attorney had reviewed our contracts and said there was sufficient authority to pull the contract if necessary. The attorney was, however, working with NoRTEC staff to revise current contract language to make that authority tighter than it currently was.

J. Chapman stated it did not seem NoRTEC had been very proactive with respect to this issue. Knox replied NoRTEC had been closely monitoring the PIC for the past several months, and would continue to do so.

W. Otto stated staff had a back-up plan if Butte PIC's plan failed.

A motion made by B. Maffett, and seconded by M. Piller, approving the Second Quarter finance reports, with direction to staff to modify contract language per advice from NoRTEC's attorney, passed the WIB unanimously.

A motion made by J. Chapman, and seconded by J. Cook, approving the Second Quarter finance reports, with direction to staff to modify contract language per advice from NoRTEC's attorney, passed the Governing Board unanimously.

C. NoRTEC Fiscal Monitoring

The members noted there had been no fiscal reviews of Service Providers by NoRTEC since the last meeting.

D. State and Fiscal Procurement Monitoring of NoRTEC

M. Cross reported the draft monitoring report for the fiscal and procurement review of NoRTEC by EDD had been received and NoRTEC staff responded to the State's concerns, as was reported at the October meeting. Cross said the final report had still not been issued.

No additional State or Federal reviews have been scheduled.

A motion made by T. Cochran, and seconded by M. Piller, for approval of the Second Quarter Finance Committee report passed the WIB unanimously.

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

IX. STATUS OF FUNDING APPLICATIONS

A. Prior Approval

S. Knox reported the Public Sector Layoff NEG grant for $2,800,000 is still pending, and if funded, it would be at a much reduced level.

B. New Applications

S. Knox asked for permission for staff to submit applications for two grants: (1) AB 118 California Energy Commission (CEC), for $500,000 to work with two companies involved in the development and deployment of propane and gas hybrid projects to retrofit light, medium, and heavy-duty on-road vehicle fleets which will create higher fuel efficiencies, employ idle management technology, and decrease fuel consumption and emissions, and (2) USDA Rural Community Development Initiative (RCDI), for $300,000 to work with seven non-profits to design a comprehensive strategy to address specific needs and a plan to address community and economic development needs, job creation, and economic growth.

A motion made by B. Maffett, and seconded by J. Smith Freeman, for staff to submit a $500,000 application to the CEC, and a $300,000 application to the USDA RCI, passed the WIB unanimously.

A motion made by P. Huebner, and seconded by J. Cook, for staff to submit a $500,000 application to the CEC, and a $300,000 application to the USDA RCI, passed the Governing Board unanimously.

X. PRIVATE NON-PROFIT ARM OF NORTEC

The members discussed establishing a non-profit arm of NoRTEC. S. Knox said the main purpose of establishing a 501(c)(3) was to make NoRTEC eligible to apply for funding available only to non-profit organizations. He said it would allow for community development on a regional basis.

Knox reported the committee, after several meetings, had decided the board of the non-profit should have one representative from each of the eleven counties that would be appointed by the three WIB and one Governing Board member from that county. He said the nonprofit would contract with NoRTEC to provide staffing for the entity. He said NoRTEC and the non-profit would be separate entities.

Several of the Governing Board members expressed concern about liability falling back on the counties, and J. Chapman, P. Huebner, and G. Russell stated they wanted to talk to county counsel before agreeing to create the non-profit.

L. Baugh said he agreed protection for the counties from liability should be included, but if the issue was taken to eleven different county counsels, the issue would bog down, not likely be resolved anytime soon, and might actually bring more liability to the County Board of Supervisors since they would be providing input—exactly what everyone wanted to avoid.

A motion made by S. Martin, and seconded by B. Hamby, to table the issue and return it to committee for further review and discussion, passed the WIB unanimously.

A motion made by G. Russell, and seconded by L. Baught, to table the issue and return it to committee for further review and discussion, passed the Governing Board unanimously.

XI. LUCERO OLIVE OIL TOUR

Dewey Lucero, of Lucero Olive Oil of Corning, gave the members some history about his company, discussed the products the company manufactured, and invited the members to tour the facility at the completion of their meeting.

XII. SMALL BUSINESS UPDATE

G. Mistal brief discussed items of interest to small business. She encouraged members to respond to Small Business California's annual survey and alerted the members to current State bills pertaining to Small Business.

XIII. OLD BUISNESS

There were no Old Business items discussed.

XIV. NEW BUSINESS

The members noted the next WIB/Governing Board meeting would be held on April 28, 2011. Staff are working on a site for the meeting, and it will likely be held in Redding at the Holiday Inn.

XV. ADJOURNMENT

The meeting was adjourned at 2:35 p.m.