

JOINT POWERS BOARD

September 12, 2019, 10:00 a.m.

Workforce Development, Inc.

Rochester, MN

MINUTES

Attendees: Dan Belshan (Chair), Jinny Rietmann (Director), Steve Underdahl, Jeff Baldus, Rick Gnemi, Rhonda Toquam, Teresa Walter, Brian Ashton, David LeGarde, Emily Wessing (note taker).

Dan Belshan called the meeting to order. Introductions were made and a quorum was present. **Jeff Baldus moved for consent of the June agenda; Rick Gnemi seconded, and the motion passed. Jeff Baldus moved for consent of the May meeting minutes; Rick Gnemi seconded, and the motion passed.**

Fiscal – Brian Ashton

Fiscal Report:

- Brian Ashton presented two fiscal reports, July 2018 to June 2019, the conclusion of last fiscal year, and July 2019-August 2019, this fiscal year. For the 7/18-6/19 report, he stated that last year we came in just over \$7.2 million in actual expenditures and are carrying in just over \$1 million in resources this year. All of our primary programs were properly funded. Currently, there have been no significant increases in health insurance costs for 2019, coming in with a decent renewal of a 5-7% increase, below industry average.
- Mr. Ashton presented the 7/19-8/19 report. He stated that we began the year with just over \$7.9 million, which is a \$250,000 increase from where we started last year. We have 7-8 grant proposals outstanding right now and are expecting that number to climb.

Functional Expenses by Line Item:

- Brian Ashton presented the 7/18-6/19 report first, stating that our salaries came in at about 93% of the budget, and the rest we're carrying over into this year. The Contracts & Services section is higher, due to the Bridges to Healthcare – we anticipated the bill coming in with this year's numbers, but they actually bill the summer earlier so we wrote it into the old grant to be able to carry the unrestricted money into this year. Classroom training finished at just over \$1 million, and participant support was approximately \$350,000. Overall the year ended well, our fringe rate concluded at 30.6%, normally we budget 32%, so this percentage is good news because that means our health insurance and claims have been low to what we'd anticipated.
- Mr. Ashton presented the 7/19-8/19 report next and noted that 64 separate funding sources contributed to the creation of the report. So far this year we're at 16.6% of expenditure - should be at 8.3% but are a little high due to PTO cash-outs and merit expenditures. We have \$1.1 million available for classroom training, and \$425,000 available for participant support. Hopefully things will improve, and our pathways grants will be approved and added in the next few months.
- Jinny Rietmann added that we are moving towards a website redesign, receiving two bids at \$9,000 and \$33,000, and have agreed to the \$9,000 bid, signing on with the MLT Group out of Austin. The website design is coming in at \$2,400 and are adding a few additional capabilities such as site search, auto translate, and 12 additional web pages, which will constitute the bulk of the cost at \$4,100. \$995 will be going towards search engine optimization as well, and the \$9,000 included the brainstorming session as well. There was a brief discussion regarding funding sources and budget for the redesign.
- **Rick Gnemi moved to approve the Website Redesign; Steve Underdahl seconded, and the motion was approved.**
- **Teresa Walter moved to approve the Fiscal Report; Rhonda Toquam seconded, and the motion was approved.**

Seat New Workforce Development Board (WDB) Members – Jinny Rietmann

Ms. Rietmann opened the discussion by stating that we are working on a private business seat for Houston county. The new member letters from Geoff Smith (IBI Data) and Chad Kleist (McNeilus Company) letters were reviewed, with exception of Marvin Urias (K&G Manufacturing Company), who provided verbal confirmation.

Geoff Smith – IBI Data

- **Rick Gnemi moved to approve Geoff Smith's addition to the board; Steve Underdahl seconded, and the motion was approved.**

Chad Kleist – McNeilus Company

- **Rhonda Toquam moved to approve Chad Kleist's addition to the board; Teresa Walter seconded, and the motion was approved.**

Marvin Urias – K&G Manufacturing, Inc.

- **Rick Gnemi moved to approve Marvin Urias's addition to the board; Steve Underdahl seconded, and the motion was approved.**

Program Reports

Dislocated Worker-Jinny Rietmann on behalf of Sonji Davis

- Ms. Rietmann gave the dislocated worker program report as Sonji was not able to be present. She noted that there seems to be an uptick in layoff notices. We may be leaning towards an upcoming recession as a result of several catalysts, retail is losing business to online competitors, a lot of consolidation happening. Steve Underdahl noted that there's a lot of automation going on, and there's misalignment of skills with jobs available. Rick Gnemi noted that businesses are saying there's all kinds of needs, but not enough skill sets to fill those needs. Ms. Rietmann noted that this is a priority area going forward – we're trying to get people to upskill in order to fill the openings that are out there. Rhonda Toquam asked if there's a class to teach etiquette in the career world – David LeGarde noted that a lot of the youth population needs this. Discussion on etiquette and soft skills training and a suggestion on making this a priority for WDI services.

Youth-David LeGarde

- Mr. LeGarde gave the Youth Programs Report. Sydney Knoll has assumed David's position in Goodhue/Red Wing, Jennifer Finch-Mitchell has stepped into Pre-ETS program role. New Youth Career Planner for Olmsted County, Lauren Brown. We have submitted several grant proposals, expect results soon. Performance measures are being met and exceeded. Success story shared. Rick Gnemi asked how we get students to come in the doors, Mr. LeGarde clarified it varies – school counselors, teachers, friends, parents, etc. Rhonda Toquam discussed student loan payment. Mr. LeGarde and Dan Belshan discussed creating a flyer around "The \$2,000 Pizza" to break down actual cost of living wages.

Welfare Reform-Jinny Rietmann on behalf of Wanda Jensen

- Ms. Rietmann gave Ms. Jensen's MFIP report that included mostly success stories – we need more transportation training (working with MnDOT), also need to move into IT training – focus of DEED's department. Dan Belshan questioned whether IT was important, Ms. Rietmann clarified that there's an evolution in the multiple sectors needing IT.

Workforce Innovation and Opportunity Act-Jinny Rietmann

- Ms. Rietmann gave the WIOA report, stating that much of our focus in this area has been on Pathways training as of late.

Director's Report – Jinny Rietmann

Legislative Overview/Budget Breakdown

- Ms. Rietmann gave her Legislative overview. Senate just started work again to solidify budget – took up a stop gap funding legislation to keep government open if not able to meet a consensus. Bipartisan support for WIOA funding, hopeful that will continue. New secretary of labor, Eugene Scalia, recommended to replace Acosta. 3.7% national unemployment rate. Highest rates are still individuals of colors and teenagers/young adults, but disparity is decreasing. Working to increase equity and decrease disparity as much as possible. Labor force participation rate is increasing as well. Department of labor has new apprenticeship program – watching. Minnesota submitted 12 grants in summer. We haven't heard on any grants yet – we will have a budget update in November once we hear on all of them.
- ****Dan Belshan wants a handout with all the organizations that are applying for grant money so we can keep track of that in the future****

Leadership Transition Update

- Ms. Rietmann gave update on what she's been up to the last few months – brainstorming sessions, strategic plan updates, meeting with stakeholders, discussions with staff, board development and filling vacant seats, have met with about 50% of full board now, getting feedback on direction, staffing changes, lots of onboarding opportunities, meeting with other directors around the state. Southwest Minnesota recommended a presentation at each of the county boards of WDB services and programming. Everybody thought that was a good idea.

August 15th Strategic Planning Session

- Ms. Rietmann gave update on the strategic planning meeting and what came of it – will send handout via email. Everybody agreed mission and vision are appropriate for work we're doing – bulk of conversation was priorities as far as subcommittees, struggling to find way and purpose, full board should remain as an advisory committee, but bulk of work should happen at the subcommittee level. Major themes included sector structure might be ready for a change (other sectors are not included in those umbrellas, overwhelming response that sectors want to cross-

sector pollinate), career pathways training and industry-specific training and employer collaboration/networking are emphases, youth and young adult outreach and engagement, employer education. Do employers know who we are and what we do? Do they know how to tap into them? Dan Belshan gave some of his thoughts on the strategic planning meeting. Would like a sheet/list of businesses in the surrounding counties, 25-50-mile radius, an overview of industries, etc. Needs to be eye-catching, etc. (would be easier to do in digital form) Rhonda Toquam added that the four-year college structure isn't as popular now. Teresa Walter added that there's so much variation nowadays. Ms. Toquam discussed how millennials are evolving in their perception of how work, works. Rick Gnemi, Dan Belshan, Rhonda Toquam and Teresa Walter commented on what they thought of strategic planning session.

Next Meetings

- No Meeting in October; next meeting will be Thursday, November 14th

Dan Belshan moved to adjourn the meeting; Rhonda Toquam seconded, and the motion was approved. The meeting was adjourned.

Respectfully submitted,
Emily Wessing
Workforce Development, Inc.