

JOINT POWERS BOARD COMMITTEE

February 9, 2017, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Randy Johnson (Executive Director), Brian Ashton, Steve Bauer, Susan Boehm, Cheryl Key, Mitch Lentz, Jerry Reinartz, Rhonda Toquam, Teresa Walter, Jill Miller (Note Taker)

A quorum (6) was present and Dan Belshan called the meeting to order. Introductions were made, and new County Commissioners were welcomed. **Steve Bauer moved for consent of the February agenda, Cheryl Key seconded, and the motion passed. Teresa Walter moved for consent of the November meeting minutes, Mitch Lentz seconded, and the motion passed.**

Election of Joint Powers Board (JPB) Officers (2017-2019)

- **Chair: Motion by Steve Bauer to nominate Dan Belshan as JPB Chair; seconded by Mitch Lentz, and the motion passed. There being no further nominees, Teresa Walter motioned to cast a unanimous ballot for Dan Belshan as JPB Chair; Cheryl Key seconded, and the motion passed.**
- **Vice-Chair: Motion by Mitch Lentz to nominate Steve Bauer as JPB Vice-Chair; seconded by Cheryl Key, and the motion passed. There being no further nominees, Teresa Walter motioned to cast a unanimous ballot for Steve Bauer as JPB Vice-Chair; Jerry Reinartz seconded, and the motion passed.**
- **Secretary: Motion by Teresa Walter to nominate Cheryl Key as JPB Secretary; seconded by Rhonda Toquam, and the motion passed. There being no further nominees, Steve Bauer motioned to cast a unanimous ballot for Cheryl Key as JPB Secretary; Mitch Lentz seconded, and the motion passed.**

Fiscal Update – Brian Ashton

- **Fiscal Report: (Attachment A)** Brian stated that there have been no changes in revenue since the last reporting period. He reported that our budget is just over \$7.9 million. Through January 2017, we have expended just over \$4 million. Brian noted that salaries and fringe always run a month behind. He stated that the staff development/conferences line item is high, due to the Global Career Development Facilitator (GCDF) training for counselors who had not been certified and the refresher training for those already certified. Brian reports that the staff development/conferences annual budget is usually at \$30,000, but it had to be increased to \$60,000 for the training expenses. Brian does not anticipate that line item going over the expenditure mark for the year.
- The utilities line item is high, due to the State-contracted data line services through MN.IT (Minnesota Government Information Technology Services) that we are required to pay. Brian noted that the majority of the \$50,000 we pay is for the internet charges from the State, specifically in the Resource Rooms at the WorkForce Centers. At this point in time, our only option for this service is through MN.IT as part of the partnership arrangement in the WorkForce Centers. The JPB had a discussion about the State IT maintenance contract. Randy Johnson pointed out that there is a legislative survey done for suggestions of items to audit. He noted that if we are deliberate in asking the legislators to put this on the list of items to audit, it may get audited. Mitch Lentz asked Randy to help provide the JPB Commissioners with some language they can use to push this issue forward to representatives and up through the Association of Minnesota Counties (AMC). Jerry Reinartz mentioned that there is a legislative conference next week. Jerry also remarked that there needs to be competition to bring this item under control.
- Randy Johnson noted that Workforce Development, Inc. (WDI) eliminated 10 FTEs at the beginning of January because of a reduction in revenue. He stated that we started with 78 FTEs on January 1, 2017, and are currently at 66 FTEs. We also reduced office hours at a couple of our WDI locations. Randy reported that WDI wrote for over a dozen competitive grants in 2016, and we were only funded for one. He noted that another reduction in FTEs may be necessary in the next few months. Randy discussed that there is a budget meeting planned with the Workforce Development Board (WDB) next month to discuss this. **Cheryl Key moved to approve the Fiscal Report, Teresa Key seconded, and the motion was approved.**
- **Audit:** The audit was presented to the WDB last month. Brian noted that this is the seventh year Hawkins Ash CPAs, LLP, has performed our audit. Brian indicated that there were three components of the audit. The first component was a financial audit of funds. The second component was a programmatic audit. Because of the money that flows to us from the federal government under the Workforce Innovation and Opportunity Act

(WIOA), our auditor conducts a review of programs and participant files. The final component of the audit was internal control to ensure that there was a separation of duties within the organization. Once again, Brian was very pleased with the audit. There was a clean, unmodified opinion. The audit findings indicated no material weakness, no internal control findings, no adjusted entries, and no questioned costs. Brian reported that the auditor was very pleased with our participant records and documentation. There was a brief discussion regarding the audit. Randy Johnson remarked that Brian Ashton and the WDI staff should be commended for their outstanding effort! JPB members applauded Brian for his excellent work! Brian noted that the audit is available on the WDI website. **Steve Bauer moved to accept the final audit report as presented, Cheryl Key seconded, and the motion passed.**

Program Reports

Dislocated Worker – Randy Johnson

- Randy reported that the BARD Medical and IBM Projects are winding down. He noted that there were a series of temporary layoffs that occurred at McNeilus Truck and Manufacturing. Their employees have been working three weeks a month. Randy mentioned that at this time, a grant is not needed for this group. There was a discussion about other business closures.

Youth – Randy Johnson

- Randy reported that we are promoting the Career EdVenture model to high schools throughout the 11-county region in SE Minnesota, including Winona County. He remarked that many times there are crisis counselors in schools, but no one to assist students with career planning. WDI has been offering our services to schools through this model as a menu of services we can provide. Randy discussed that due to the success of the Career EdVenture model, we have asked the legislature during the last two sessions for additional funding to expand this state-wide. Randy reported that even though there has been bipartisan support from committees, it has yet to receive funding.

Minnesota Family Investment Program (MFIP)/Welfare Reform – Randy Johnson

- Randy provided the "2017 Welfare Contract Summary" handout to the Board. He discussed that all of our MFIP contracts have been finalized for 2017. He noted that Olmsted County is down \$100,000; Houston County is down \$12,000; and Rice County is down \$25,000. Randy also shared that this past January was the 20th Anniversary of MFIP and Temporary Assistance for Needy Families (TANF). He noted that over the years, we have seen a dramatic reduction in those on public assistance. Randy remarked that he believes WDI's services are helping recipients find regular jobs and move off of public assistance. The JPB had a brief discussion.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Targeted Jobs List for 2017-2019: Randy discussed that every two years, we compile a list of all the living wage jobs that show successful growth in their industries. Because more employers are requesting on-the-job (OJT) or short-term training, we are focusing on credentialed training. After a customer takes an assessment, they meet with a WDI counselor. The Targeted Jobs List is used by WDI to match the customer with a job based on their skills and interests. If the job is on the Targeted Jobs List, we will provide funding at a higher level for up to two years. If the job is not on the Targeted Jobs List, we will still provide funding, but it will not be for as much or for as long. This drives WDI to get 85-90% of customers in Targeted Jobs that are appropriate for them.
- Career Pathways Progress Report:
 - Susan Boehm discussed that we are partnering with Comuidades Latinas Unidas en Servicio (CLUES), a non-profit organization from the Metro area that focuses on the Hispanic community. Susan discussed that the State appropriated \$1.5 million in equity funds to CLUES. At least fifty percent of the funds has to be spent in greater Minnesota. She reported that WDI has been working with CLUES on the trades and initially had it narrowed down to four trades including building and tile setters, carpenters, laborers, and the finishing trades. In a decision made yesterday, WDI will partner with CLUES to offer a six-week credentialed training; recognized by the MN Department of Labor and Industry (DOL). They plan to focus on recruiting individuals from the Hispanic and/or other refugee communities in the region. The first two weeks of the training will cover employability skills. Following that, there will be four weeks of training supplied by the Rochester Carpenters Union. Susan remarked that this will be one-time money from CLUES, so we are focusing on putting together a good process that is financially sustainable. WDI is hopeful that if this training program is successful, employers and/or the Carpenters Union will continue to fund it as they will benefit in the long run. Randy Johnson added that WDI pledged some Federal WIOA money to fund three weeks of the training, and the Carpenters Union is contributing a scholarship for one week. Randy stated that we will need to determine if four weeks is long enough and if not, ask employers for the additional funding. Susan also shared that CLUES is working with the Bridges to Healthcare Program. CLUES will be funding an additional Certified Nursing Assistant (CNA) class, in addition to providing funds for recruitment, training, and navigators.

- WDI has had discussions with John Thorson from Hennepin County. \$2.5 million in equity funds was appropriated to Hennepin County, of which \$300,000 has to be spent in outstate Minnesota. Susan discussed that she reached out to both the City of Rochester and Olmsted County. The City of Rochester responded and has already sent job descriptions for four positions, specifically in water reclamation, that they have been unable to fill. John Thorson, Randy Johnson, and several representatives from the City of Rochester will be meeting next week to discuss possible career pathways that can be created. Susan stated that she is hopeful that once customized training is set up, we can replicate it in other counties throughout the SE Minnesota region.
- Susan noted that other conversations we are having for career pathways include information technology, insurance, and retail.
- One Stop Operator Request for Proposal (RFP) Process: Randy indicated that a One Stop Operator has to be submitted as part of our WIOA Plan. He noted that we will work with Department of Employment and Economic Development (DEED) on the details and bidding process. Randy stated that WDI obtained a legal opinion, and our One Stop Consortium could take on this role. WDI will have to go through an RFP (Request for Proposal) process, as we cannot answer our own RFP. This will need to happen in the next three months. We are required to send our process to DEED for their national and local publication by March 31. Sealed bids will be due in Rochester by May 1. An RFP Review Panel will convene to make recommendations during the May 2-10 time period, and the JPB will review recommendations and make the final selection by May 11. The One Stop Operator will be in place by July 1, 2017.
Randy mentioned that Adult Basic Education (ABE) will be a part of a similar but separate RFP process as well.

Director's Report – Randy Johnson

Legislative Platform

- Randy stated that we received the Governor's bill, and there was nothing in the bill regarding job training. Randy briefly discussed the payroll tax that generates money for Workforce Development Fund. He remarked that there will be some "new twists this year."

DEED/Regional Marnita's Table Engagement Meeting

- Randy discussed the Marnita's Table event coming up on Thursday, March 2. DEED contracted Marnita's Table to assist with developing goals that will need to be included in our regional plan.

We understand that Mike Haney has retired as the Winona County WDB Executive Director. Randy stated that will need to figure out how to interface with the Winona County WDB.

Next JPB Meetings

March 9, April 13, May 11, and June 8, 2017, at 10:00 a.m.

Dan Belshan adjourned the meeting.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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

From: 1-Jul-16 Thru: 31-Jan-17	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	895,645	46.2%	1,938,149
Youth Employment & Training	577,740	52.6%	1,098,374
Dislocated Workers	948,791	50.5%	1,877,713
Reading Recognition	1,695	14.9%	11,400
	<u>2,423,871</u>	<u>49.2%</u>	<u>4,925,636</u>
Fees for Service/Other:			
Welfare Reform	1,496,209	50.2%	2,978,548
Custom Training	763	38.2%	2,000
Donations	4,937	49.4%	10,000
	<u>1,501,909</u>	<u>50.2%</u>	<u>2,990,548</u>
Total Recognized Revenues	<u><u>3,925,779</u></u>	<u><u>49.6%</u></u>	<u><u>7,916,184</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	13,416	0.0%	0
Unallocated Indirect Costs	76,597	0.0%	0
	<u>90,013</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>4,015,792</u></u>	<u><u>50.7%</u></u>	<u><u>7,916,184</u></u>

Changes Since Last Report:

Total Change	<u><u>0</u></u>
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ATTACHMENT A**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-16	Y-T-D	Percent	Annual
Thru: 31-Jan-17	Actual	of Budget	Budget
Salaries and wages	1,999,796	57.2%	3,495,833
Payroll taxes & benefits	638,990	57.3%	1,114,557
Subcontracted services	110,088	34.0%	323,645
Staff development/conferences	55,205	92.0%	60,000
Travel	55,888	56.8%	98,440
Board expenses	7,679	41.5%	18,500
Telephone	33,524	60.4%	55,500
Postage	6,790	38.8%	17,500
Utilities	37,475	75.0%	50,000
Marketing	5,940	45.7%	13,000
Dues and subscriptions	7,300	36.5%	20,000
Auditing & legal fees	3,208	16.0%	20,000
Maintenance	50,847	66.0%	77,000
Rent and occupancy	230,170	58.3%	395,000
Insurance	10,574	58.7%	18,000
Supplies and other	54,194	48.7%	111,194
Equipment	5,832	29.2%	20,000
Equipment rental	58,608	59.4%	98,600
Classroom training	396,440	42.4%	935,384
Participant support	189,395	26.4%	716,866
OJT contracts/wage subsidy	10,131	12.8%	79,000
Participant Wages	44,182	27.9%	158,569
Participant Fringe	6,405	28.7%	22,297
Other training expenses	79	0.6%	12,300
Workforce Center Partner Billing	-2,947	19.64%	-15,000
	<u>4,015,792</u>	<u>50.73%</u>	<u>7,916,184</u>