

JOINT POWERS BOARD

September 13, 2018, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Randy Johnson (Executive Director), Brian Ashton, Steve Bauer, Susan Boehm, Rick Gnemi, Wanda Jensen (note taker), Mitch Lentz, Jinny Rietmann, Teresa Walter

A quorum was not present. Dan Belshan called the meeting to order noting that no action items would be approved due to the lack of a quorum. The meeting proceeded with information sharing.

Fiscal – Brian Ashton

- **PY17 Year-End Fiscal Report: (Attachment A)** 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. 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.
- **PY18 August Fiscal Report: (Attachment B)** The PY18 budget projection is \$7,865,256, which includes 70 funding sources of revenue and 38 projects. Brian estimated that we will end the Fiscal Year at \$8.5 million. Salaries and fringe lag a month behind; that line item should be at 8.4%, with all other line items at 16%. The dues and subscriptions line item is high, as many of these are due and paid at the beginning of the fiscal year. WDI belongs to three associations. Our expenses to date are \$667,735. Brian noted that we will be going in for a mid-year bump in State DW funding. He commented that we are in really good shape this year.
- The audit has begun, with Brian sending scores of documents to the audit team. The field work will be conducted in September and 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.
- Insurance renewal information was shared, with WDI 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. Teresa Walter commented that this was good news.

Personnel Committee

- The Personnel Committee of the Workforce Development Board (WDB) conducted the annual review of the Executive Director. The committee recommended an annual salary increase of 3%, which is in line with the staff increases.

Program Reports

Dislocated Worker (DW) – Randy Johnson

- We have one person enrolled in the Herberger's/Younger's project. The grant is for \$80,000 to serve 20 workers. We have expended \$9,129 to date. The grant runs through June 30, 2019. Bellisio Foods in Austin is now closed. Dislocated workers still came into our office throughout the summer and continue to do so this month. The Bellisio Foods grant is for \$240,000 to serve 60 workers in Austin. We have 41 people enrolled and should have no problem meeting our planned enrollments. We have expended \$69,864 to date. The grant runs through June 30, 2019. We have 25 people enrolled in the Quad/Graphics grant. The grant is for \$88,000 to serve 30 people. The grant runs for another year. We submitted a modification to extend the BARD Medical grant to an end date of December 31, 2018, with a budget of \$320,000. We are on target with our enrollments. Bridon Cordage (Great Lakes Polymer) of Albert Lea is scheduled to close on September 14, 2018. On August 28, 2018, the layoff was certified as Trade Adjustment Assistance (TAA) program eligible. WDI is working with the Department of Employment and Economic Development (DEED) and Bridon Cordage to determine if a separate grant is needed at this time. If needed, we can also use some of our State DW funds to serve those workers. We have had 20 new enrollments for training in the Federal Workforce Innovation and Opportunity Act (WIOA) DW Program, just in the last month. Seneca Foods in Rochester will be discontinuing their Libby's canning line by the end of November; they will keep their frozen line of products. On August 30, 2018, DEED and WDI staff met with about 45 regular staff on site and offered our services. Many workers are very long in tenure, predominantly male, and

on average, are older. Seneca has a lot of seasonal workers who will not be eligible for unemployment insurance (UI) or DW program services. Being that there are less than 50 interested in services, there will not be a separate grant project for Seneca at this time. The Federal Department of Labor (DOL) has 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. WDI requested \$132,500 over two years to serve up to 15 people as mental health/CD counselors. The State has now heard that they were not successful in attracting this grant.

- There was a Board discussion around economic development and the role of the State. Albert Lea has seen a number of companies leaving the area. Randy noted that there are two sections to DEED; one of which is for the economic development side, providing labor market information and attempting to attract and keep companies in Minnesota.

Youth – Jinny Rietmann

- Jinny discussed PY2017 Youth Program performance measures with the Management Committee. WDI met or exceeded all of our WIOA youth measures including the Youth Employment/Training Rate, 2nd and 4th Quarter after Exit. These measure the percentage of youth we have closed from the program and who are still employed 90 days later. We also exceeded our Credential Attainment Rate measure. She will provide a full outcomes report at the October meeting. Jinny also shared a Tri-City Bridges Project success story.
- A subcommittee of the Emerging Leaders Taskforce met to evaluate the youth scholarship applications for Fall 2018, and decided on the distribution of funds. All nine students were chosen to receive a scholarship, totaling \$19,038 in training funds. We will have another \$23,000 in funding for short-term trainings in the fall, along with Spring 2019 distributions.

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

- Wanda reported that she has been out visiting counties and meeting with staff. We are seeing success with our efforts to work more closely with employers in Houston County, engaging them around childcare solutions. Wanda met with the Economic Development Administration (EDA) in Preston to begin discussion on workforce strategies for the new Veteran's home, to be built in Preston. Mitch Lenz mentioned that it would be a 72-bed facility with a variety of staffing needs. The collaboration with Somali Community Resettlement in Rice County is going well, with our staff working together to revive a Driving Made Easy class.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Our WIOA Local and Regional Plans have been submitted to DEED. We are waiting on a letter to indicate that the plans have been approved.
- We have received data to show that WDI met or exceeded all of our WIOA performance measures for Youth, Adult, and Dislocated Worker programs.

Director's Report – Randy Johnson

Federal Budget Update

- There is a continuing resolution until October 1, 2018; we are level funded. There is speculation that we could have a mini-Federal shutdown; however, we are forward funded to June 30, 2019, and those funds are already appropriated so a federal shutdown should not affect us. That said, we have been asked to sign on to several letters of support to continue our important programs and services.

State Congressional Update

- Randy has an upcoming meeting with Jeremy Miller to continue the discussion around legislative issues and workforce funding for the upcoming year. It is important that the local WDBs are involved in the decision making on where the funds go within the region.

August 2nd Meeting Recap

- The meeting was well attended, and people had an opportunity to provide input on our direction. The WDI Playbook draft was shared. This is a work in progress, with more information and results from employer surveys to be added in the future. The Playbook is available on the WDI website.
- WDI, the Rochester Area Chamber of Commerce, and Southeast Service Cooperative are coming together to cost-share and co-facilitate a full-time position to meet with business. The idea of a shared position has been in the works for quite some time and should bring great value to all the organizations involved.

Budget

- We are in good shape as we move into this new year. We are exploring foundation grants to help fill gaps and provide funding for innovative services.

WDB Seats

- Randy shared information on WDB seats that will be ready for seating next meeting when there is a quorum present.
 - The following new WDB members need to be seated by the Joint Powers Board (JPB):
 - **Jim Kingsley**, (Wenger Corporation) Private Steele County Seat
 - **Vicki McKay**, (Ellingson Companies) Private Dodge County Seat
 - **Marleen Lundberg**, (Job Service/DEED) Wagner-Peyser Seat
 - **Jeffery Boyd**, (RCTC) Public Higher Ed Seat

Next Meetings

- Thursday, November 8, 2018, and Thursday, January 10, 2019

Dan Belshan adjourned the meeting.

Respectfully submitted,
Wanda Jensen
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>	<u>6.8%</u>	<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>	<u>8.2%</u>	<u>2,725,000</u>
Total Recognized Revenues	<u>570,170</u>	<u>7.2%</u>	<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>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u>667,735</u>	<u>8.5%</u>	<u>7,865,256</u>

Changes Since Last Report:

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