

Providence/ Cranston Workforce Development Board
EXECUTIVE COMMITTEE
American Job Center
1 Reservoir Ave., Providence, RI
Thursday, June 13, 2019

Attendance:

Members: Chair Marc Amato, Chair Janet Raymond, Claudia Cardozo, Kenneth Filarski, and Larry DiBoni.

Staff: Diana Perdomo, Richard Beneduce, Francine Lepizzera, Colleen Fonseca, and Aoua Coumbassa.

Welcome and Call to Order

Chair Janet Raymond confirmed that Brian Hull has resigned, thanked both Committee and Staff for their support during this transitional period, reminding all that the goal is to continue to provide Workforce Solutions service to the residents of Providence/ Cranston. The Committee was informed that Mayor Elorza and Mayor Fung have been in communication with each other. Furthermore, Chair Janet Raymond mentioned that: a) she has no knowledge of the Board being included in any inquiries b) she stands by the fact that she does not have any knowledge of any wrongdoing, and c) no Board member has ever indicated to know of any wrongdoing. Committee members and staff were reminded that the Workforce Development Board never discussed or voted on any proposed lease concerning the relocation of the One-Stop. The issue was referred back to the WIOA Committee at which point there was no further discussion.

Chair Janet Raymond announced that during today's meeting, there will be a discussion of a staffing transition, the One-Stop Operator and the 2020 FY budget. Chair Janet Raymond welcomed Andrew Cortes who is a member of the Finance Committee and had requested to attend the Executive Committee meeting since the 2020 FY budget was on the agenda.

It was announced that as of late yesterday (June 12, 2019), Rhode Island Department of Labor and training is conducting an independent review. Committee members were assured that the review is a standard protocol and is expected to be completed within 3-4weeks. During this time frame, funds from DLT to WSPC will be suspended. Also during this time, the City of Providence will continue to financially support all of the costs incurred by WSPC during its normal operation of managing the WIOA program. Once funds are no longer suspended, WSPC will draw down WIOA funds from DLT and reimburse the City. Although the reimbursement is expected to be on hold for the next 3-4weeks, there will not be any impact on the budget. Every three years the Providence/Cranston Workforce Board is audited by the USDOL. The Rhode Island Department of Labor and Training audited Workforce Solutions a year and a half ago; there was no major finding in that review.

Chair Janet Raymond introduced Chief of Policy, Diana Perdomo who is here representing the Administration and she will provide an update on many issues.

United States Department of Labor Inquiry

Diana Perdomo reported that there are currently three different agencies reviewing the WSPC finances; DLT, USDOL and the City's Internal Auditor. Diana shared that the internal review originated from a letter of intent for the lease of a building that was slated to become the relocated AJC. That sparked a USDOL inquiry which then led to DLT's independent review. Diana Perdomo's understanding is that there is no major concern with the misuse of funds by WSPC. The Committee was assured that the city will comply with all three agencies, and provide any information necessary to expedite these processes. Diana Perdomo is working with the city to determine how to continue to operate normally.

Chair Marc Amato shared his concerns on the recent turn of events. He observed that although the reviews were generated from the letter of intent, it appears that there has been a switch from a "behavioral issue" to a "heavy duty finance issue". Lori DaRosa explained that during her Finance Training in Texas, a Fed Rep from Boston indicated that when they became aware of the letter of intent, it triggered the filing of an incident report which ultimately led to an inquiry of the lease. As previously stated, the USDOL is only doing an inquiry of the lease not a financial audit. The City has hired Blum Shapiro, an accounting firm, to conduct an internal audit that will focus on a review of the organizational structure as it relates to the Office of Economic Opportunity and Workforce Solutions. This will lead to separating the Office of Economic Opportunity and Workforce Solutions to insure that there is no overlap of WIOA and non-WIOA functions.

Larry DiBoni had asked if Full Board and its subcommittees are insured and members are protected. Lori DaRosa informed the committee that in the past 7-8 years, Workforce Solutions has not paid an Error of Omissions Insurance policy, although the City is self-insured and it would more than likely cover the members of the Board. Lori indicated that she will allocate funds to obtain an Error of Omissions insurance policy for the Board.

Referring back to Chair Janet Raymond's previous comments concerning the lease, Larry DiBoni indicated that he was accompanied by Chair Janet Raymond, Chair Marc Amato, Francine Lepizzera, and Dan Parrillo to tour the building that was to house the AJC. At that time, there was some confusion on the costs savings of moving from 1 Reservoir to this new location. At a subsequent WIOA Committee meeting, the discussions and any action on this lease was halted. It was also later discovered that an RFP was issued absent the knowledge of any Board members.

Chair Marc Amato stated that members of the Board have not been provided performance outcomes of the various programs administered by WSPC. He requested that WSPC staff assemble this information and present it to the WIOA Committee and at some point to the WDB as an agenda item. In addition, Larry DiBoni suggested that Board members conduct a review of programs and performances, as they have done in the past.

Andrew Cortes identified 4 points he gathered from listening to what has been said thus far:

1. Issue of the city auditor (Blum Shapiro)
2. DLT's independent review
3. The OIG review on the lease issue as it related to City's procurement procedures

4. Organizational structure and carrying out fiduciary responsibilities.

Andrew Cortes stated that it appears to him that the Board does not need to be concerned about their fiduciary responsibility except for setting up an organizational structure to ensure that these kinds of issues do not reoccur. Furthermore, he believes the Board did a good job in setting up the finance committee. Andrew Cortes suggested that the committee assess the current situation, understand the organizational structure, and identify what kind of system and staffing is needed to move forward.

Lori DaRosa reminded the Board that Workforce Solutions follow a strict guidance of the City of Providence. As a result, Workforce Solutions cannot pay a vendor without a proper procedure in place; the department evolved from a stand-alone organization with its own checking account and offline financial services to being able to run through the City's system. Although the lease went further than it should have, safeguards of the City would have rejected it due to the lack of City of Providence's procurement approval.

Leadership Staffing Changes

Diana Perdomo reported that it would not be appropriate to look for a director at this time. Instead, there is a deeper look into bringing back certain employees and have an interim director, who will be working as a Workforce Solution staff. Bringing in a consultant to work with the department is also being considered. Diana invited committee members to share their thoughts.

Claudia Cardozo indicated that a consultant would be a better and easier transition for a new director. Larry DiBoni commented that considering our finances, bringing a consultant may be challenging. Chair Janet Raymond expressed that the ideal individual is someone who has experience with the system and Board. Chair Marc Amato inquired if there is any Workforce Solutions staff with reduced hours. Francine Lepizzera inquired about the policy of bringing back 75 Day Rule staff. Diana Perdomo informed all that she will check with the Human Resource Department on the question of 75 day rule staff as well as bringing in a consultant agency. Chair Marc Amato added that it will be problematic if the change in staffing takes more than 2 weeks. Francine Lepizzera suggests that staff and committee members revisit their roles and responsibilities. Andrew Cortes added that the Board needs someone who is familiar with WIOA and not necessarily the PCWDB system; for example, a retiree and/or a third party person. Kenneth Filarski inquired if there is a checklist of duties and responsibilities. Lori suggested that the committee bring back key staff members that can perform specific tasks for the Board. Lori DaRosa shared that there are additional members who possess expertise in what the Board is looking for (policy, procedures, and all things legal). These staff members are currently there for specific tasks and can broaden their hours to more efficiently perform their task.

Moving Forward, Diana Perdomo reminded the committee that the Mayor of Providence has authority to appoint the new director. Larry DiBoni indicated that he would like for Cranston to be part of the process for a new director.

Administrative Approval Process-Vote

Chair Janet Raymond called for a motion to have Chief of Policy Diana Perdomo as the signatory for Workforce Solutions of Providence/Cranston. Motion was seconded by Larry DiBoni and passed unanimously.

Chair Janet Raymond called for a motion for staff to identify what is needed and to make a recommendation back to the Executive Committee as to how to move forward in conjunction with the Cities of Providence and Cranston. Motion was seconded by Kenneth Filarski and passed unanimously.

One-Stop Operator Request for Proposal Update – Vote

Chair Janet Raymond called for a motion to extend the contract for The WorkPlace to December 31st, 2019. Motion was seconded by Larry DiBoni and passed unanimously.

Fiscal Year 2020 Budget

Lori DaRosa indicated that WSPC is the entity that manages all grants that come under its oversight such as H1B grant and WIOA. Richard Beneduce added that all grants basically go to the City of Providence. For the past 40 years, the Mayor of the City of Providence has been the grant recipient, appoints the members of the Board and retains all the fiduciary responsibility of Workforce Solutions as the administrative body. Lori also reported that the Recovery through Opportunity Grant was through an MOU from DLT to directly to WSPC and should be included in the WSPC Budget. The executive Committee agreed. Lori indicated that she would add \$250,000 to the WSPC Budget expensed out as \$144,500 for salary and fringe and \$105,500 for training.

Chair Janet Raymond called for a motion to approve the WSPC budget including the Recovery Opioids Grant's \$250,000 under revenue, \$144,000 under salary and \$136,000 under training as proposed. Motion was seconded by Larry DiBoni and passed unanimously.

Kenneth Filarski called for motion that with great expediency the City of Providence obtains an Errors and Omissions policy for the PCWDB members and staff for going forward and for any past actions if possible. Motion was seconded by Chair Marc Amato and passed unanimously.

Chair Marc Amato reminded the committee that Brian Hull was an employee of the City of Providence- he was acting under the umbrella of City of Providence.

With no other business, Chair Janet Raymond motioned to adjourn meeting, seconded by Larry DiBoni and passed by unanimous vote. The meeting adjourned at 10:11AM.