

Southwest Wisconsin Workforce Development Board, Inc. Board Meeting

December 14, 2022

Meeting Minutes

The Southwest Wisconsin Workforce Development Board met on Wednesday, December 14, 2022, via GoToMeeting. Attendance was as follows:

Members Present:	Ms. Maria Lauck, Chairperson Mr. Jason Aarud Ms. Heather Fifrick Mr. Keith Kruse Ms. Jill Liegel Mr. Troy Marx Mr. Andrew Marcotte Mr. John Meyers	Ms. Lisa Omen Mr. James Otterstein Dr. Tracy Pierner Mr. Dave Shaw Ms. Andrea Simon Mr. Dave Smith Mr. Michael Williams
Members Excused:	Ms. Brittini Ackley Mr. Ivan Collins Mr. Christopher Comella Mr. Jeff Ellingson Mr. Kendal Garrison	Ms. Linda Hendrickson Ms. Ela Kakde Ms. Heather McLean Mr. Dale Poweleit Mr. Tom Schmit
Staff Present:	Ms. Katie Gerhards Ms. Gail Graham Mr. Matt Riley	Ms. Rhonda Suda Ms. Danielle Thousand Mr. Jimmy Watson
Other Guests:	Mr. Derek Hilst, Wegner CPAs Ms. Nicole Pfundheller, Manpower	Ms. Bridgette Stoeckel, DWD Mr. Matt Walthius, Manpower

1. Welcome; Call to Order; Introduction of New Board Members and Guests

Ms. Lauck called the meeting to order at 2:33 p.m. and welcomed members, staff, and guests.

2. Election of Officers (January 1, 2023, to December 31, 2025, Term)

The current slate of officers are also the members of the SWWDB Executive Committee. The officers and their respective office are as follows:

- Chairperson – Maria Lauck
- First Vice-Chairperson – Christopher Comella
- Second Vice-Chairperson – Michael Williams
- Secretary – Lisa Omen
- Treasurer – James Otterstein

Ms. Lauck opened the floor for nominations and/or volunteers. There were none.

Motion made by Mr. Aarud, seconded by Mr. Meyers, to approve the current slate of officers as listed for a new three (3) year term beginning January 1, 2023, through December 31, 2025. **Motion carried unanimously.**

3. Approval of Minutes of SWWDB Meetings

The minutes of the September 14, 2022, SWWDB meeting were presented to Board members for review and discussion. There was no discussion.

Motion made by Mr. Kruse, seconded by Ms. Omen, to approve the September 14, 2022, meeting minutes. **Motion carried unanimously.**

4. Financial Reports

Board members were presented with the financial reports through September 30, 2022. The financial reports include the Balance Sheet, Statement of Operations, and 2022-23 Budget Modifications.

The Balance Sheet represents a draft of the financial statements through Quarter 1 (July 1 – September 30). It shows that revenue is exceeding expenses by \$50,587.05. Ms. Thousand went over some of the accounts. Account 1245-Dental Insurance Prepaid is showing a negative balance. SWWDB had a situation where a former employee elected Cobra coverage and pre-paid it. Now SWWDB owes that former employee the coverage.

SWWDB has two (2) ongoing software projects currently. Account 1539-Software Project includes the Salesforce software used for the Youth Apprenticeship program. Account 1540-PAS Rewrite Project is for updating SWWDB’s Payment Authorization System (PAS). PAS is used to issue vouchers to program participants, track customer limits and payments, run reports, etc.

Account 3003-Accrued Vacation is showing what has been earned, not used, to-date. SWWDB staff must use their vacation hours by the end of the program year (June 30).

Account 3080-401(K) Liability is showing a negative balance. This is just a timing issue where a loan payment went out early.

The Statement of Operations was presented for review and discussion. Because SWWDB is through Quarter 1 of the fiscal year, the goal in the column labeled “Pct” is to be around 25% spent. Revenues are showing 30.38% spent and expenses 27.61%. Ms. Thousand explained why some of the accounts appear to stray from the 25% goal.

Account 6119-Fringe is an offset account for SWWDB’s flexible spending account. It changes constantly and there is nothing to be concerned about.

Account 6313-P.O. Box Rental is showing 0% spent. The cost of the post office box rental renews once per year. This renewal has not occurred yet this year.

Account 6410-Legal is showing 166.67% spent as a result of paying the deductible for the ransomware attack. SWWDB has had cyber liability insurance for many years. However, the ransomware attack from June caused for legal action.

Account 6431-Consultants is showing 0% spent. SWWDB received a grant from the Department of Health Services (DHS) for a video project for the Foodshare Employment and Training (FSET) program.

Accounts 6708-Stipends and 6709-Incentives are showing 107.02% and 0% spent respectively. These funds were spent directly on participants for the Worker Advancement Initiative (WAI). There are many projects within WAI, but these payments are due mostly to participants in childcare programs. However,

other projects are starting up and the participants in those projects are also eligible for stipend and incentive payments.

The Budget Modifications are provided to Board members at every meeting. It shows changes to the budget since the last meeting. There are two updates to the Program Year (PY) 2022-23 budget. The Foster Care/Independent Living (FC/IL) grant received \$15,500 in additional stimulus funding. There was a limited time to use the funds as they expired September 30, 2022. This funding allowed SWWDB to provide eligible youth with stimulus payments and assist with the purchase of a car.

It took longer than usual to receive the final grant agreement for the Wisconsin Senior Employment (WISE) program. A grant agreement had not been received when SWWDB administration was preparing the budget, so SWWDB administration budgeted for the amount received last program year. The PY 2022-23 grant agreement was received for less than what was budgeted for.

Motion made by Mr. Otterstein, seconded by Mr. Meyers, to approve the Program Year (PY) 2022-23 financial statements for Quarter 1, including the Budget Modifications, as presented. **Motion carried unanimously.**

5. Old Business

A. **Closeout of Program Year 2019-2020 Monitoring**

On September 8, SWWDB administration received notification from the Department of Workforce Development (DWD) that the Program Year (PY) 2019-2020 monitoring is officially closed. The monitoring resulted in \$3,174.77 in disallowed costs. The disallowed costs were related to youth work experience episodes.

SWWDB remitted payment to DWD for these costs. Manpower has since reimbursed SWWDB for this amount.

B. **Program Years 2022 and 2023 Negotiated Performance Levels**

On October 7, SWWDB administration was notified that the Department of Workforce Development (DWD) Division of Employment and Training (DET) completed the Workforce Innovation and Opportunity Act (WIOA) Program Year (PY) 2022 and 2023 performance negotiations.

Ms. Suda stated that DWD, the Southwest Wisconsin Counties Consortium (SWCC), and the SWWDB Executive Committee went back and forth a few times with the negotiations of performance levels. Eventually, DWD, SWCC members, and Executive Committee members came to an agreement and the performance levels for PY 2022 and 2023 have been approved. Ms. Suda pointed out that some levels went up and some went down. The unemployment rate and labor market statistics in the local area are factors in determining performance levels.

6. New Business

A. **Fiscal Year 2021-22 Audit**

Wegner CPAs of Madison conducted the Program Year (PY) 2021-22 audit virtually starting Monday, October 31, 2022. The draft audit report for fiscal year 2021-22 was presented to Board members for review and discussion. It has been reviewed by Ms. Thousand and her recommended changes were made by Wegner CPAs. The draft Form 990 was also presented to Board members for review. It still needs to be reviewed by Ms. Thousand.

Derek Hilst, Senior Manager at Wegner CPAs, provided an overview of the audit results. Overall, the audit was clean with no findings or questioned costs. No audit entries were proposed or adjustments to be made. There were also no material weaknesses or deficiencies. There were a few changes made this year to the audit report format. This includes the opinion at the beginning of the report instead of at the end. The bullet points on page 2 are also new, but they are always what Wegner staff have done. They just have to be reported out.

The Foodshare Employment and Training (FSET) program was the major program audited. Wegner CPAs rotates between SWWDB's two (2) major programs from year to year because in order to be considered a low-risk auditee, any federal program over the threshold of \$750,000 has to be tested once every two (2) years. The Workforce Innovation and Opportunity Act (WIOA) will be the major program audited next year. Mr. Hilst noted that this will have to be looked at next year because SWWDB's WIOA funding decreased.

Ms. Suda asked Mr. Hilst about the upcoming lease standard change taking effect next fiscal year. Mr. Hilst was asked if SWWDB should look at changing some of its leases from multiple year to one-year or month-to-month leases. Mr. Hilst said yes. Additionally, it is the understanding that leases include space, equipment, cars, lease products, etc. Mr. Hilst stated that leases are considered a fixed asset if longer than one (1) year.

Motion made by Mr. Kruse, seconded by Mr. Williams, to approve the draft audit report and pre-approve the draft Form 990 as presented. **Motion carried unanimously.**

7. Committee Updates

A. Ad Hoc Audit Committee

The Ad Hoc Audit Committee met at the opening (October 31) and close (November 2) of the audit. The minutes of these meetings were provided to Board members for informational purposes.

A meeting is held at the opening of the audit to allow committee members and other Board members to ask questions. A meeting is also held at the close of the audit so auditors can identify any concerns or issues.

B. Executive Committee

The SWWDB Executive Committee met on December 2 to discuss the annual health insurance renewal. The minutes from this meeting were provided for informational purposes.

Dean Health provided a 17.07% premium increase for 2023 for renewal of SWWDB's current plan. Dean also provided an alternate plan with a 10.6% increase. Thinking of the future, SWWDB offered a second health plan to employees that has a higher deductible. SWWDB is considered a small employer and is grant funded. Committee members voted to offer two (2) plans.

Ms. Suda explained that SWWDB will absorb the increase with carryover funds from grants received where the grant period spans over many years.

8. Consent Agenda

The items on the consent agenda were presented to Board members for review and discussion. Ms. Suda briefly went over the revised policies and performance reports.

Motion made by Ms. Omen, seconded by Ms. Fifrlick, to approve the items on the consent agenda as presented including revisions to policies B-110 Equal Employment Opportunity and Affirmative Action Policy and C-750 Stipend Payments and the Workforce Innovation and Opportunity Act (WIOA) and Foodshare Employment & Training (FSET) performance and participation reports. **Motion carried unanimously.**

9. Organizational Information & Recurring Business

A. Rapid Response Activity/Updates

Board members were provided with an overview of lay-off/closure activity since July 1, 2022 (Table 1). This information is provided at every Board meeting per the Board’s request.

Table 1

Program Year 2022-23					
Company Name	Layoff Date	Affected Employees	RR Sessions or Meetings Held	Attendance	Receiving Services in DW Program
Swiss Colony Data Center	7/1/2022	48	3/17/2022	40	0
Saputo Cheese closing, Belmont, WI	Estimated 4 th quarter 2022	200 Lafayette Co.	Contact made; no WARN filing yet.		
50/50 Store	Est. 11/2022	7 estimated	All employees found other employment		
Tru Aseptics, LLC	9/2022 / 10/2022	74	No response from company.		
Georgia Pacific (Dubuque)	12/31/2022	85	Plant closure may impact workers from Wisconsin. In contact with plant human resources.		
Pierce Home Furnishings	11/2022	5 estimated	Owner retirement.		
Exact Sciences	11/2022 - staggered	250	Working with WDA 10.		

Last week, SWWDB administration found out that Stellantis in Belvidere, IL is closing. Ms. Suda said that it has been challenging working with this plant. Gail Graham, SWWDB’s Business Services Manager, has reached out to the employer and is a work in progress.

SWWDB administration also found out that the University of Wisconsin-Platteville campus in Richland Center is closing citing low enrollments. Most positions will be absorbed into the UW system.

B. Local Retention – Workforce Innovation and Opportunity Act (WIOA)

Local retention is defined as participants working within the local area post-program exit. Since July 1, 2022, 12 participants have exited Workforce Innovation and Opportunity Act (WIOA) programs. As of September 30, 2022, of the 12 exited participants, 75% (9) are employed or going to school post-program exit. Of those, 100% are going to school or working in Wisconsin. WDA 11 employs six (6) of these individuals, which represents 67% of those employed in Wisconsin.

10. CEO’s Report

Ms. Suda took a moment to recognize Gail Graham, SWWDB’s Business Services Manager, and her team on their work with the Worker Advancement Initiative (WAI). Over the last quarter, the grant has enrolled approximately 110 new participants bringing the total number of participants in the grant to 168. The

CESA 3 apprenticeship program is the main reason for the increase. SWWDB can assist with transportation, tools, and an incentive payment when participants complete their apprenticeship – something CESA 3 cannot. Ms. Suda explained that CESA 3 covers the Southwest counties except Green and Rock Counties.

SWWDB has partnered with Farm & Fleet for the tools and clothing needed for these apprentices. Even though this is the busiest time of the year for retailers, Farm & Fleets has gone above and beyond to help SWWDB provide tools for about 70 youth worth up to \$50,000. Ms. Suda thanked Farm & Fleet for their assistance in getting the youth what they need.

Dr. Pierner congratulated the SWWDB team on the Youth Apprenticeship numbers. This is an amazing opportunity, and the number of participants shows how successful it is. Dr. Pierner asked if CESA 3 is sending SWWDB funding for helping them. Ms. Suda said no. CESA 3 could not help with tools, but SWWDB could.

Lastly, at the December meetings, SWWDB administration likes to recognize its Board members for their support via an appreciation gift. Due to this meeting being virtual, the appreciation gift will be presented at the next face-to-face meeting.

11. Chairperson's Report

Ms. Lauck appreciated SWWDB administration offering to make this a virtual meeting. Accommodations like this are great because weather is so unpredictable. Ms. Lauck thanked all SWWDB staff for sharing information on the programs that are offered because it can be shared with others over the holidays.

12. Adjournment

Motion made by Mr. Meyers, seconded by Ms. Omen, to adjourn the meeting at 3:43 p.m. **Motion carried unanimously.** The next regularly scheduled board meeting will be Wednesday, March 8, 2023.