

JOINT POWERS BOARD COMMITTEE

November 10th, 2016, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Randy Johnson (Executive Director), Brian Ashton, Steve Bauer, Susan Boehm, Dave Erickson, Tim Gabrielson, John Glynn, Dallas Groten, Bill Hahn, Cheryl Key, Mitch Lentz, Jason Majerus, Teresa Walter, Jill Miller (Note Taker)

A quorum (6) was present and Dan Belshan called the meeting to order. **John Glynn moved for consent of the November agenda, Tim Gabrielson seconded, and the motion passed. Jason Majerus moved for consent of the September meeting minutes, Steve Bauer seconded, and the motion passed.** As there was not a quorum present at the June 2016 Joint Powers Board (JPB) meeting, **Tim Gabrielson moved for consent of the June agenda, May 2016 minutes, and June Fiscal Report; Teresa Key seconded, and the motion passed.**

Fiscal Update – Brian Ashton

- **Fiscal Report: (Attachment A)** Brian stated that we are one-third of the way through the year. There has been one change since the last report. We received an additional \$25,295 in Minnesota Youth Program (MYP) dollars. This money was originally assigned to Winona County, but returned back to the state. The dollars were awarded to us for youth activities we are doing in Goodhue, Rice, and Steele Counties. Brian reported that our budget is just over \$7.9 million, and we are 28.2% expended through the year.
- **Budget:** The Salary and fringe line item lags behind and should be at 25%. It is a little high at 29.4%, due to vacation cash-out and the timing of certain payroll issues. The staff development/conferences line item is high at 83%, as we have started the Global Career Development Facilitator (GCDF) certification training that all Workforce Development Inc. (WDI) career counselors are required to take. The trainer has been brought in-house, as 22 counselors will be completing the training. The training will cost around \$25,000. Brian reports that the staff development/conferences annual budget is usually at \$30,000, but has been increased to \$50,000 for the training expenses. The maintenance line item is high, as we have paid six months' worth of base maintenance. For the classroom training line item, we have about \$100,000 in open vouchers that have not been billed. The majority of outstanding vouchers are from Riverland Community College. Brian reports that overall, we are in good shape.
- **Audit:** Brian reported that the audit team is fully engaged. He stated that the field work has been completed. They are in the process of developing the financial statements and preparing the report to present to the Board. The audit team made a small error in their sample tests. They will need to come back, at their own expense, to do compliance testing on 18 additional files. At this point, there have been no surprises, and the audit is going really well. Brian reminded JPB members that they were e-mailed a 990 Form. He asked that each JPB member complete, sign, and return the form to either Anne Wiekamp Leth or Jill Miller. **Teresa Key moved to approve the Fiscal Report; Steve Bauer seconded, and the motion was approved.**
- **Workforce Development Inc. (WDI) Staff Health Insurance Renewal:** Brian provided a handout that was prepared by our broker, the Winona Agency. Brian Ashton discussed that WDI currently has HealthPartners as our insurance carrier. We are self-insured, with a \$30,000 Stop Loss per individual participant. The insurance has two components. The first one is a Stop Loss coverage, which is a layer of protection in case health insurance claims for an individual participant exceed \$30,000. If the Stop Loss is exceeded, HealthPartners will reimburse WDI at 100% for the remainder of the claim(s) over the Stop Loss. The second is an aggregate. This component is the most WDI would pay out, collectively, for covered losses sustained during the year. After this amount is met, the aggregate would pay 100% of the claims. WDI has an aggregate component in the mid-\$800,000 range. Unfortunately, WDI had an overabundance of health insurance claims this past year. If WDI keeps the current HealthPartners coverage, we would see an increased cost of 29% for both WDI and employees. We received seven different bids, including a bid from our current insurance carrier, HealthPartners. We considered many options with the bids we received. Specifically, Blue Cross Blue Shield (BCBS) was unable to offer a bid with a \$30,000 Stop Loss due to the size of our organization, but did bid a \$50,000 Stop Loss option. We also asked HealthPartners to bid based on a \$50,000 Stop Loss. After comparing all the bids, WDI narrowed it down to two options. Option 1) To stay with our current HealthPartners Plan with a \$30,000 Stop Loss and a 29.2% increased cost to both WDI and employees. Option 2) Blue Cross Blue Shield - \$50,000 Stop Loss option with an overall 8% expected increase to the organization and a 15% increase to the employee. Brian noted that the biggest part to

remember is that regardless of which plan we go with, WDI would pay out the fixed cost (detailed on the document that was provided to the Management Committee). The fixed cost is the minimum that WDI would pay towards that insurance. After the fixed cost is met, Brian stated that he cannot predict the amount of claims that may/may not be submitted next year.

Based on the proposals we received, Brian made the recommendation that we change our health insurance provider to Blue Cross Blue Shield (self-insured, \$50,000 Stop Loss coverage), with an overall 8% increase to the organization and a 15% increase in the employee's premium. WDI will not have to make any changes to the deductibles or plans offered to employees. We will still offer the Traditional and the High-Deductible Plans. **John Glynn moved to approve the change to Blue Cross Blue Shield and to go with the recommendations provided by the WDI Fiscal Department; Jason Majerus seconded, and the motion passed.**

Program Reports

Dislocated Worker – Bill Hahn

- Bill reported that we are 63% enrolled in the Workforce Innovation and Opportunity Act (WIOA) Federal Dislocated Worker Program (DW). We are 62% enrolled in the State program. BARD Medical folks are wrapping up their employment this month and in early December. There are 71 employees still remaining. WDI should see an increase in enrollments in November for the BARD Medical Grant. Office Max in Red Wing is expected to close at the end of the year.
- There is an upcoming Salute Southern MN Veterans Network - Employer Engagement meeting on November 16, 2016, at Canadian Honker Events at Apache in Rochester. The meeting is geared towards informing employers about hiring veterans and the programs and services available to veterans.
- The MN Job Skills Board (MJSB) is who we go to when we need money up at the State. They have asked WDI for information to justify our existence. Randy Johnson noted that we will be working with the commissioner on this.

Welfare Reform – Randy Johnson

- Randy made note that we are wrapping up the Minnesota Family Investment Program (MFIP) contracts for the year. He notes that everything went smoothly. Most counties got a slight increase in funds.

Youth – Randy Johnson

- The committee members were provided with a youth annual report from Jinny Rietmann. Jinny is busy connecting with schools in her new Youth Coordinator position. She has been working with 43 school districts in the region, including in Winona County. Rochester Area Math and Science Partnership (RAMSP) has joined with Southeast Service Cooperative (SSC) to work on workforce-related issues.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Randy Johnson stated that WDI submitted a Local Plan to the Department of Employment and Economic Development (DEED) in May 2016. Our Local Plan was approved. The Regional Plan we submitted was not approved. He discussed that DEED requested modifications to the Plan. We have until January 2017 to submit the final version of our Regional Plan for approval.

Director's Report – Randy Johnson

New Grant Applications

- Equity Grants: Randy reported that there are applications out there for \$35 million in mini-grants. WDI applied for several. Randy stated that we hope to hear back from the State on the equity grants by November 14th.
- Randy discussed that WDI submitted an outstanding application for the America's Promise Grant about two and a half months ago. This is a Federal competitive grant. We sent in our own SE MN regional grant application requesting \$5.7 million for four years with an emphasis on healthcare. Randy discussed that we were also asked to join an overall State of MN grant application. He noted that we should hear back about these two grants in the next couple of weeks.

Regional Career Pathways Activities

- Randy discussed that many career pathways are coming together. WDI had a meeting with representatives from Comuidades Latinas Unidas en Servicio (CLUES), a Latino organization from the Metro area. We have been working with the CLUES people to develop some career pathways. They work in the finishing trades (tile setting, etc.) and have been successful with that. WDI also had a meeting with Hennepin County. \$2.5 million was appropriated to Hennepin County, of which \$300,000 has to be spent in outstate Minnesota. An incumbent worker career pathway is something we could look at doing with CLUES. Randy believes we are developing a good relationship with both groups. Expansion of the Academy Model with navigators is a possibility for the following: Government Services Academy, Construction Academy, Finishing Trades, and Food Production/Handling (with a focus on incumbent workers with technical skills or leadership). The next meeting with the CLUES people is scheduled for November 21st.

Intake Specialist Apprenticeship Program Approval

- Randy stated that WDI's application for the MIS Registered Apprenticeship was approved by the MN Department of Labor and Industry (DOLI). Applications are being received from current WDI MIS Intake Specialists. The applications will be reviewed in December by an Apprenticeship Committee.

Response Letter from Mayo Clinic RE: Food Services Transition

- Randy discussed that he reached out to Mayo Clinic regarding the food services transition from Sodexo to Morrison. A response letter from Mayo Clinic was provided to Randy, in which he shared with the JPB.

Next Meetings

Randy referenced the WDB Committee Organization Structural Chart handout that originated from the August 4th Diversity and Inclusion Meeting.

- Re-entry Employment Specialist (RES) Training will take place on November 14th and 15th, 2016, with an employer panel luncheon planned for November 15th.
- The Salute Southern MN – Veteran's Network will be holding an Employer Engagement Meeting on Wednesday, November 16th. Registration is available on the Rochester Chamber of Commerce website.
- There is an upcoming Agriculture Summit at Riverland Community College in Austin on November 16th.

Future Joint Powers Board (JPB) Meetings:

- February 9 and April 6, 2017, at 10:00 a.m.
- The JPB will not meet in December, January 2017, or March 2017.

Other and Public Comment

- Randy discussed that Dallas Groten will be retiring from WDI on January 6, 2017, after almost 27 years.

John Glynn moved to adjourn the meeting; Tim Gabrielson seconded, and the meeting was adjourned.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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

From: 1-Jul-16 Thru: 31-Oct-16	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	469,296	24.2%	1,938,149
Youth Employment & Training	338,715	30.8%	1,098,374
Dislocated Workers	585,881	31.2%	1,877,713
Reading Recognition	1,507	13.2%	11,400
	<u>1,395,399</u>	<u>28.3%</u>	<u>4,925,636</u>
Fees for Service/Other:			
Welfare Reform	728,162	24.4%	2,978,548
Custom Training	0	0.0%	2,000
Donations	1,887	18.9%	10,000
	<u>730,049</u>	<u>24.4%</u>	<u>2,990,548</u>
Total Recognized Revenues	<u><u>2,125,448</u></u>	<u><u>26.8%</u></u>	<u><u>7,916,184</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	24,912	0.0%	0
Unallocated Indirect Costs	81,302	0.0%	0
	<u>106,214</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>2,231,662</u></u>	<u><u>28.2%</u></u>	<u><u>7,916,184</u></u>

Changes Since Last Report:

MYP - Supplemental	25,295
Total Change	<u><u>25,295</u></u>

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

From: 1-Jul-16 Thru: 31-Oct-16	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	1,027,036	29.4%	3,495,833
Payroll taxes & benefits	328,030	29.4%	1,114,557
Subcontracted services	103,669	32.0%	323,645
Staff development/conferences	41,477	83.0%	50,000
Travel	33,862	32.7%	103,440
Board expenses	3,233	17.5%	18,500
Telephone	17,379	31.3%	55,500
Postage	2,569	14.7%	17,500
Utilities	14,443	28.9%	50,000
Marketing	5,005	38.5%	13,000
Dues and subscriptions	5,363	26.8%	20,000
Auditing & legal fees	1,185	5.9%	20,000
Maintenance	32,763	42.5%	77,000
Rent and occupancy	131,003	33.2%	395,000
Insurance	6,156	34.2%	18,000
Supplies and other	24,480	21.1%	116,194
Equipment	5,832	29.2%	20,000
Equipment rental	31,595	32.0%	98,600
Classroom training	273,407	29.2%	935,384
Participant support	97,584	13.6%	716,866
OJT contracts/wage subsidy	10,131	12.8%	79,000
Participant Wages	33,544	21.2%	158,569
Participant Fringe	4,862	21.8%	22,297
Other training expenses	0	0.0%	12,300
Workforce Center Partner Billing	-2,947	19.64%	-15,000
	<u>2,231,662</u>	<u>28.19%</u>	<u>7,916,184</u>