JOINT POWERS BOARD
June 8, 2017, 10:00 a.m.
Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Steve Bauer (Vice-Chair), Randy Johnson (Executive Director), Brian Ashton, Susan Boehm, Bill Hahn, Wanda Jensen, Mitch Lentz, Jason Majerus, Jerry Reinartz, Jinny Rietmann, Rhonda Toquam, Teresa Walter, Jill Miller (Note Taker)

A quorum (6) was present and Steve Bauer called the meeting to order. Randy Johnson made a request to amend the agenda and move the Personnel Committee report topics; the seating of new Workforce Development Board (WDB) member, John Pugleasa; and the designation of the Owatonna WorkForce Center (WFC) as an affiliate site to directly following consent of the May minutes. In addition, Randy asked to add the seating of new WDB member, Erin Main, to the agenda. Jerry Reinartz moved to amend the agenda as presented by Randy Johnson, Jason Majerus seconded, and the motion was approved. The agenda was accepted as amended.

Jerry Reinartz moved for consent of the June agenda, Jason Majerus seconded, and the motion passed. Teresa Walter moved for consent of the May meeting minutes, Mitch Lentz seconded, and the motion passed.

Personnel Committee – Randy Johnson

- Randy stated that the Management Committee voted to approve the following 2017 employee benefits requests: $99,500 for a 3% wage increase pool for all Workforce Development, Inc. (WDI) staff; $20,000 for merit incentive pool; and December 24th, as an observed holiday. There was not a quorum (14 members) at the full WDB meeting on June 1, 2017. There were eleven votes from WDB members to approve the three requests. Randy recommended scheduling a conference call to give other WDB members the opportunity to vote on the Employee Benefits Committee Requests. A conference call was held, and nine additional WDB members voted to approve all three requests. Having 20 WDB votes to approve, a quorum was established and all three motions passed.

- Joint Powers Board (JPB) members discussed the requests and voted as follows:
  - Change in WDI policy to include December 24th as an observed holiday every year. If December 24th falls on a weekend, the holiday will be observed on the preceding Friday. Currently, WDI employees work on December 24th two out of seven years. Mitch Lentz moved to approve changing the WDI policy to include December 24th as an observed holiday every year; Jerry Reinartz seconded, and the motion was approved.
  - $20,000 for merit incentive pool Teresa Walter moved to approve the $20,000 merit incentive pool; Jason Majerus seconded, and the motion was approved.
  - $99,500 for 3% wage increase pool Jerry Reinartz moved to approve the 3% wage increase pool for all WDI staff; Teresa Walter seconded, and the motion was approved.

- Randy reviewed that from July 1, 2016, to May 3, 2017, he spent 42.9% of his time at the Rochester office, and 57.1% out of the office. Randy also stated that he had a candid discussion with the Management Committee about what the future looks like for WDI and the need to continue probing even deeper into private funding.
  - The Executive Director’s compensation request for PY17 was a 3% wage increase, which would be at the same level as all WDI staff. Mitch Lentz motioned to approve the request for Randy Johnson’s 3% wage adjustment at the same level as all WDI staff; seconded by Jason Majerus, and the motion was approved.

Randy announced his plan retire from WDI in two years. It is his goal to get the organization prepared and in good shape before he retires. Randy indicated that there are several WDI staff members who could fill the executive role. He stated that as part of succession planning, WDI managers have been involved with management training through Winona State University over the past year.

Designation of Owatonna WorkForce Center (WFC) as an Affiliate Site – Randy Johnson

- Randy shared that the Department of Employment and Economic Development (DEED) regulations state that three physical partners (WDI, DEED Job Service, and Vocational Rehabilitation Services (VRS)) have to be located at a WFC in order to certify it as a comprehensive WFC. Six of the ten offices in our service area are WFCs. Job
Service has had long-term leases with the WFCs. However, by July, DEED will only be paying half of the money for the leases. DEED is not renewing leases at the Austin, Albert Lea, Red Wing, and Owatonna WFCs. Our memorandum of understanding (MOU) states that even if there is not a signed lease, the partner can pay a fee to visit the WFC if the partner is visiting the office on a regular basis. Randy recommended that we should continue to have full, comprehensive WFCs in Austin, Albert Lea, Faribault, Red Wing, and Rochester. Additionally, we should start the process of decertifying the Owatonna office from a comprehensive office to an affiliate office. As a result of decertifying the Owatonna office, we will be able to look at other resources to save money. Specifically, Randy reported that WDI will save money on internet hook-up fees, as there will now be a cap of $600 per computer, split between WFC partners. He noted that there was not a quorum at the full WDB meeting on June 1, 2017. There were 11 votes from WDB members to approve this action item. A conference call was held on June 7, 2017, and nine additional WDB members voted to approve decertifying the Owatonna office to an affiliate office. Having 20 WDB votes to approve, a quorum was established and members voted in favor of moving the recommendation forward to the JPB. **Jason Majerus moved to approve decertifying the Owatonna office from a comprehensive WFC to an affiliate WFC; Teresa Walter seconded, and the motion was approved.**

**Seating of New Workforce Development Board Members** – Randy Johnson

- Neva Beier who filled the Public Assistance seat on the WDB accepted a new position, leaving the seat on the Board vacant. The Director recommended that the JPB seat John Pugleasa, Director of Human Services in Houston County, to fill the Public Assistance vacancy. **Cheryl Key moved to approve the seating of John Pugleasa to the WDB; Jerry Reinartz seconded, and the motion of was approved.**
- Sarah Gutzman who filled the Public Rehabilitation/State Services for the Blind (SSB) seat on the WDB accepted a promotion to a new position, leaving the seat on the Board vacant. The Director recommended that the JPB seat Erin Main, Vocational Rehabilitation Services Manager with DEED, to fill the Public Rehabilitation/SSB vacancy. **Cheryl Key moved to approve the seating of Erin Main to the WDB; Jerry Reinartz seconded, and the motion of was approved.**

**Fiscal Report** – Brian Ashton

- **Fiscal Report: (Attachment A)** Brian reported that there have been no additions or deletions since the last reporting period. He stated that we have gone through 11-12 modifications to existing grants; as of now, they have all been submitted. We are 91% of the way through the Fiscal Year and 81.3% expended; however, this does not include the allocation of May salaries and fringe.
- **Budget:** Brian stated that salaries and fringe run a month behind. This line item should be at about 83%, but is currently over budget. Brian reported that as we get closer to year end, we still have a couple of grants that we are waiting on. One is additional Pathways to Prosperity – Healthcare money, and the other one is additional State Dislocated Worker (DW) resources. Once those are received, we should be closer to that actual percentage. Brian reported that we will need to move money from other individual line items to cover the remainder needed. The classroom training line item is at 85.3%. We have about $88,000 in outstanding vouchers at this point, primarily from Riverland Community College. Our WDI Area Manager is working with Riverland Community College to get these billings up-to-date and wrapped up for the year. Brian also reported that we have enough resources in the classroom training line item to get everyone through the summer session. He projected that we should finish the year at an annual budget of approximately $7.2 million. Any additional resources will be rolled into the next Fiscal Year. **Jason Majerus moved to approve the Fiscal Report; Mitch Lentz seconded, and the motion was approved.**

**Program Reports**

**Dislocated Worker** – Bill Hahn

- Bill reported that we are 93% enrolled in the Workforce Innovation and Opportunity Act (WIOA) Federal DW Program. We are 99% enrolled in the State program. He stated that trends indicate that money for dislocated workers will be down about 20% more this coming year. We will not be writing a grant for the IBM-Rochester group because of the lack of information from the company about the number and when the layoffs will occur. He reported that WDI had planned to go to the MN Job Skills Board meeting on June 19 to request additional money, but we will not be going because we received late notification that proposals have to be submitted 30 days prior to the meeting. Bill stated that he, WDI staff, and the DEED Rapid Response Team met with employees of Streater, LLC, at the Union Center in Albert Lea. All 71 employees attended the meetings. The layoff was extended out to September 30, 2017. Bill believes that because of continued layoff extensions, current employees are going to start leaving Streater before the layoff occurs. **Jason Majerus moved to approve the Program Reports; Mitch Lentz seconded, and the motion was approved.**
Youth – Jinny Rietmann

- Jinny stated that we just received our final allocation for the Minnesota Youth Program (MYP). Our Federal funds start on April 1st, and our State funds start on July 1st. We have received the State funds, but are still waiting for our Federal funds. She reported that we are level funded for the MYP for next year; with $45,000 for work experience, $20,000 for outreach to schools, and $10,000 in support services. We are serving 150 youth in regular programming, plus 150 youth in Outreach to Schools programming. We received new grant funding in the amount of $100,000. The Pre-Employment Transition Services (Pre-ETS) grant will specifically serve students with disabilities in our 10-county region. Jinny reported that we are doing better with WIOA Out of School Youth (OSY) enrollments than In School Youth (ISY) enrollments. We currently have 72 youth enrolled in YouthBuild and Youthprise. There were 230 MYP youth served. The goal for MYP Outreach to Schools was 150 youth served, and 1,734 youth were served in school districts. Jinny indicated that she should have outcomes through June 30, 2017, to report at the next JPB meeting.

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

- Wanda reviewed that there was a bill put through the legislature proposing an increase in MFIP cash assistance by $100/month. She reported that the bill was then dropped down to $13/month. The bill ended up being dropped all together, and there will not be an increase in cash assistance. WDI will be receiving some Innovations Grant funding to help with paid work experiences for ten young parents on MFIP or children in a MFIP household. Wanda reported that WDI had over 2,000 MFIP/Diversionary Work Program (DWP) cases this year, which is down from previous years. The latest report through May indicated that the average wage was $12.50/hour, and the average hours worked per week were 30-32/hours. Working parents on MFIP are still working at part-time wages. There was an over 40¢/hour increase in wages for parents leaving MFIP, as compared to before they were on MFIP.

Workforce Innovation and Opportunity Act (WIOA) – Wanda Jensen

- Wanda indicated that WDI served 110 WIOA adult cases last year. The average wage at termination of the program was close to $16.00/hour; a $2.30/hour wage increase. The average hours worked were 35 hours/week. The difference between a person on the WIOA Adult Program versus a person on public assistance is education.

Director’s Report – Randy Johnson

Regional WIOA Alliance Report

- Randy reviewed that our region includes our 10-county delivery area and Winona County. Representatives from both WDBs came together earlier this week to discuss further details about our Regional WIOA Plan and to start putting things into action. The theme to all of our Federal funding has been career pathways. Randy discussed that Hennepin County received a $300,000 equity grant last year; $185,000 was dedicated to WDI for career pathways work. He stated that we are starting the process to increase diversity in the labor force in the region. Hennepin County is coming to Rochester on September 8th for regional training through the Association of Minnesota Counties (AMC).

- Susan Boehm spent yesterday at the Faribault Correctional Facility at a transitions fair for people who are scheduled to be released from prison in the next year. The fair provided inmates with information on services that are available to them upon release, including employment. She found that many of the people are well trained, especially in the trades. The State provides training programs to those incarcerated for in-demand jobs in the trades industry. Susan spoke with inmates who will reside in SE Minnesota upon their release from prison and shared information about the services that are available at WDI and the WFCs.

State Legislative Update

- Randy shared that the State legislative session is done and the Jobs bill was signed; avoiding a State shutdown on June 1. He reported that $18.9 million of the total Workforce Development Fund (WDF) was left for Dislocated Workers; a 20% cut. Randy stated that the State does not have a plan for workforce development, and there are no reporting requirements for the State money that is appropriated. Randy will be meeting with Commissioner Shawntera Hardy tomorrow to discuss these workforce development issues, and he is on the agenda to speak at the MN Job Skills Partnership Board meeting on June 19th. Randy stated that Senator Jeremy Miller has been good to work with and wants to make the changes; however, Sen. Miller came into the conversation too late. Randy shared that Sen. Miller wants to work on this over the next two years. Sen. Miller was able to get us appropriated in this funding stream for the Bridges to Healthcare (BTH) Program in Rochester. This was one-time funding in the amount of $250,000.

Washington Update

- Randy stated that there was a Federal continuing resolution. We are level funded until October 2017. He indicated that this upcoming year is going to be challenging for WDI. As of July 1, 2017, $7.3 million in total funding is needed to maintain current staff and infrastructure. WDI has $5.7 million secured for next year, leaving $1.6 million in funding that is needed. Randy reported that WDI has already identified and received some
additional grant monies. We have found $700,000 of the $1.6 million. WDI was awarded $125,000 from Bremer Bank for the BTH Program. The BTH Program also received a $10,000 award from Harvard Innovations in American Government. The remaining funding could materialize via newly acquired Pathways to Prosperity (P2P) career pathways competitive grants, a dislocated worker grant this fall, and/or a private grant in Steele County. Randy discussed that WDI will need to be prepared to make staffing cuts and/or office hour adjustments in October if there is no progress with incoming grant awards.

Next Meetings
- SE MN Strategic Planning Meeting & Luncheon – August 3
- **No** JPB Meetings – July 13 or August 10
- Next JPB Meeting – September 14
  - JPB members requested moving the September meeting to Thursday, September 21, to coincide with the next EMS meeting. Randy Johnson will review schedules, and Jill Miller will notify the JPB.

Other/Public Comment
- Cheryl Key thanked Randy Johnson for attending the District 9 meeting.

**Motion to adjourn by Jerry Reinartz; Jason Majerus seconded, and the motion passed.**

Respectfully submitted,
Jill Miller
Workforce Development, Inc.
### Workforce Development, Inc.

#### REVENUES by fund source

<table>
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<tr>
<th>From: 1-Jul-16</th>
<th>Thru: 23-May-17</th>
<th>Y-T-D</th>
<th>% of</th>
<th>Annual</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Actual</td>
<td></td>
<td>Budget</td>
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**Grants:**

- Adult Employment & Training: 1,597,716 (83.6%) 1,910,543
- Youth Employment & Training: 927,836 (84.5%) 1,098,374
- Dislocated Workers: 1,268,032 (67.5%) 1,877,713
- Reading Recognition: 107,261 (940.9%) 11,400

**Total Recognized Revenues:** 3,900,844 (79.6%) 4,898,030

**Fees for Service/Other:**

- Welfare Reform: 2,398,918 (80.5%) 2,978,548
- Custom Training: 1,726 (86.3%) 2,000
- Donations: 4,236 (42.4%) 10,000

**Total Recognized Revenues:** 2,404,880 (80.4%) 2,990,548

**Unrecognized Revenues:**

- Unbilled Welfare Reform: 12,446 (0.0%) 0
- Unallocated Indirect Costs: 64,021 (0.0%) 0

**TOTAL REVENUES:** 76,468 (0.0%) 0

**Total Change:** 0

Changes Since Last Report:
### Workforce Development, Inc.

**BUDGET to ACTUAL by programs/function**

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<thead>
<tr>
<th>Item</th>
<th>Y-T-D</th>
<th>Percent</th>
<th>Annual</th>
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<tr>
<td>From: 1-Jul-16</td>
<td>Thru: 23-May-17</td>
<td></td>
<td></td>
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<tr>
<td>Salaries and wages</td>
<td>3,140,891</td>
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<td>Payroll taxes &amp; benefits</td>
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<td>Subcontracted services</td>
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<td>Staff development/conferences</td>
<td>64,704</td>
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<td>Travel</td>
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<td>Board expenses</td>
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<td>Telephone</td>
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<td>Dues and subscriptions</td>
<td>12,717</td>
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<td>Auditing &amp; legal fees</td>
<td>19,358</td>
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<td>Maintenance</td>
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<td>Rent and occupancy</td>
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<td>Equipment rental</td>
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<td>Classroom training</td>
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<td>Participant support</td>
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<td>Participant Wages</td>
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