



## **STRATEGIC COMMITTEE MEETING - MINUTES**

Workforce Solutions Alamo  
100 N. Santa Rosa St., Suite 120, Boardroom  
San Antonio, TX 78207

**July 28, 2023**

**10:00 AM**

**BOARD OF DIRECTORS:** Eric Cooper (Committee Chair), Leslie Cantu, Ben Peavy, Lowell Keig, Angelique De Oliveira (10:08am), Mitchell Shane Denn

**WSA STAFF:** Adrian Lopez, Adrian Perez, Giovanna Escalante-Vela, Jessica Villarreal, Jeremy Taub, Chuck Agwuegbo, Caroline Goddard, Randy Davidson, Marty Pena, Linda Martinez, Rebecca Espino Balencia, Terry Trevino, Vanessa McHaney, Gabriela Horbach, Roberto Corral, Brenda Garcia, Daisey Vega, Sylvia Perez, Rachel Treischel, Trema Cote, Angela Bush, Ramsey Olivarez, Chakib Chehadi, Christine Dever, Aaron Smith, Aaron Bieniek, Celestina Davila Guevara, Kristen Rodriguez, Sara Alvarez

**PARTNERS:** Mike Ramsey

**LEGAL COUNSEL:** None

**GUEST:** Maria Freed with TSLAC, Dan Gostylo with Partners Realty, Azari Jones, Laura Moreno with City of San Antonio

### **AGENDA**

*Agenda items may not be considered in the order they appear.*

Citizens may appear before the Committee to speak for or against any item on the Agenda in accordance with procedural rules governing meetings. Speakers are limited to three (3) minutes on each topic (6 minutes if translation is needed) if they register at the beginning of meeting. Questions relating to these rules may be directed to Linda Martinez at (210) 272-3250.

***The Chair of the Committee will be at the Host Location. The Host location is specified above. Meetings will be visible and audible to the public at the Host location, and there will be a visual or audio recording of the meeting. There will be two-way audio and video of the meeting between each Board member sufficient that Board members and public can hear and see them. WSA will comply with all Videoconferencing Guidelines.***

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**During the Public Comments portion of the meeting (Agenda Item 4), the Public may type their name into the chat box or unmute themselves and state their name. The meeting host will call each member of the public for comments, in the order their names were submitted.**

I. CALL TO ORDER

Presenter: Eric Cooper, Committee Chair

**At 10:00am, Chair Eric Cooper called the meeting to order.**

II. ROLL CALL AND QUORUM DETERMINATION

Presenter: Eric Cooper, Committee Chair

**The roll was called, and a quorum was declared present.**

III. DECLARATIONS OF CONFLICT OF INTEREST

Presenter: Eric Cooper, Committee Chair

**None.**

IV. PUBLIC COMMENT

Presenter: Eric Cooper, Committee Chair

**None.**

V. CONSENT AGENDA (DISCUSSION AND POSSIBLE ACTION)

Presenter: Eric Cooper, Committee Chair

a. Meeting Minutes – May 19, 2023

**Upon motion by Mitchell Shane Denn and seconded by Lowell Keig, the Committee unanimously approved the Consent Agenda item a. Meeting Minutes – May 19, 2023.**

VI. PROCUREMENT UPDATE (DISCUSSION AND POSSIBLE ACTION)

Presenter: Jeremy Taub, Director of Procurement and Contracts

a. Procurement Diversity Update (SMWVBE)

— Outreach to current vendors has increased the number of SMWVBE classifications, which resulted in expenditures to be at 37.92%. There are currently 34 SMWVBE vendors out of approximately 100 providers. Fiscal year

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- ending September 30, 2022, WSA was at 22.6% of total SMWVBE expenditures.
- Utilizing online search tools such as The Maestro Entrepreneur Center, The South-Central Texas Regional Certification Agency, and other local SMWVBE search directories to expand outreach.
  - Approximately \$4.8M of the operating budget for corporate expenditures has been spent with approximately \$1.8M going to SMWVBE vendors.
  - Ben Peavy asked if the target percentage of 20% to be SMWVBE vendors is too low since San Antonio is very diverse. He also reiterated that a SMWVBE vendor can fall into several categories and would like to get together for a work session to better understand the numbers. Jeremy Taub responded that WSA's aspirational goal falls in line with the City of San Antonio's aspirational goal and other agencies like WSA.
  - WSA provides demographic information on the childcare providers received from the contractor, City of San Antonio. 250 out of 586 childcare providers are identifying as SMWVBE.

b. Facility Updates

Presented by: Randy Davidson, Assistant Director of Procurement and Contracts

i. Port SA Update

- The board is revising the floor plan to include possible sub-tenants in the facility's final cost. Possible use of alternative materials which are architectural walls to cut down on construction costs and still maintain privacy. TWC's equipment contribution is Form 7100 approved \$251,642.
- TI allowance is \$1,575,000 and the monthly rent is \$24,792 and a 2.5% annual escalation.
- Construction will begin late 2023 with a move-in in the spring of 2024.
- Ben Peavy asked what is the size of the space that could be sub-leased. CEO Adrian Lopez stated that it could potentially be 2,000 square feet. Ben Peavy asked if there is any room for a childcare center there. CEO Adrian Lopez stated that a childcare center is already at the Port on the first floor with Avance and you do not want the general population mixing in with infants and toddlers that are not their own.
- Chair Eric Cooper suggested having a broker look at alternative properties and prices to better appreciate these numbers on the report. CEO Adrian Lopez stated that Board Member Jerry Graeber, who has expertise in construction, has assisted with this in looking at costs and was the one who suggested the alternative materials for the architectural walls that would save approximately \$80,000.

ii. Walzem Update

- There were four potential properties to move from this location. Two of the options did not meet the needs. The third option is to remain at the Walzem location, but the challenge of the space includes the layout on two different floors, inclusion of VR, and limited parking for staff and clients.
- The current monthly rent is \$25,122 with an annual rent of \$301,464. If

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- chosen to stay at this location, the projected monthly rent is \$41,790 with an annual rent of \$501,480 and an annual escalation of 3%.
- The recommendation is not to remain at this facility and to issue landlord notice of non-renewal 90-days prior.
  - Ben Peavy asked if VR joins then who will absorb their costs. Randy Davidson stated that VR will cover their own portion of the build out and rent. Ben Peavy then stated that the cost should be shown to see what WSA will pay and what VR will pay and not in one lump sum. CFO Consultant Angela Bush stated that as the costs come in and are allocated, VR will pay their fair share for square footage used. Ben Peavy asked if there could be a summary to show what WSA pays now versus what WSA will pay at the new location with VR costs being separated. Angela Bush stated she will work with Randy Davidson on this. CFO Giovanna Escalante-Vela stated that VR cost would be approximately 21% of the total cost.
  - Ben Peavy stated that he wants to see a very clear picture of the information, because of the significant cost, to make sure that VR will not back out like Bibliotech did. He also asked if the Walzem location could go away and integrate their services with other centers around the areas. CEO Adrian Lopez stated that there is always a possibility that VR will back out, however the design of the facility allows for an opportunity to sublet. He also stated that the Walzem location does not work well to service clients properly with staff being located on multiple floors. He also stated that an extensive search has been done in the northeast corner of the county with the broker.
  - Ben Peavy asked how this cost increase affects the budget and if TWC gives additional dollars for a facility with higher rent costs. CEO Adrian Lopez stated that the budget is broken out into three different categories which are corporate, facilities, and service delivery. The higher cost might potentially impact the facilities budget, but this will be worked into next year's fiscal budget.
  - Lowell Keig with TWC provided context on VR and how they received establishment authority to get these types of expenses approved. He also stated that VR didn't move in with the Port because there is not a good cluster of customers there.
  - The fourth option is to move to the O'Connor location. The square feet required is 23,880 with prospective VR integration requiring an additional 7,000 square feet. This location has storage for the WOW bus, designated employee and client parking, and a dedicated VIA link stop.
  - The monthly rent would be \$61,690 with an annual rent of \$740,280 and a TI allowance of a maximum of \$80 per square foot. VR will contribute to the overall cost of the build-out and future rent. The rent escalation will be determined upon execution but not to exceed 5%. There will be an initial term of 10-years with two 5-year options to renew.
  - Next steps are to finalize negotiations and to execute the lease.

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**Upon motion by Ben Peavy and seconded by Mitchell Shane Denn, the Committee unanimously approved moving forward with negotiations on the O'Connor location, with Lowell Keig abstaining from the vote.**

VII. LOCAL PLAN PROGRESS UPDATE (DISCUSSION AND POSSIBLE ACTION)

Presenter: Adrian Perez, CIO

a. Local Plan Update

— The 2-year modification of the Local Plan has been fully approved as of July 3, 2023.

b. Update to Develop an Operational Plan for the Interlocal/Partnership Agreement to Address Rural Judges' Service Delivery Concerns

— In response to concerns raised by the Area Judges and in the interest of addressing the concerns in perpetuity, WSA and the partners are working to define operational standards to ensure the Interlocal/Partnership agreement is translated into Standard Operating Procedures. It is focused on communication, budget management, and performance design/monitoring. WSA is requesting Board approval of overall strategy.

— At the March 22, 2023, meeting of the Area Judges, action was taken to request guidance from TWC regarding bifurcation of the Workforce Development Area into Urban and Rural. Summarized concerns were service, communication, and governance.

— At the April 26, 2023, meeting of the Area Judges, they were informed that TWC would not support the bifurcation request. Recommended action was to have a work session between the partner staff and WSA, and also a work session for the Committee of Six to discuss the issues.

— On May 22, 2023, WSA staff, the partners, and WSA Board of Directors Chair met. The partners reviewed the Interlocal and Partnership agreements to summarize the partners' preferences. The Rural Judges' Liaison shared the summary of issues the Area Judges would like addressed which are to conform to federal and state laws and the Interlocal/Partnership agreements, ensure services conform to budget allocations are delivered in each county, report quarterly on allocation/expenditure/number served, workforce center in each county, except McMullen, to do outreach and intake for all programs, ensure each center has the capacity to perform childcare outreach and maintain a waiting list in all counties if funding is not available, and ensure contractors' contracts conform to the Partnership agreement.

— On May 25, 2023, a work session occurred to begin drafting an Interlocal/Partnership Operational Agreement that specified mutually agreeable operational standards to address these concerns.

— In addition to the partner work sessions, WSA staff has acted immediately to enhance services such as authorizing a full-time representative to be available in Bandera and a representative available in McMullen Tuesday through Thursday, seeking approval from TWC TANF budget to support outreach operations to engage and serve more individuals who qualify for TANF, executed Community Conversations on Childcare in each of the rural communities which resulted in

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Kerr EDC matching childcare funds.

- WSA staff, having secured a format to address the issues and after being provided requests in writing have made the adult, youth, and childcare contractors aware on July 5<sup>th</sup> and 6<sup>th</sup> of the requested additions to the upcoming contractor agreements. On July 17<sup>th</sup>, TWC suggested caution as it pertains to creating additional requirements not required by the agreements with TWC, working on legal opinion regarding DOL requirements on priority of services, and additional meetings to be scheduled with childcare and monitoring units within TWC.
- On July 17<sup>th</sup> partner staff was briefed on the following recommendations:
  1. Conform to federal and state laws and the Interlocal/Partnership agreements. Develop an Interlocal/Partnership Agreement Operational Plan. This plan will be updated annually to ensure consistency of interpretation across turnover of partner and agency staff. The result will be clear expectations regarding conformity to laws and agreements.
  2. Ensure services that conform to the allocations budgeted are delivered in each county. Development of the County Allocation and Service Delivery Report (CASD). Staff are working through specific formulas on allocation fund by fund according to TAC 800 and using CFDA numbers as a last resort. Seeking clarity from TWC on any assumptions. Develop County Workforce Councils to implement and seek guidance on the development of the Local Plan coming up on the next 4-year renewal. This will enhance transparency regarding how dollars are coming in and out in relation to service delivery and co-planning outreach and partnerships. The result will be a fund by fund and county by county allocation driven by state and federal formulas, local wisdom, annual outreach plans, special initiatives, and clear communication of full spectrum service being provided in each county and associated cost.
  3. Report quarterly on allocation/expenditure/number served. If there is a variance of more than 10%, then include a variance explanation. Update allocations by county as additional funds and grants are received. CASD report will illustrate allocations, expenditures, any new allocations, and detailed quarterly numbers served and outreach activity per program. Report to each Commissioners Court quarterly. Propose urban and rural budgets based on allocation factors which will be reported to WSA Board on a county-by-county basis for the development of the CASD. Reallocation of funds between urban and rural accomplished through budget amendment. SOPs will be added to the Operational Plan noting this as a requirement. The result will be transparency of allocations including additional funding, expenditure, service delivery, and variances, and quarterly tracking of service delivery costs and number served by county.
  4. Have a workforce center in each county (except McMullen) with the ability to do outreach and intake for all programs. Evaluate the need for additional services offered in each county regularly. Action needed is to include center or staff representation requirement into the adult and youth

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contracts. Notice of changes in staffing requires a backup plan and communications plan to ensure clients are made aware of where they can secure services such as signage and hours posted. Include an annual evaluation of service level as it pertains to need in the Operational Agreement. The result will evaluate staff presence in each county and adopt an evaluation methodology as a new SOP.

5. Ensure each center has the capacity to do childcare outreach, explain the program, and submit forms. Maintain waiting lists in all counties if funding is not available for enrollment. Action is to include center or staff representation requirement into the childcare contract and require reporting on waitlist numbers. Include in the Operational Plan the requirement to include this in the contractor agreement and reporting of the waitlist on the CASD. The result will be to increase staff presence in each county through contractual obligation and quarterly reporting on waitlist development. Potential impact is increasing childcare contractor administration expense which means less money for childcare.
6. Ensure the contractors' contract conforms to the Partnership agreement. Requirements associated with resource allocation and service provision will be integrated in Profit Matrix, Budget, and Participant Service Plan. Partners are requested to highlight any issues that need to be integrated and will be adopted into the Operational Agreement for inclusion in current or future contracts as appropriate. All requests highlighted by the partners are being negotiated for integration into contractor agreements.

- Next steps are a draft of the Operational Plan will be shared with the Committee of Six after a consensus view that a draft is ready for distribution, feedback finalized for the Committee of Six meeting on August 23, 2023, and final feedback may be provided during the Area Judges meeting on September 27, 2023.
- If the partners work sessions and recommendations do not derive consensus solutions, then the Area Judges through their Liaison have communicated options such as mediation or withholding approval of the WSA annual budget.
- Recommendation is for board staff to continue to work with TWC to assess impacts on updates to the budget and performance procedures, continue to integrate recommendations with adult, youth, and childcare contractors, and bring Iterative Operational Plan, budget amendments, and other recommendations in coordination with partner staff and Committee of Six.
- Lowell Keig stated that he doesn't feel like he is in a good position to investigate this further because of the complicated allocation methodology. CEO Adrian Lopez responded that the recommendation is to approve that this is going in the right direction. He also stated that the budget will go to the audit and finance committee who will decide to move forward or not which should alleviate any concerns that other board members may have.
- Angelique De Oliveira asked if these changes to the budget will satisfy the Area Judges or if there is any anticipation of further concerns. CEO Adrian Lopez responded that he cannot see where they stand but staff are responding to their

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requests and concerns. Mike Ramsey thanked WSA for their efforts in this matter.

c. Sector-Based Model Update

i. Sector-Based Score Cards – Rebecca Espino Balencia, Director of Ready to Work

- Current industry sector scorecard for adult, which does not include Ready to Work, is showing 225 enrolled, 70 active in training, 155 completions, 121 successful completions, 78% success rate, 45% credential rate, 63 successfully employed, and 52% employment rate. C2 and WSA are going to meet with the training providers to let them know the expectations for customers to complete the programs and have their full credentials in a timely manner and not self-paced as it is now.
- Current industry sector scorecard for youth shows 31 enrolled, 27 active in training, 4 completions, 100% successful credentials, and 100% successful employment rate.
- Ben Peavy wants to know why the employment rate in Information Tech is so low at 23%. He also celebrates the success of the youth program. CEO Adrian Lopez stated that this will be researched and answered at a later time.
- For Ready to Work, 154 have successfully completed training with a 94% retention rate and a 64% successful training completion rate. 1,479 are enrolled in training. 75 have been placed in quality jobs.
- The overall impact is 1,735 enrolled, 279 completions, 142 placements, and 50.89% employment rate. Angelique De Oliveira would like to see the combined numbers for manufacturing and also a reason for why the placements are at 50% of the completions.
- For urban and rural, adult and youth, 2,414 employers have been assisted, 25,089 job orders, 39,888 openings, 84,769 applicants, 292 key accounts, 158 hiring events, 18,860 hiring event participants, 761 training worksites, and 4,688 confirmed hires.
- Ben Peavy would like to see expected or target placements based on completions. He would also like to see expected or target completions for those that are enrolled.

ii. Strategic Partnership Manager Update – Caroline Goddard, Strategic Community Partnerships Manager

- A letter of support was provided for Bluebonnet Technologies LLC. An MOU was renewed for the Office of the Attorney General of Texas to continue and strengthen the partnership to implement the Non-Custodiam Parent program.
- For the Workforce Academy, there are 445 participants with a goal of 500 and 216 graduates.
- For the Workforce Leadership Academy, YWCA, Haven for Hope, Strategic Links, Family Service, and WSA are providing Bridges Out of Poverty training. Also, Easy Expunctions, Bexar County Probation, SA Worx, and WSA are working on a Fair Chance Initiative.

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- Community conversations are scheduled for the 12 rural counties from now until the beginning of next year.
- Maria Freed, Workforce Development Consultant with TSLAC, provided an update on MBA Field Project Spring 2023. The purpose of this project is to connect libraries with Workforce Solutions Offices, expand reach to job seekers, entrepreneurs, and small businesses owners, and support the economic prosperity of Texans. TSLAC appreciates that WSA has the knowledge, expertise, tools, and contacts that libraries do not have. TSLAC’s approach of one size fits all, shotgun approach, no differentiation was not effective. Texas State University Group of professors and MBA/Ph.D. students broke down the importance of understanding the strengths, weaknesses, opportunities, and threats of libraries in the Alamo region. They recommended focusing on smaller groups of libraries to identify which WSA services they need the most. While all libraries were surveyed in the region, the recommendation was to target Gillespie, Bandera, Frio, and McMullen counties. They are working on a success story to help expand and bring more libraries on board to connect more people to WSA’s services. They will propose a pilot program to TSLAC grants team for these libraries and work with the grants team to revise and finalize pilot program details.

#### VIII. CEO REPORT

Presenter: Adrian Lopez, CEO

- a. Ready to Work Program
  - The first year has wrapped up and the numbers for July show 215 participants are enrolled into training this month.
- b. Update on Datapoint
  - The revealing of the rebranding will take place on September 15, 2023.

#### IX. CHAIR REPORT

Presenter: Eric Cooper, Committee Chair

**None.**

#### X. EXECUTIVE SESSION:

Pursuant to Chapter 551 of the Texas Open Meetings Act, the Committee may move into Executive Session for discussion on any issue for which there is an exception to the Act as set out in section 551.071 et. seq. including, but not limited to, the following:

- a. Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Workforce Solutions Alamo in Negotiations with a Third Party;
- b. Government Code §551.071 – All Matters Where Workforce Solutions Alamo Seeks the Advice of its Attorney as Privileged Communications Under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas;
- c. Pending or Contemplated Litigation;

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- d. Government Code §551.074 – Personnel Matters Involving Senior Executive Staff and Employees of Workforce Solutions Alamo; and
- e. Government Code §551.089 – Discussions Regarding Security Devices or Audits.

**None.**

XI. ADJOURNMENT

Presenter: Eric Cooper, Committee Chair

**Upon motion by Ben Peavy and seconded by Leslie Cantu, Chair Eric Cooper adjourned the meeting at 11:52am.**

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