

# JOINT POWERS BOARD COMMITTEE

September 8<sup>th</sup>, 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, Dallas Groten, Bill Hahn, Cheryl Key, Jason Majerus, Jinny Rietmann, Jakki Trihey, Teresa Walter, Jill Miller (Note Taker)

A quorum (6) was present and Dan Belshan called the meeting to order. **Jason Majerus moved for consent of the agenda, Cheryl Key seconded, and the motion passed. Tim Gabrielson moved for consent of the June meeting minutes, Teresa Walter seconded, and the motion passed.**

### Fiscal Update – Brian Ashton

- **Fiscal Report: (Attachment A)** We are two months into the Fiscal year. There have been two additions since the last report. We received funds of \$36,488 from the Pathways-Healthcare Grant (Round 2, Year 1), and this portion of the grant is coming from the Minnesota Department of Employment and Economic Development (DEED). The grant is very complex and has six separate sub-grants that are coming from two separate state agencies. The whole project is \$350,000 over two years. The other change is one correction of \$22 to a Welfare Reform Grant. The total annual budget going into the year is at just \$7.8 million.

**Functional expenses by line item:** We should be at approximately 16% of the way through the year, with the exception of Salaries and Fringe which is always a month behind. This should be at 8.5%. No other surprises. Subcontracted services are at 28.1%. This is a portion of the Pathways Grant that is subcontracted with Adult Basic Education (ABE). The Pathways Grant does not follow the standard Fiscal year. We have been waiting on resources from the state to be awarded. The resources came in at the end of last month, and we were able to make payments to ABEs for the work they have done all summer long. No other line items stand out. Brian reports that we are in good shape to start the year. He does not anticipate any problems meeting our obligations. Of note, we should see a substantial jump by next month in the Classroom Training line item. We have over \$400,000 out in outstanding vouchers, primarily in the Dislocated Worker Program (DWP). **Steve Bauer moved to approve the Fiscal Report, Jason Majerus seconded, and the motion was approved.**

- **Question:** Dan Belshan asked if the Reading Recognition Grant is the IBM grant and if we are still getting royalties from that. **Answer:** Randy said they are not royalties; we get paid by a contract. This was a competitive grant that we got 15 years ago through the IBM Foundation. It was originally designed to read electronic books (voice-recognition software), although when Workforce Development, Inc. (WDI) got involved, Jakki Trihey from WDI started writing self-help electronic books relating to the workforce development. Initially there were 70 contracts. However, it then went online and we became an "online help desk" reaching over 50 countries. January 1, 2017, will most likely be the end of the contract, as it may be going obsolete.
  - **Comment:** Dan Belshan asked if the countries that have it will keep running it. **Answer:** Jakki Trihey commented, "probably not." She noted that the version of the program that was given to the grant sites ended about a year ago. She stated that it was strongly felt that we wanted to keep it going as a "non-IBM venture," so the development team volunteered a lot of their time creating a scaled-back version that has been available to the countries that were using it. Technical support and usage have been on the decline. Jakki mentioned that we are at a better ending point now than we were a year ago.
- **Approval of Audit Selection:** Brian Ashton discussed that he sent out a request for proposals to every CPA firm within a 70-mile radius of Rochester. He gathered bids and did a comparison of the four that were received. The WDI Fiscal Department decided to go with the bid from Hawkins Ash, the firm we have used for the past several years. Brian states that Hawkins Ash understands the scope of work involved and has done an excellent job for us in the past. He discussed that we have established a good working relationship with them.
    - **Question:** Dan Belshan asked what the state used to cost us. **Answer:** Brian replied that they used to cost us a lot more than we would have gotten from a CPA firm. He noted that this was one of the reasons we switched over 30 years ago.

Randy Johnson commented that the recommendation was presented to both the Management Committee and the Workforce Development Board (WDB), and it was approved. **Steve Bauer moved to approve the audit selection of Hawkins Ash, Jason Majerus seconded, and the motion passed.**

- Question: Teresa Walter asked if the state has ever come back and requested a second audit. Answer: Brian replied that we send it to them every year and “no” it has never come back. He discussed that we have to send the audit to Minnesota Charities, but we also have to send it to the Department of Employment and Economic Development (DEED). DEED thoroughly examines the audit and sends questions back to WDI. If DEED was ever in question of any of the components of the audit, they would come do a monitoring visit.
- Question: Steve Bauer asked who did our last audit. Answer: Brian responded that it was Hawkins Ash.

## **Program Reports**

### Dislocated Worker – Bill Hahn

- Bill discussed that the BARD Medical Grant is proceeding. The work from the Stewartville facility moved to Mexico, so the dislocated workers are also Trade Adjustment Assistance (TAA) funded. Final layoffs will be in November and December 2016. WDI staff is going on site to work with the 60 remaining employees. There is also another job fair in October at BARD Medical. Bill reports that with the initial layoffs, there were a significant number of workers who were from Express Employment Services and other similar agencies. Approximately 85% of those laid off went onto get another job and did not enroll in the Dislocated Worker Program (DWP). To assist in following up with those laid off, Bill discussed that WDI has hired a part-time Somali interpreter to call BARD employees to ensure that they are working and if not, to help them understand what the DWP is.
- Bill shared that due to a lack of enrollments that Crossroads College in Rochester required, a decision was made to suspend classes this year. College officials report that they are not closing, although it has resulted in the need to lay off approximately 25 clerical staff, maintenance staff, and instructors as of the end of September.
- Bill reports that Mayo Medical Center announced plans to switch its food service vendor from Sodexo to Morrison. Mayo is planning on subcontracting 700 food service workers out; half are union employees. Bill noted that non-union workers may have to reapply for their jobs over the next year. He commented that there may be a project there and that we will need to keep an eye on this as it progresses.
  - Question: Dan Belshan asked where the corporate office of the current vendor is located. Answer: Bill responded that they are headquartered out of Texas but they have several sites in the Twin Cities and also in Wisconsin.

Bill discussed that it is unclear what the wages will be once the new company takes over.

- Question: Dan Belshan asked what the current wages are. Answer: Bill commented that he will check into this.

### Welfare Reform – Randy Johnson

- Randy discussed that we are entering the time of year when we start thinking about new contracts that are starting on January 1, 2017, but there is nothing currently to report. There has been talk about the re-energized Supplemental Nutrition Assistance Program Employment and Training Program (SNAP E&T). Randy discussed that there is more Federal money available for employment and training, but the State has to put up a match. Our money would actually be a match if we were told what forms to complete. He commented that we are waiting on additional news regarding that.

### Youth – Jinny Rietmann

- Jinny shared the Youth Programs Report and updated the Joint Powers Board (JPB) on Youth Program measures through June 30, 2016. Jinny mentioned the following highlights of the report.
 

Service Delivery Numbers: The Workforce Innovation and Opportunity Act (WIOA) Out-of-School Youth Program served 182 youth; so we exceeded our goal of 166. The Minnesota Youth Program (both in and out-of-school youth) served 210 youth, our goal was 175. Again, we exceeded our goal. Out of the 480 youth served in three youth programs, 95 students exited the programs. Jinny notes that this shows that youth are not in and out of the program; they are getting education and employment services through our programs.

Demographic highlights: The age of those we serve is increasing. We were able to serve 22-24 year olds this last year starting July 1, 2015. You will see an increase in that age group; we have served 17-18%. Youth with documented disabilities are at 52% served. Those youth who are pregnant or parenting is at 22%. Those with a basic skill deficiency is at 83%. We are still serving a lot of youth that need basic skills, and a lot of these youth are getting remediation through ABEs and other services. Those who are economically disadvantaged is at 89%; most youth we serve have challenges. There are also some outcomes noted. Not all youth have both an employment and a training goal. 95% of youth obtained the goal that they set for the year.

  - Question: Dave Erickson asked Jinny if she works with alternative schools and if so, how many. Answer: Jinny answered that she works with ten alternative schools.
- Randy Johnson announced that Jinny Rietmann has taken on a new full-time role as our new Regional Youth Services Coordinator for the 11-county Southeast Minnesota Region. With this assignment, Jinny will now focus

exclusively on serving youth full-time and connecting with school districts in our region. Randy discussed that we have additional regional training money. Jinny will also be helping with the Southeast Service Cooperative.

- Jakki Trihey was introduced as the new WDI Rochester Area Manager.

#### Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- WDI Policy Letter for WIOA Training Programs and State Dislocated Worker Programs (Certification Process for Eligible Training Providers)

Randy discussed that WDI has had an elaborate policy letter that lists approved Training Providers in our area. There are electronic listings of WIOA Certified Training Providers at the State and Federal levels. We are simplifying the letter and indicating that the approved training providers can be found on one of the electronic sites. He stated that WDI has identified a graphic design program out of the University of Wisconsin – Stout in Menomonie, Wisconsin. The program is a Bachelor of Fine Arts in Graphic Design and Interactive Media. The overall program is separated into two concentrations, Graphic Design or Interactive Media. Randy discussed that WDI has studied the outcomes of this program, and they are very satisfactory. The training provider is not currently on WDI's approved Training Provider List. One of our scholarship recipients will be entering that program, so WDI is requesting approval to add the University of Wisconsin – Stout to that list. **Tim Gabrielson moved to approve the request to amend the existing policy letter and to add University of Wisconsin – Stout to the approved Training Provider List. Jason Majerus seconded, and the motion passed.**

#### **Personnel Committee Report – Randy Johnson**

##### MN Department of Labor and Industry (DLI) Registered Apprenticeship for Workforce Development, Inc.'s (WDI) Internal Data Specialist Position

- Randy Johnson reports that WDI is working, in conjunction with the MN DLI, to develop Registered Apprenticeship for WDI's Data Specialist Position. To be eligible, the apprenticeship program must conform to Federal and State requirements and have recorded outcomes. Our agency has had employees in data specialist (WDI refers to as MIS Intake Specialist) positions all along. There is a lot of training involved, but unfortunately these positions are at the lower end of our compensation levels. These positions were traditionally treated as secretaries years ago. This is a very skilled position that requires constant training because of changes. The activity tracking system they are required to use is very robust. Every change in the activity has to be dated and recorded. If activities are not recorded accurately, it can affect a recipient's eligibility for grants and impact our performance to the counties. Randy noted that the current staff is doing a good job, however the consistency is not always there. Randy states that we need to lay out an even more elaborate training plan that is consistent but gives employees in this position the authority and ownership of the outcomes. Randy believes the solution is an extensive training program for current WDI staff as part of an apprenticeship. The apprenticeship would be voluntary, and current WDI-MIS Intake Specialists would need to apply to be an apprentice. WDI's intent is to grow very capable and certified experts in the field. Randy states that WDI is going to be looking for approval to go ahead with an apprenticeship program in that category. This apprenticeship would be setting the standard for the State of MN. Randy commented that WDI is not asking to use financial resources to pay ourselves. WDI already has training money that we have always "sunk in" to our staff, and we want to put together a better process for them.
- Randy shared a copy of the DLI Apprenticeship Application with the JPB members. The apprenticeship requires 2,000 hours of on-the-job (OJT) training, 144 of classroom training, and 50 hours of safety training that is spread out over 18 months.

Randy noted that WDI currently has six employees in MIS Intake Specialist positions who could apply for the apprenticeship. He anticipates that three to four employees would initially apply. The application will go to an Apprenticeship Board, which will include several Workforce Development Board (WDB) members, for review and selection of apprentice(s). Jakki Trihey made note of the competencies and safety training components that will be expected, as well as the formal classroom training that will be taught. She discussed that 144 hours of classroom training are required, although the WDI apprenticeship will have 221 hours of additional training.

- Question: Dan Belshan asked if the training would be outside of regular work hours. Answer: Jakki noted that the 144 hours of classroom training will likely be outside of work hours.
- Randy reported that the WDB approved the apprenticeship concept. Randy noted that we are looking for approval from the JPB to move ahead with the apprenticeship concept.
  - Question: Dan Belshan asked if we have internal staff who can train. Answer: Randy discussed that under a normal apprenticeship program, apprentices would be trained by a Journey person; someone who has mastered this program. As this would be a new apprenticeship, the DLI has indicated that WDI can identify a resident expert who is on staff. We have an expert who will also be an apprentice along with the other apprentices as they go through this training.

Randy noted that WDI is hoping to start the apprenticeship at the beginning of 2017.

**Motioned by Cheryl Key to approve the apprenticeship concept, seconded by Teresa Walter. Motion carried.**

#### Executive Director's Annual Evaluation

- Randy Johnson talked about his review. It was very strong evaluation, and Randy remarked that he was "flattered" with the outcome. He reviewed his notable accomplishments, goals, and objectives with the JPB. Randy indicated that a Minnesota Workforce Council Association (MWCA) Executive Director salary survey was completed two years ago that compared eight Workforce Service Area (WSA) Directors with comparable years of experience. He noted that he has worked in workforce development for 31 years (others average 23 years). All eight surveyed have been Executive Directors for an average of 19 years. Randy noted that a 4.5% wage increase would be on par with what other Executive Directors received two years ago. He indicated that his last wage adjustment was 1.5 years ago. Randy advised that he turned down a raise two years ago to put more into his healthcare, but this didn't materialize due to healthcare cost increases. He was given a wage adjustment effective January 1, 2015. In comparison to the average wage of Randy's workforce counterparts, he is falling behind. **The recommendation is a 4.5% wage increase and a 403(b) match of 6%.** This is the same 403(b) match that was approved for all WDI employees this year. **Motioned by Steve Bauer to approve the recommendation of a 4.5% wage increase and a 6% 403(b) match for Randy Johnson, seconded by Tim Gabrielson. Motion carried.**

#### **Director's Report** – Randy Johnson

##### Regional Discussion Recap

- As a background for this discussion, Randy stated that WIOA passed in 2014. Every year, we turn in our local WIOA Plan. He notes that we also submitted a Regional WIOA Plan earlier this year, and received a letter back from the DEED with comments and a request for modifications. Randy advised that DEED representatives, Jeremy Hanson Willis, Deputy Commissioner of Workforce Development, and Karen Francois, Assistant Commissioner of Career and Business Opportunity met with regional WDB officers last week. He noted that we received compliments from DEED, and they noted that we are the model of the state.
- Specifically in the letter, DEED indicated that we need to create a regional leadership oversight group. Randy notes that the letter did not say Regional "Board," but essentially he believes that is what DEED is requesting. In addition, DEED is indicating that the regional leadership group should have seats consisting of one elected official that currently is not on the JPB or WDB. The letter goes on to say that we need a representative of a philanthropic organization that funds workforce, economic, or community development activities; one or more representatives of organizations serving communities experiencing disparate impact in educational or employment outcomes; a representative from a tribal community, if present within the region; and one regional economic development representative. Randy shared a copy of the WIOA Law regarding Regional Coordination and Planning with the JPB. The law states that we must prepare and submit a Regional Plan, but does not indicate that we need a Regional Board. He noted that we signed a Regional Memorandum of Understanding, and our region was defined as the 11-county area of Southeast Minnesota, connecting the 10 counties that make up WDI and Winona County. The partnership consists of WDB officers and a local elected official (JPB) from each WDB, along with the Executive Director of each Board. Randy detailed the Regional Work Plan as follows: 1) to identify critical career pathways in the region, 2) to support regional K-12 schools with information and services for career planning and vocational education, and 3) to identify collaborative opportunities for outreach and employment support of diverse populations. The themes that DEED has asked us to focus on are already laid out in our Regional Plan, with a special focus on racial and ethnic diversity.
- To summarize the conversation with DEED, Randy believes they are saying that it is acceptable in our SE MN Region to blend the WDBs together to form a regional partnership versus creating a whole new Regional Board. Randy reassured the JPB that we will get things sorted out. Randy discussed that Regional WDB officers will be meeting very soon. He noted that the updated Regional Plan is due January 1, 2017.

##### Seating of Public Assistance Board Member

- Mark Shaw, who recently filled the Public Assistance seat on the WDB, offered his resignation and nominated another representative to fill the seat. The Director recommended that the JPB seat Neva Beier, Social Services Manager, Fillmore County Social Services, to fill the Public Assistance vacancy. **Dave Erickson moved to approve the seating of Neva Beier to the WDB, Steve Bauer seconded, and the motion of was approved.**

##### August 4<sup>th</sup> Meeting Recap and Work Plans

- Randy reported that we put work groups together on August 4<sup>th</sup>. The groups created work plans, and we discovered that there were commonalities in all those work groups. We found that need to educate and engage businesses. Randy discussed that the next time the work groups meet; we will have work plans broken down and

a future business education fair planned around the work group topics, with time tables and information on how Board members can participate.

#### New Grant Applications

- Randy discussed that WDI submitted a tremendous application for the America's Promise Grant. We sent in our own SE MN regional grant application requesting \$5.7 million with an emphasis on healthcare. Randy noted that we were also asked to join an overall State of MN grant application.
- Equity Grants: Randy reported that there are applications out there for \$35 million in mini-grants. WDI is going to apply for some. Randy is going to reach out to local known groups to see if they are going to apply and if so, to ask them what they are going to apply for. It is actually in law that those local groups must get approval from WDI. WDI would be interested in partnering with other groups, although WDI has an accountability system and would want to do the paperwork.

#### **Next Meetings**

Future Joint Powers Board (JPB) Meetings:

- November 10<sup>th</sup> at 10:00 a.m. and January 12<sup>th</sup> at 10:00 a.m.
- The JPB will not meet in October or December.

#### **Other and Public Comment**

- Steve Bauer suggested that the JPB should vote on approving the May JPB minutes and the May Fiscal Report at the next meeting, as there was not a quorum at the June JPB meeting. There was not a vote on either of these action items. Jill Miller will add these action items to the November JPB Meeting Agenda.
- Dan Belshan recommended that we invite Guy Finne, who represents Mayo Clinic on the WDB, to our next JPB meeting. Dan noted that he is interested in gaining insight into Mayo Clinic's plans to switch the food service vendor from Sodexo to Morrison. Bill Hahn advised Dan and the JPB that he will research and attempt to collect wage information for Mayo Clinic's food service workers currently contracted through Sodexo.

**The meeting was adjourned by Dan Belshan.**

Respectfully submitted,  
Jill Miller  
Workforce Development, Inc.

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

From: 1-Jul-16 Thru: 31-Aug-16	Y-T-D Actual	% of Budget	Annual Budget
<b>Grants:</b>			
Adult Employment & Training	203,935	10.5%	1,938,149
Youth Employment & Training	121,300	11.3%	1,073,080
Dislocated Workers	169,590	9.0%	1,877,713
Reading Recognition	704	6.2%	11,400
	<u>495,529</u>	<u>10.1%</u>	<u>4,900,342</u>
<b>Fees for Service/Other:</b>			
Welfare Reform	222,365	7.5%	2,978,548
Custom Training	0	0.0%	2,000
Donations	663	6.6%	10,000
	<u>223,028</u>	<u>7.5%</u>	<u>2,990,548</u>
<b>Total Recognized Revenues</b>	<u><u>718,557</u></u>	<u><u>9.1%</u></u>	<u><u>7,890,889</u></u>
<b>Unrecognized Revenues:</b>			
Unbilled Welfare Reform	19,108	0.0%	0
Unallocated Indirect Costs	85,563	0.0%	0
	<u>104,671</u>	<u>0.0%</u>	<u>0</u>
<b>TOTAL REVENUES</b>	<u><u>823,228</u></u>	<u><u>10.4%</u></u>	<u><u>7,890,889</u></u>

**Changes Since Last Report:**

<b>Pathways - Healthcare (Round 2, Yr 1)</b>	<b>36,488</b>
<b>Welfare Reform</b>	<b>-22</b>
<b>Total Change</b>	<u><u><b>36,467</b></u></u>

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

From: 1-Jul-16 Thru: 31-Aug-16	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	339,544	9.7%	3,508,833
Payroll taxes & benefits	108,653	9.7%	1,118,717
Subcontracted services	80,106	28.1%	285,145
Staff development/conferences	7,484	24.9%	30,000
Travel	14,756	13.6%	108,440
Board expenses	1,199	6.5%	18,500
Telephone	10,298	17.0%	60,500
Postage	1,370	7.8%	17,500
Utilities	11,176	20.3%	55,000
Marketing	3,652	28.1%	13,000
Dues and subscriptions	1,739	8.7%	20,000
Auditing & legal fees	968	4.8%	20,000
Maintenance	18,040	23.4%	77,000
Rent and occupancy	65,370	16.5%	395,000
Insurance	3,237	18.0%	18,000
Supplies and other	9,094	8.2%	110,240
Equipment	5,832	29.2%	20,000
Equipment rental	17,085	16.5%	103,600
Classroom training	59,911	6.4%	937,384
Participant support	42,422	5.9%	716,866
OJT contracts/wage subsidy	10,131	12.8%	79,000
Participant Wages	12,321	7.8%	158,569
Participant Fringe	1,787	8.0%	22,297
Other training expenses	0	0.0%	12,300
Workforce Center Partner Billing	-2,947	19.6%	-15,000
	<u>823,228</u>	<u>10.4%</u>	<u>7,890,889</u>