

JOINT POWERS BOARD

October 11, 2018, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Randy Johnson (Executive Director), Brian Ashton, Steve Bauer, Tony Bennett, Rick Gnemi, Cheryl Key, Wanda Jensen, Mitch Lentz, Rhonda Toquam, Teresa Walter, Jill Miller (note taker)

A quorum was present and Dan Belshan called the meeting to order. **The Joint Powers Board (JPB) unanimously approved the October meeting agenda. Teresa Walter moved for consent of the June meeting minutes; Rick Gnemi seconded, and the motion passed.**

Fiscal – Brian Ashton

- **PY17 Year-End Fiscal Report: (Attachment A)** We received \$2,463 for the Early Readjustment Assistance Grant (ERAG) portion of the BonTon project. The lion's share of remaining resources carried into the new Fiscal year was for classroom training and support. Southeast Asian Equity Grant funds were sent back because Workforce Development, Inc. (WDI) was unable to spend those training resources. Most of the carry-in came from three major programs: Adult; Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker (DW); and State DW. We ended PY17 at \$6,678,153 in actual revenue and expense. Brian indicated that there were no real surprises. Randy Johnson indicated that the cash flow loan with Propel was paid back in full at the end of August, which cost WDI \$1,500 in interest for the duration of 60 days.
- The audit has begun, with Brian sending scores of documents to the audit team. The field work will be conducted the last week of October, with the goal of the audit being completed by December 14, 2018. The auditors will be prepared to present the audit report to the Boards in January.
- **PY18 August Fiscal Report: (Attachment B)** The PY18 budget projection is just over \$7.8 million. The dues and subscriptions line item is high, as many of these are due and paid at the beginning of the fiscal year. Brian commented that we are in really good shape this year.
- **PY18 September Fiscal Report: (Attachment C)** Brian noted that we are 25% of the way through the year. We are returning \$9,000 to the Department of Employment and Economic Development (DEED) from the BonTon grant due to low enrollment. We will take the enrolled individuals and roll them into our State allocations. That will impact this year's funding by about \$40,000. We received resources from Olmsted County to perform Teen Parenting outreach again this year through December 31, 2018. We did not anticipate those dollars, but they came in. We have had a staff member doing the work already, but this funding will allow us to bill Olmsted County for the staff time; saving our resources. Salaries and fringe lag behind; all other line items should be at 25%. For the classroom training line item, there are \$120,000 in outstanding vouchers from the first semester; we should see those by the end of this month.
Rick Gnemi moved to approve the three Fiscal Reports; Tony Bennett seconded, and the motion was approved.
- Brian also shared insurance renewal information. WDI is expecting an overall increase of 3% for medical insurance. This is very good, as the industry average is 9%. This is based on a 0% increase in expected claims and a 9.5% increase to the stop loss portion of the plan. No changes expected to dental or CIGNA life insurance plans.

Personnel Committee

- The Personnel Committee of the Workforce Development Board (WDB) conducted the annual review of the Executive Director. All Committee members had strong, positive comments on Randy's performance. Randy shared that his tentative plan is to retire in 1 to 1.5 years. The full WDB approved the Executive Director's compensation request for PY18 of a 3% wage increase, which would be at the same level as all WDI staff. The increase would be retroactive to July 1st, 2018. **Cheryl Key moved to accept the annual review evaluation and to approve the request for Randy Johnson's 3% wage adjustment at the same level as all WDI staff, retroactive to July 1st, 2018; seconded by Rick Gnemi. The motion was approved.**

Program Reports

Dislocated Worker (DW) – Randy Johnson

- WDI had planned to serve 20 individuals with the BonTon Grant, with an \$80,000 budget. We are giving back just over \$9,000 to DEED and reassigning this money to the regular State Dislocated Worker (DW) allocation. The

Bellisio Foods grant is for \$240,000 to serve 60 workers in Austin. We have 41 people enrolled and estimate 50 enrollments; we have expended \$70,531 to date. The Quad/Graphics Grant in Waseca has been successful. We have 25 people enrolled in the Quad/Graphics grant. We submitted a modification to extend the BARD Medical grant to an end date of December 31, 2018. We are on target with our enrollments.

- We have expended our PY16 and PY17 State DW allocations and are now on PY18. We have 124 enrolled, with a planned enrollment of 110, in the Federal Workforce Innovation and Opportunity Act (WIOA) DW Program.
- The Bridon Cordage (Great Lakes Polymer) layoff in Albert Lea was certified as Trade Adjustment Assistance (TAA) Program eligible, and will not become a grant for WDI. They are scheduled to close on September 14, 2018. In addition, International Food Processing (IFP) and Seneca Foods will not become WDI grants. Rust Consulting in Faribault will close at the end of 2018; most of the employees have already left the company.
- The Federal Department of Labor (DOL) put out \$25 million in competitive funds to serve people affected by the opioid crisis or to get people trained as mental health/chemical dependency (CD) counselors. Each state can get up to \$5 million, and Minnesota responded. The State heard that they were not successful in attracting this grant. There has now been a new round of grant applications issued, so it appears that the State will be resubmitting this grant application this month.
 - Wanda Jensen commented that Recovery is Happening, a local organization in Rochester, was awarded a grant.

Youth – Randy Johnson

- The Tri-City Bridges (TCB) to the Future Final Report was shared and reviewed. TCB is a partner in the Opportunity Reboot (OR) initiative to integrate a more intentional, systematic focus on youth development into its partner organizations' already effective wraparound intervention services in. The target population for this project is young people between the ages of 14 and 24 who are homeless, in foster care, involved in the juvenile justice system, and/or disconnected from school and education (referred to as opportunity youth). The primary goal of the initiative is to enhance pathways for opportunity youth to school, career, and life success. A second goal of the initiative is to generate evidence of impact in the lives of program participants. Highlights of the final report:
 - Youthprise received a 3-year, \$3 million federal grant and funded six grantees – TCB is one of those six.
 - Since inception, TCB has served 203 youth; 119 are still active, 30 have completed.
 - Demographics in the three locations are very different. Red Wing served 45% Black/African American and 25% American Indian; Faribault served 51% Black/African American; and Northfield served 61% Hispanic/Latino.
 - 14 graduated or obtained a GED, 26 entered post-secondary, 84 received trainings or certifications, and 41 entered job placement.
 - This project is scheduled to end on March 31, 2019, if additional resources do not become available.

Minnesota Family Investment Program (MFIP)/Welfare Reform – Wanda Jensen

- Wanda commented on performance and the Self-support Index for the MFIP Program. Houston, Olmsted, and Mower Counties missed this year. We are now doing performance review in those three counties. We received resources from Olmsted County to perform Teen Parenting outreach again this year. WDI has one Career Planner who goes out with a social worker to meet with the participant. Wanda has been working with the State Department of Human Services (DHS) on welfare reform, specifically on simplification and consistency for the customer across programs. Included in this is a proposal for a new sanction policy. Currently, participants are sanctioned for noncompliance at 10% the first month, 30% the second through six month, and then their case is closed the seventh month. The new proposal is for a 25% sanction from the start and at 4 months of noncompliance, the case would close. The second is a proposal to make the process easier for customers to understand and to take away barriers to meeting face-to-face, with the use of technology. Currently the law requires a face-to-face meeting with the customer.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Randy reviewed the Chart of Responsibilities for Local Elected Officials and Board Members with the JPB. The chart identifies the critical role of the JPB and the shared responsibilities it has with the WDB.
- Next month, Randy will bring a revised Bylaws and Charter with updated language that allows for meeting electronically versus face-to-face if an emergency meeting is needed. Mitch Lentz commented that there is technology, such as Webex, available for videoconferencing meetings.
- Currently, we just went through negotiating performance standards. Randy will bring the new, finalized performance standards to the JPB at the next meeting.
- Infrastructure Agreements are completed and sent in, which show the partners within the WorkForce Center (WFC) system, subcontract payments, and partner billing.

Director's Report – Randy Johnson

Legislative Update

- On October 1st, legislation approved funding for workforce development and training programs. Other programs were put on a continuing resolution until December 1, 2018. We were level funded. In that bill, some of our partners received an increase as well. Wagner-Peyser had a reduction in funding.

State Congressional Update

- Randy has an upcoming meeting with some of his peers to recraft and strengthen the language in a petition that would require the State to follow our Regional Plan and allow local WDBs to be involved in the decision making on where the funds in the Workforce Development Fund (WDF) are allocated.

August 2nd Meeting Recap and Work Plans

- The meeting was well attended, and people had an opportunity to provide input on our direction. We are continuing to focus on equity and have realigned our committees and programming to help get the work done. The WDI Playbook draft was shared. This is a work in progress, which we plan to send to the State by winter.

Budget Update – New Grant Announcement

- There is a new grant that WDI and the State attracted. The grant works at establishing a new model of Worker's Compensation that would connect the WorkForce Centers with places like Mayo Clinic, where people come for rehabilitation certification. The grant is for \$2.2 million for 18 months, possibly starting as soon as January 1, 2019.

Seating of New WDB Members

- The Director recommended seating the following people to fill vacancies on the WDB:
 - **Jim Kingsley**, (Wenger Corporation) Private Steele County Seat
Steve Bauer moved to approve the seating of Jim Kingsley to the WDB; Rick Gnemi seconded, and the motion was approved.
 - **Vicki McKay**, (Ellingson Companies) Private Dodge County Seat
Rick Gnemi moved to approve the seating of Vicki McKay to the WDB; Rhonda Toquam seconded, and the motion was approved.
 - **Marleen Lundberg**, (Job Service/DEED) Wagner-Peyser Seat
Rick Gnemi moved to approve the seating of Marleen Lundberg to the WDB; Teresa Walter seconded, and the motion was approved.
 - **Jeffery Boyd**, (Rochester Community and Technical College) Public Higher Ed Seat
Rick Gnemi moved to approve the seating of Jeffery Boyd to the WDB; Cheryl Key seconded, and the motion was approved.
 - **Kristy Ruble** (Hormel Foods) Private Mower County Seat
Tony Bennett moved to approve the seating of Kristy Ruble to the WDB; Rick Gnemi seconded, and the motion was approved.

Next Meetings

- Thursday, November 8, 2018, and Thursday, January 10, 2019.
- Mitch Lentz commented that should the EMS Meeting that takes place before our JPB meeting dismiss early, the group will notify WDI. If some JPB commissioners have to leave the meeting early, we will amend the agenda to place action items at the beginning.

Dan Belshan adjourned the meeting.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

ATTACHMENT A**Workforce Development, Inc.****REVENUES by fund source**

From: 1-Jul-17	Y-T-D	% of	Annual
Thru: 30-Jun-18	Actual	Budget	Budget
Grants:			
Adult Employment & Training	1,597,437	87.6%	1,823,357
Youth Employment & Training	1,086,204	88.3%	1,229,630
Dislocated Workers	1,244,323	89.9%	1,384,360
	<u>3,927,964</u>	<u>88.5%</u>	<u>4,437,347</u>
Fees for Service/Other:			
Welfare Reform	2,733,005	101.9%	2,681,000
Custom Training	2,790	55.8%	5,000
Donations	14,394	287.9%	5,000
	<u>2,750,189</u>	<u>102.2%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>6,678,153</u></u>	<u><u>93.7%</u></u>	<u><u>7,128,347</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	0	0.0%	0
Unallocated Indirect Costs	0	0.0%	0
	<u>0</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>6,678,153</u></u>	<u><u>93.7%</u></u>	<u><u>7,128,347</u></u>

Changes Since Last Report:

BonTon - ERAG	2,463
Total Change	<u><u>2,463</u></u>

ATTACHMENT A**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-17 Thru: 30-Jun-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	3,253,634	98.6%	3,298,244
Payroll taxes & benefits	1,052,204	99.8%	1,054,727
Subcontracted services	170,763	53.1%	321,318
Staff development/conferences	37,151	96.2%	38,600
Travel	90,171	99.9%	90,300
Board expenses	14,250	95.0%	15,000
Telephone	54,489	99.1%	55,000
Postage	10,055	83.8%	12,000
Utilities	46,490	96.9%	48,000
Marketing	4,696	72.3%	6,500
Dues and subscriptions	18,006	95.6%	18,825
Auditing & legal fees	19,160	91.2%	21,000
Maintenance	60,849	99.8%	61,000
Rent and occupancy	404,904	100.0%	405,000
Insurance	18,420	83.7%	22,000
Supplies and other	116,614	98.5%	118,344
Equipment	6,594	65.9%	10,000
Equipment rental	90,674	97.7%	92,800
Classroom training	835,486	90.5%	923,570
Participant support	245,962	72.7%	338,348
OJT contracts/wage subsidy	17,866	38.6%	46,263
Participant Wages	90,464	76.6%	118,056
Participant Fringe	12,888	92.4%	13,953
Other training expenses	14,781	128.5%	11,500
Workforce Center Partner Billing	-8,417	70.14%	-12,000
	<u>6,678,153</u>	<u>93.68%</u>	<u>7,128,347</u>

ATTACHMENT B**Workforce Development, Inc.****REVENUES by fund source**

From: 1-Jul-18	Y-T-D	% of	Annual
Thru: 31-Aug-18	Actual	Budget	Budget
Grants:			
Adult Employment & Training	117,146	5.3%	2,198,738
Youth Employment & Training	103,403	6.9%	1,491,811
Dislocated Workers	127,201	8.8%	1,449,707
	<u>347,751</u>	6.8%	<u>5,140,256</u>
Fees for Service/Other:			
Welfare Reform	217,758	8.0%	2,715,000
Custom Training	0	0.0%	5,000
Donations	4,662	93.2%	5,000
	<u>222,420</u>	8.2%	<u>2,725,000</u>
Total Recognized Revenues	<u>570,170</u>	7.2%	<u>7,865,256</u>
Unrecognized Revenues:			
Unbilled Welfare Reform	17,444	0.0%	0
Unallocated Indirect Costs	80,121	0.0%	0
	<u>97,565</u>	0.0%	<u>0</u>
TOTAL REVENUES	<u>667,735</u>	8.5%	<u>7,865,256</u>

Changes Since Last Report:**Total Change**0

ATTACHMENT B**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-18 Thru: 31-Aug-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	305,941	8.3%	3,664,897
Payroll taxes & benefits	97,901	8.3%	1,172,962
Subcontracted services	8,511	2.7%	312,621
Staff development/conferences	2,074	4.5%	45,600
Travel	7,925	7.2%	110,120
Board expenses	2,210	11.0%	20,000
Telephone	9,799	14.0%	70,000
Postage	1,380	9.2%	15,000
Utilities	6,803	11.9%	57,000
Marketing	1,435	5.7%	25,000
Dues and subscriptions	7,931	37.2%	21,325
Auditing & legal fees	893	4.3%	21,000
Maintenance	9,352	12.8%	73,000
Rent and occupancy	63,944	15.1%	423,000
Insurance	3,814	17.3%	22,000
Supplies and other	18,912	14.1%	133,939
Equipment	5,832	19.4%	30,000
Equipment rental	14,526	15.3%	94,800
Classroom training	57,620	6.2%	930,553
Participant support	30,480	6.9%	443,295
OJT contracts/wage subsidy	7,500	20.0%	37,500
Participant Wages	5,082	4.2%	119,757
Participant Fringe	737	4.2%	17,446
Other training expenses	0	0.0%	12,440
Workforce Center Partner Billing	-2,865	35.81%	-8,000
	<u>667,735</u>	<u>8.49%</u>	<u>7,865,256</u>

ATTACHMENT C**Workforce Development, Inc.****REVENUES by fund source**

From: 1-Jul-18 Thru: 30-Sep-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	282,953	12.9%	2,198,738
Youth Employment & Training	221,139	14.8%	1,491,811
Dislocated Workers	290,465	20.0%	1,449,707
	<u>794,558</u>	<u>15.5%</u>	<u>5,140,256</u>
Fees for Service/Other:			
Welfare Reform	409,092	15.1%	2,715,000
Custom Training	0	0.0%	5,000
Donations	5,448	109.0%	5,000
	<u>414,540</u>	<u>15.2%</u>	<u>2,725,000</u>
Total Recognized Revenues	<u>1,209,097</u>	<u>15.4%</u>	<u>7,865,256</u>
Unrecognized Revenues:			
Unbilled Welfare Reform	27,909	0.0%	0
Unallocated Indirect Costs	59,300	0.0%	0
	<u>87,209</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u>1,296,307</u>	<u>16.5%</u>	<u>7,865,256</u>

Changes Since Last Report:

Total Change	<u><u>0</u></u>
---------------------	-----------------

ATTACHMENT C

Workforce Development, Inc.
BUDGET to ACTUAL by programs/function

From: 1-Jul-18 Thru: 30-Sep-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	597,122	16.3%	3,664,897
Payroll taxes & benefits	191,079	16.3%	1,172,962
Subcontracted services	23,623	7.6%	312,621
Staff development/conferences	4,359	9.6%	45,600
Travel	13,044	11.8%	110,120
Board expenses	2,597	13.0%	20,000
Telephone	13,535	19.3%	70,000
Postage	2,186	14.6%	15,000
Utilities	10,774	18.9%	57,000
Marketing	1,591	6.4%	25,000
Dues and subscriptions	8,601	40.3%	21,325
Auditing & legal fees	893	4.3%	21,000
Maintenance	14,401	19.7%	73,000
Rent and occupancy	80,484	19.0%	423,000
Insurance	5,510	25.0%	22,000
Supplies and other	26,908	20.1%	133,939
Equipment	5,832	19.4%	30,000
Equipment rental	21,658	22.8%	94,800
Classroom training	202,805	21.8%	930,553
Participant support	48,786	11.0%	443,295
OJT contracts/wage subsidy	7,500	20.0%	37,500
Participant Wages	12,654	10.6%	119,757
Participant Fringe	1,835	10.5%	17,446
Other training expenses	1,395	11.2%	12,440
Workforce Center Partner Billing	-2,865	35.81%	-8,000
	<u>1,296,307</u>	<u>16.48%</u>	<u>7,865,256</u>