

**Workforce Solutions Deep East Texas**  
**415 S. First Street, Suite 110B, Lufkin, TX 75901**  
**Board Meeting Minutes**  
**August 8, 2023**

**I. CHAIR KELLI MARSHALL CALLED THE BOARD MEETING TO ORDER AT 2:39 P.M.**

**MS. MARSHALL ANNOUNCED IN ACCORDANCE WITH GUIDANCE FROM THE TEXAS WORKFORCE COMMISSION (WD LETTER 28-19) DATED NOVEMBER 19, 2019, REGARDING THE TEXAS OPEN MEETINGS ACT GOVERNMENT CODE CHAPTER 551 ALLOWING THE USE OF VIDEO-CONFERENCING AS A METHOD FOR CONDUCTING BOARD MEETINGS, THE BOARD IS PROVIDING FOR PUBLIC PARTICIPATION IN ITS BOARD MEETING AT THE ADDRESS LISTED ABOVE AND VIA VIRTUAL MEETING WEB LINK. SHE ALSO SAID THE MEETING IS BEING RECORDED AND THE OPEN SESSION PORTION OF THE MEETING IS AVAILABLE TO THE PUBLIC UPON REQUEST. THE BOARD SERVES TWELVE (12) COUNTIES AND LISTED THE HOST LOCATION; AND PRESIDING OFFICER, KELLI MARSHALL, WAS PHYSICALLY PRESENT.**

**AFTER THE ROLL CALL, MS. MARSHALL CONFIRMED THAT A QUORUM WAS PRESENT:**

**Members Present:** Joe Clyde Adams, Lisa Balty, TJ Colwell, Tyane Dietz, Tim Ditoro, Robert Fitzpatrick, James Gentry, Eddie Hopkins, Malcolm Ifoezeh, Garvey Jackson, Gene Lee, Kelli Marshall, Quincy Martindale, Benjamin Mott, Marisa Phillips, Randy Roberts, Jessica Rogers, Rich Scott, John Allen Slocomb

**Members Absent:** Rebekah Burkhalter, Phyllis Grandgeorge, Wayne Haglund, Ethan Herr, Staci Hodges, Anita Humphreys, Kotosha Jeffery, Matthew Lowery, Ellen Mills, John White

**Board Staff Present:** Mark Durand, Jeff Eichman, Dara Harmon, Anna Holderberg, Debb Homman, Lauren Phipps, Maribel Soto-Mendoza, Karen Stubblefield

**Visitors:** Scott Amey, Jessica Blair, Kevin Bradford, LaTreaser Cartwright, Rhonda Cartwright, Mike Dobert, Paul Dunn, Michelle Kennedy, Matt Turner

**KELLI MARSHALL REMINDED THE BOARD MEMBERS OF THE CONFLICT OF INTEREST DECLARATION.**

Ms. Marshall asked that all members sign a conflict of interest declaration regardless of whether they have a conflict and return the form to Board staff.

**WELCOME OF GUESTS:**

Mark Durand introduced Mike Dobert from HR Alignment.

**II. Public Comments**

None

**III. Discussion/Action: Approval of Minutes – June 20, 2023**

Motion: Tyane Dietz made the motion to approve the minutes as presented.

Second: Quincy Martindale  
In Favor: All  
Oppose: None  
Abstain: None  
Motion: Passes

**IV. Board Members Comments on Activity in their Respective Areas**

Board Member, Lisa Balty, announced the closure of a FedEx shipping center in Nacogdoches, affecting 23 employees. Eight (8) of those employees are expected to relocate to the Lufkin shipping center.

**V. Executive Director's Report**

**A. Contracts/Agreements**

Mark Durand noted that we received the 2023-2025 WIOA grants for period of July 1, 2023 - June 30, 2025. Adult and Youth grants increased, and the Dislocated Worker Grant decreased. Combined total of the 3 grants increased \$285,437 for a total of \$3,927,054 in the 1723 WIOA grants.

**B. Performance**

**Child Care:**

Mr. Durand stated that The Texas Workforce Commission (TWC) issued a mid-year adjustment target for the average number of children in care due to the increase in the cost of care per day (target average number of children per day for October 2022 – March 2023 was 2,277 and April – September 2023 is 2,349). The year-to-date May 2023 average children served per day was 2,481 (105.62%). There are currently 45 Texas Rising Star (TRS) providers. Deep East Texas is one of three boards meeting the 50% continuous quality improvement plan (CQIP). Also, there are new procedures in place to keep more children enrolled to reduce the number of children on the waiting list.

**Workforce:**

Mr. Durand stated that the May 2023 Monthly Performance Report (MPR) reflects exceeding or meeting 16 of the 18 workforce measures at the time of printing. Preliminary MPR projections reflect that all 18 measures will be met in June. . For Rapid Response, Portacool had approximately 400 employees – of those, nearly 120 have been called back, and over 40 more will be called back for maintenance/janitorial services. They are planning to begin rebuilding within 12-14 months. In the meantime, they have rented a warehouse and may be able to re-hire additional former employees. When they fully re-open, they will likely have more IT jobs and we are discussing with Portacool management of future skills needs to prepare for the change in skill set of employees.

**C. Contacts and Coordination Efforts**

Economic Development Forums attended in several counties. Discussions reflected the leaders are looking for development opportunities for their respective counties. Staff attended the Latexo ISD's HVAC Graduation Ceremonies and there were 6 new graduates. Mr. Durand provided a summary of his NAWB Capstone project.

**D. Rules and Legislation Update**

Mr. Durand mentioned HB 1615 and 2215 Consolidation of Workforce & HHSC services that will require some federal changes.

**E. Funding**

Highlighted in Part A. Contracts/Agreements above.

**F. Other Activity and Administrative Matters not requiring action by the Board**

Mr. Durand reported the May 2023 unemployment rate of 5.1% increase from the month prior, with the April 2023 rate being 4.4%. Lauren Phipps presented JobsNow Data and the how social media posts has impacted the increase in website traffic.

**VI. Committee Reports**

**A. Business Services Committee**

**1. Committee Activity**

**a. Turner Fabrication – 2022 WSDet Small Employer of the Year**

Turner Fabrication 2022 WSDet Small Employer of the year recognition. Matt Turner started the company in 2011. Started out with just him in 2011 and now employs 9-15 employees. He stated they make about 7,000 parts per year for process line and Portacool is one of their biggest customers. Primary local businesses, but also some in California. One of their challenges is labor force and finding employees with manufacturing experience. Mr. Turner mentioned the possibility of enlarging his work force if there were more trained workers. Ms. Marshall and Ms. Dietz presented Mr. Turner with the 2022 Small Employer of the Year Award.

**2. Discussion/Possible Action**

**a. Open Session Action, if any, as a result of Closed Session**

None

**B. Operations Committee**

**1. Committee Activity**

**2. Discussion/Possible Action**

**a. Action Item 23-14 WIOA Policy**

Mr. Fitzpatrick reported there was a correction to the WOIA report that needed to be amended.

Motion: The Operations Committee recommended for acceptance the WIOA policy as presented.

Second: Kelli Marshall

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**b. Open Session Action, if any, as a result of Closed Session**

None

**C. Executive/Finance Committee**

**1. Committee Activity**

**2. Discussion/Possible Action**

**a. Action Item 23-13 Renewal of Workforce Services Contract**

Information was presented to support the recommendation of contract renewal of the Workforce Operations and Management contract with Dynamic Workforce Solutions, LLC (DWFS). Staff reviewed Performance, Monitoring, Employer and Customer satisfaction results. Diaz, Smith and Associates performed the fiscal integrity review and DWFS was fiscally compliant in all areas. Based on the FY'23 mid-year review of the DWFS contract staff recommended the renewal of the contract which will represent the second-year renewal of the four-year renewal option as outlined in the original Request for Proposal. Contract period will be October 1, 2023 through September 30, 2024.

Motion: The Executive/Finance Committee recommended for acceptance the WF Services Contract as presented.

Second: Lisa Balty

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**b. Action Item 23-15 Renewal of Monitoring Contract**

The Board procured Diaz, Smith and Associates (DSA) to perform annual fiscal and program monitoring services. Key aspects in their contract include: monitoring

childcare and workforce contractors reports, completing fiscal integrity reports, and assisting during TWC annual monitoring. DSA submitted a budget of \$38,850 to perform the monitoring for FY'24, which reflects no change in the FY'23 contracted amount.

Motion: The Executive/Finance Committee recommended for acceptance the Monitoring Contract Renewal as presented.

Second: Tyane Dietz

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**c. Action Item 23-16 Renewal of Auditing Contract**

The Board is required to have a financial audit conducted each year and a copy must be furnished to TWC within nine months of the end of each fiscal year. In 2022, the Board voted to contract with Alexander, Lankford and Hiers, Inc. (ALH) Certified Public Accounts of Lufkin for Independent Auditing Services. ALH originally requested a 7% increase to cover inflation, but the Board countered with 5% and ALH accepted the proposal to perform the 2023 audit at a cost of \$41,107.50.

Motion: The Executive/Finance Committee recommended for acceptance of the Auditing Contract Renewal as presented.

Second: Eddie Hopkins

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**d. Action Item 23-17 Employee Handbook**

The Board's HR Consultant, Mike Dobert, presented new Employee Handbook and he explained the differences of our Operating Procedures vs. what are necessary for an employee handbook and separating the two. The biggest difference is transitioning from Sick/Vacation days to Paid Time Off (PTO). Updating the language to meet current workforce needs and align with the Fair Labor Standards Act (FLSA). Mr. Durand mentioned this Employee Handbook would also include a 90-day introductory period for new employees. The new Employee Handbook would go into effect January 1, 2024. As insurance rates continue to increase, Executive staff are looking at ways to offset the cost while continuing to pay 100% of the employee health, dental and vision insurance plans. Sick leave hours that are unused as of December 31, 2023, will transition to a long-term illness bank that can be used by employees for extended illnesses. Hours will be available until September 30, 2025. To assist in the transition of vacation hours employees will be allowed a one-time sell back of a maximum of 40 hours. Hours will be deducted from their vacation accrual.

Motion: The Executive/Finance Committee recommended for acceptance of the Employee Handbook as presented.

Second: Robert Fitzpatrick

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**e. Open Session Action, if any, as a result of Closed Session**

None

**3. Discussion and Acceptance of Financial Reports**

**a. Financial Reports for May & June 2023**

- **Statement of Financial Position**
- **Budget vs. Actual**
- **Grant Report**

Finance Director, Maribel Soto-Mendoza, provided financial updates for May and June of 2023. Mr. Durand reviewed the reports.

Motion: Eddie Hopkins

Second: Tyane Dietz

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**VII. Adjourn**

Chair Kelli Marshall made a plea that members try to be physically present at two of the next four meetings this year. Ms. Marshall adjourned the meeting at 4:00 p.m.

Duly passed and approved on this 19 day of Sept. 2023



*Kelli Marshall, Chair*

Attest



*Dara Harmon, Exec. Administrative Assistant*