

**CEP, Inc. Board of Directors
Wednesday, June 15, 2016
Best Western – Hotel Chequamegon – Ashland, WI**

Meeting Minutes

Present

Tom Mackie
Dee Gokee-Rindal
Bill Kacvinsky
Joe Pinardi
Charlie Glazman
Kay Pluemer
Dave Willingham
William Voight
Donna Williamson
Emmett Byrne
Brent Blomberg (alternate)

Excused

Rollie Thums
Brian Goodwin
Lew Martin

Others Present

Brad Gingras
Jenny Decker
Mari Kay-Nabozny
Mary Dietrich
Jeff Muse

Bill Kacvinsky called the meeting to order. Roll call was taken, a quorum was present. It was reported that the public meeting notice was published in two class A radio stations and reported on area radio stations. New CEP Board members were introduced. They are Charlie Glazman representing Douglas County, Kay Pluemer representing Price County and Brian Goodwin (who was not present) representing Bayfield County.

Approve the Minutes from 4/21/16

One change was noted. Under next meeting date, for the next meeting, the year needs to be amended from 2015 to 2016.

Emmett Bryne made a motion to approve the meeting minutes from 4/21/16 as amended. Seconded by Dee Gokee-Rindal. Vote taken, carried unanimously.

Mission Statement

Brad noted the mission of CEP is to strengthen the economy by providing effective and efficient workforce development services to businesses and job seekers. Brad explained what CEP does for the new members. He explained that Terri's success story was a youth Crex Camper from Spooner High School who was behind in high school credits two years ago. Since camp, she went to school regularly and caught up with credits, some of which she gained from camp. She will attend WITC this fall studying early childhood education.

CEP Board 101: Orientation to the Board

Brad explained to the CEP Board members what CEP does and their role as a Board member. CEP has been around since 1968 serving the ten northwest counties in Wisconsin. CEP was developed out of the Great Society Legislation, called the Comprehensive Employment and Training Act (CETA). The CETA legislation was around until 1982, when it changed to the Job Training Partnership Act (JTPA) and then the legislation changed to Workforce Investment Act (WIA) in 1998 and in 2017 it changed to Workforce Investment and Opportunity Act (WIOA). This is the fourth federal act since its inception. CEP's primary focus is to provide employment and training to unemployed and underemployed and help businesses with hiring. Brad explained that the Board is comprised of the ten county board chairs or their alternate, a Tribal member, a Community Based Organization (CBO) representative, education representative, a female representative, a member at large representative and a private sector member.

CEP receives its primary funds from the federal WIOA act. More than 50% of funds CEP receives is federally funded. However, being a private non-profit, we can apply for grants and we've been reliant on grant funding. Currently, there are 29 staff. Brad noted that CEP has good partnerships with such agencies as Job Service, Tech Colleges, DVR, economic development, healthcare, K-12 education, and employers.

Brad explained the funding flow chart included in the packet. He noted that Congress allocates dollars to the Department of Labor (DOL) where immediately 20% is set aside for emergency dislocation, technical assistance. The DOL provides allocations to all 50 states, along with U.S. Tribes, Cayman Islands and Puerto Rico. He noted that DWD takes the dollars from DOL and disperses them throughout the 11 WDAs across the state. Those funds are given to CLEO's who are liable for those funds. The CLEO has an agreement to funnel those funds to the WIB Board who has responsibility and oversight of funds in conjunction with the CLEOs. There are only three CEP's in the WIOA act and very few service providers are referenced in the WIOA act. The CEP Board is the CLEOs, in which they wear two hats. Brad explained how we're different from other areas in the state. He noted the other two CEPs are in Minnesota and Kentucky. Brad noted that a workforce lawyer came up last summer to explain the legal relationship between the CEP and WIB Boards.

Brad referred the WIB/LEO Agreement which outlines the relationship between the CEP and the WIB. He said he hopes that their partnership continues to be a positive partnership as time goes on. Brad encouraged members to read this document. He explained in the past, there was only one director for the WIB and CEP, but five years ago, that position was separated by reducing conflict of interest. Both entities can pursue other grant opportunities. They operate as two different entities that are partners. He talked about the documents in order to be official such as the WIOA local plan that outlines how we will provide services. He noted that if CEP has a misuse of funds, for example, each county is liable for this. Brad noted that we have had many years of clean audits before he started and clean audits in the ten years since he's been employed at CEP. It was noted that we have officers and liability insurance. Mari noted the WIB develops the strategic plan for the region. The WIB Board is responsible for oversight and vision and CEP is the service provider, boots on the ground who provide services to those in need. He

explained the various pots of funds that serve Out of School Youth/In School Youth, Adult Programs and Dislocated workers and an admin pool of money. CEP is the automatic designee of the Adult and DW funds. The Youth funds can be procured. The WIB can find a service provider to deliver those services. Up until now, CEP has been the youth service provider. Brad explained the youth funding, broken into two categories: In School Youth (ISY) and Out of School (OSY) youth which is ages 18-24 that no longer attend school and can include a 17 year old that drops out of school. The biggest change between the old and new act, is that 75% of the funds were allocated to the ISY and the other part was given to OSY which is a harder demographic to serve. The new WIOA act flipped the funding formula. He noted the funding formula under the new act is 75% of funds are to be spent on OSY and 25% on ISY. Brad encouraged the Board to read the CEP bylaws and the WIB/LEO agreement because that will help them understand how two Boards work together. He noted that there is a Joint CEP/WIB Executive Committee that works between the CEP and WIB Board meetings where a lot of action items take place.

Election of CEP Board Officers

Every two years, after the county board elections, the CEP Board has their election of officers in June and reappointment of all CEP Board members.

Nominations were open for the Chairperson of the CEP Board. Thomas Mackie nominated Bill Kacvinsky as Chairman and Emmett Byrne moved to close nominations. Motion seconded by William Voight. Vote taken, carried unanimously.

Nominations were open for a Vice Chairperson of the CEP Board. Bill Kacvinsky nominated Dave Willingham as Vice Chairman and Thomas Mackie moved to close nominations. Motion seconded by Joe Pinardi. Vote taken, carried unanimously.

Nominations were open for the Treasurer of the CEP Board. William Voight nominated Tom Mackie for Secretary and Charlie Glazmen moved to close the nomination. The motion was seconded by Joe Pinardi. Vote taken, carried unanimously.

Management Reports

Job Center Customer Counts

Jenny gave a brief report on the Job Center customer counts for our Job Centers and Outreach Centers in our ten county area. This report counts the number of customers who use Job Center services month to month. Jenny further explained the report to the Board members.

Dislocated Worker Report

Brad discussed the updated dislocated worker report in our packet. Brad noted that this is a regular report included in the packet. There are no new dislocations in this report since March. He explained how CEP provides rapid response services to dislocated workers in conjunction with other partners.

Regional Economic Employment Report

Brad explained that the Regional Economic Employment report is put together on a monthly basis by our area Department of Workforce Development (DWD) labor market analyst, Thomas Michels. He described that there has been some increases in unemployment in our region. He credits most of the unemployment due to seasonal closures such areas as construction and tourism. The rest of the state has decreased since that last month and our area has the highest unemployment of any other area of the state. He explained the breakdown of the statistics in the rest of the report and the month to month changes.

OJT Report

Brad explained that the On the Job Training (OJT) program is one of our most successful programs due to CEP subsidizing part of the wage for specified period of time to get someone employed, particularly dislocated and unemployed workers. The current report was included in the packet. He noted that there are 50 contracts currently. The average wage is just over \$14.00 per hour (which CEP pays half) and training hours is at 325 hours per contract, and cost per contract is \$2,276.

Training Initiatives with Technical College Partners Update

Brad noted staff at CEP looked at how we change the way we do business. He noted that we are finding programs and jobs in demand and funneling clients into these high demand careers. He used an example of the Summer Launch program (included in the packet) for the Medical Assistant program through WITC. There is an increased demand for Medical Assistants in Ashland and Douglas Counties. Brad noted that critical core business training is offered by North Central Technical College and they offer skills necessary for employment. CEP bought the course and instructors and funnel many people in as we can in Phillips and Medford. The individual is receiving free training through CEP. Target audience is adults and dislocated workers.

Grants Update

The Children's Health Insurance Program (CHIP) grant was not on the original agenda since there were no new grants at that time. We applied for the CHIP grant and it was awarded to CEP for \$1 million dollars. This grant has the goal of helping children to get into Badgercare. This grant will cover 27 counties in partnership with four CESA's and another agency, ABC Health.

Another OSHA grant was written yesterday. This will allow Cory Kempf, CEP Human Resources Manager to continue operating this program. This will be through the host and temp agencies to train these workers to deliver services. This grant was for \$80,000.

CEP Executive Director Transition

Brad announced that he will be resigning from CEP in June and taking on a new position with AHEC as their Northwest Executive Director. AHEC is a non-profit, healthcare education entity. His job will focus on educating people in careers in the healthcare field. A nation-wide search was done in search of a new Executive Director for CEP. Bill noted that the CEP/WIB Joint

Conference Committee has met, interviewed candidates and made a decision to hire. Bill reported that position was offered to Jeff Muse as the new Executive Director of CEP. Jeff will start on July 11th. In the meantime during the transition, Sue Stephens, CEP Workforce Systems Manager; Mary Dietrich, CEP Finance Director and Cory Kempf, HR Manager will make any executive decisions until Jeff begins. The Board expressed their appreciation to Brad for all his work as Executive Director and wished him well on his future endeavors.

Review/Sign CEP Board Conflict of Interest/Code of Standards Form

Brad explained that these forms are required to be filled out by Board members every year.

Action Item: Review/Approve PY2016 Preliminary Budget

Mary Dietrich, CEP Finance Director explained the py2016 preliminary budget. She noted that the first page compares the py16 preliminary budget to the py15 budget. There's a 2% increase for staffing which is due to a \$60,000 decrease because of two individuals who retired and the UI rate and healthcare costs went down. She discussed the total operational costs. She said there was an increase in mileage due to multiple meetings and workshops that take place in the area. We have four company cars. Board budgets did not change much. Page two specifically focuses on WIOA grants and will increase the budgets, if the other grants are received, a re-budget will be done in the fall. Page three explained the indirect costs and the state awarded some rapid response funds. Mary explained that we received an annual allotment grant and a transition grant. Page five was the Board budgets, which didn't change much. Page six shows Py16 WIOA allocations. She noted we took a decrease of \$250,000 but the two grants will be added at \$125,000, which will help offset that. Page seven addressed carryover funds. Every year, we're required to be 80% spent. The state will waive that this year only, which will help due to the decrease in WIOA funds. She explained the various programs allocations. Page 8 explains other revenues which is a break out of grants received and those submitted, but not known yet. She explained administrative and job center costs. She said the bulk of what we spend is on OJT, employer and client services.

A motion was made by Emmett Byrne to approve the Preliminary PY16 Budget as presented. Seconded by Joe Pinardi. Vote taken, carried unanimously.

Other Business

Brad noted that at the last meeting, he introduced CEP's new marketing brand and logo. He noted the CEP Board wanted business cards that provides basic CEP information. He encouraged members to take some.

Brad gave an update on the Crex Meadows kitchen facility. He noted the fundraising started strong and went stagnant. He noted that friends of Crex will be invited to the next CEP Board meeting to discuss the status of the mess hall.

Next Meeting Date and Location

The next meeting of the CEP, Inc. Board of Directors will take place on Wednesday, August 17, 2016, at 10:30 a.m. in Ashland.

Emmett Byrne made a motion to adjourn at 11:50 a.m. Seconded by Thomas Mackie. Vote take, carried unanimously.