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CEP Board of Directors

Wednesday, March 17, 2021 – 10:30 a.m.

AmericInn Hotel/Zoom – Ashland, WI

Meeting Minutes

Present

Tom Mackie
Joe Pinardi
Dave Willingham
Emmett Byrne
Rollie Thums
Bob Kopisch
Bill Kacvinsky
Brent Blomberg, Alternate
Dee Gokee-Rindal, via zoom
Thomas Gordon, Sr. via zoom
Charlie Glazman, via zoom
Dawn Petit, via zoom
Elizabeth Franek, via zoom

Excused

Larry Fickbohm

Others Present

Jeff Muse
Jenny Decker
Mary Zinnecker
Jean Christiansen, via zoom

Call Meeting to Order

Bill Kacvinsky, CEP Board Chairman called the meeting to order. For the record, it was noted the public meeting notice was published on the CEP website, social media, the area Library System, and the area County government websites in our WDA.

Approval of the Meeting Minutes from 2/17/2021

Tom Mackie made a motion to approve the 2/17/21, meeting minutes as presented.
Seconded by Joe Pinardi. Vote taken, carried unanimously.

Mission Statement

Emmett Byrne, CEP Board Member reported that the mission of CEP is to strengthen the economy of northwest Wisconsin by providing effective and efficient workforce development services to businesses and workers.

Executive Director's Report

Rollie Thums was introduced as the replacement for Dan Makovsky representing Taylor County. Jeff Muse reported that Dan Makovsky has resigned from the Taylor County Board due to health issues.

Jeff reported that CEP had to release a staff member working on the YouthBuild site for some inappropriate behavior. Jeff noted we already contract with the Bad River Tribe and someone is filing in and the contract is extended until May. If CEP receives the new grant, we'll repost for that position and hire.

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Strengthening our region, one person, one business, one job at a time.

Discuss CEP/WIB DOL Governance Exit Conference

Jeff reported that DOL conducted their exit review on Monday, March 1st at CEP virtually. Jeff said it left us with more questions than before. The purpose of this is to complete our separation from the WIB as we've been mandated to do. But now the DOL said the agreements need to be redone and simplified. Mari (WIB) is working on the service agreement and Jeff is working on the fiscal agreement. Dave said that the conclusion is that we should be asking them, is to provide us with examples with similar structures and use those agreements. Jeff said we're writing the checks and the WIB is overseeing us. Discussion took place concerning the role of the LCEOs over the WIB and how this process works. A letter was sent to Stacey O'Keefe at DOL addressing our concerns from the Exit results. Discussion took place about contracting with a third party to monitor the CEP and there was agreement by the CEP Board to possibly outsource this function. Jeff said that it's also true that we're given direction on what to do and continue to develop these agreements. Once they're done, Jeff will get the agreements out to the CEP Board. Jeff said the DOL is hung up on how we're going to support two Boards financially. Discussion took place regarding the budget authority.

Action Item: Review/Approve Non-Compete Clause in an Agreement with WIB

Jeff reported that we have nothing to show at this time. The message from the DOL is that this non-competes issue should be a separate, internal agreement between WIB and CEP. Jeff read a draft agreement to the Board that he's reviewing. It was noted that the WIB has to comply with the conditions of the LCEO's role in appointment of their Board members.

Jeff discussed the WIB/LEO Agreement and noted there's some non-competes language in that agreement.

The Board expresses the will of the body of LCEOs, that this non-competes language will be included with the WIB. It was noted to take out the words "desire" and "capacity" in this agreement and use more "shall" than "may" verbiage. It was noted that there's an Executive Committee comprised of 12 members that represents both Boards (WIB and CEP). It was noted that we have to create a process for appointing WIB members. Discussion took place regarding the advertising and interviewing members for the WIB Board.

Discussion on LCEO Consortium Organizational Meeting

Discussion took place on a separate body that would meet independent from the CEP Board. However, it was noted that it may not have to meet separate and can be done by the CEP Board and LCEOs. It was noted to make sure to make a notation on the agenda that it is the LCEOs that voted. Another idea was to have the LCEO's meeting at 10 a.m. and the CEP Board meet at 10:30 a.m. It was noted that the LCEOs can be a Committee within the CEP Board with only the LCEO's voting.

Discuss CEP Board Committee Structure including the CEP/WIB Executive Committee with WIB

Discussion took place that the CEP Board needs to set up their own Committee structure and dissolve the CEP and WIB Joint Committee structure. A suggestion was made that we can do most business at the CEP Board meetings. It was suggested to look at other workforce models. Dave suggested that we need

an Executive Committee for the CEP Board to conduct business between meetings. It was noted that finance may be another issue. It was noted that when the CEP Board needs to make an appointment to the WIB, they could create an Ad Hoc Committee to perform that function.

Discuss WIB Benefit Options

Jeff explained that in order for the WIB employees to maintain their health insurance and retirement, it would be easier for them to stay on with CEP. It was noted that if you have a separate businesses, it would be difficult to be intertwined with the 401K policies. Dave explained it might be able to be done and it will cost them a bundle doing it on their own. It was noted that the WIB employees could participate but the plan would be governed by the CEP Board and they wouldn't have say on who the carriers are or conditions of the plans. A question was raised on what could happen if they're not employees of CEP, if there are issues down the road or any liabilities. Jean Christiansen, CEP WIPFLI Accountant said she's spoke to Skyler Dural-Eder, CEP HR Director and discussed some controlled group classifications added on with no cost to the agency to do that. Jean said with the 401K, we need to do a plan modification to the document to clarify, who is excluded, what the compensation is and if the Board wants to explore allowing the WIB be part of CEP's 401K plan, what is the cost and we would share the costs with the WIB. She noted that as the provider of a fiduciary plan, you have to ensure you're acting in a fiduciary manner when you review the investment policy of the plan so employees have the choice to pick from investments that are performing. The WIB wants to be included in all CEP benefits, such as life, short and long term disability as well. A question was raised why can't the WIB join a separate group outside of CEP? It was noted that they could but would have a larger administrative fee. Dave said if they can't participate in our plan, it would increase the administrative budget for the WIB which could affect service provision dollars. Jean recommended that Skyler be given permission by the Board for more time to research this with our providers.

Bob Kopisch made a motion to allow the Skyler Dural-Eder, CEP HR Director and Jeff Muse more time to do the cost allocation of the WIB staff benefit plan. Seconded by Charlie Glazeman. Roll call vote taken, passed.

Discuss Misuse of Funds Clause in LCEO/CEP/WIB Agreement

Jeff noted it was asked by LCEOs if we could have a set aside of funds so that the counties are not responsible for any misuse of funds. Jean noted that CEP has a sizable reserve. There is a money market account that the organization has which could cover disallowed costs, if there was a situation that required those funds. Bob said it makes no sense for the counties to be on the hook and handle this as a bad debt reserve to take care of this. He suggested taking out the whole misuse of funds clause out of the agreement and he would suggest the WIB do the same. Discussion took place on other insurances such as Directors and Liability and Omissions insurance. Jeff said this is a Board decision. Jeff can make the changes that the CEP Board suggested.

Discuss Nomination Process for Appointment of Members to the WIB Board

Jeff noted this was discussed earlier in the meeting. There is a vacancy on the WIB Board for a healthcare representative. The question is, do we want to leave that seat open until the CEP Board/LCEOs develops process for appointment to the WIB? Discussion then centered around the

elected officials exercising their elected authority on this matter. It was noted that the WIB may need to get the vacancy filled in order to be in compliance. It was requested to let the WIB CEO know this vacancy on the WIB needs to be posted and to bring the applications back to the CEP Board for review and approval on their next agenda.

State & Federal Updates

Jeff noted that the Governor unveiled his proposed budget and there are some funds for workforce development, but no RFP has come out as the budget has not been approved. Dave noted there may be some new initiatives from DOL. He indicated that while we're spending most our time on governance, we want the two groups to continue to work together, while working on this separation, cooperate and maximize the dollars the region is eligible to apply for.

Comments & Announcements

Elizabeth Franek asked how we can best screen candidates for employment. Jeff noted that we follow the federal government guidelines for background checks but we are looking at this very seriously and will continue to look into this.

Next Meeting Date and Location

The next meeting of the CEP Board of Directors will take place on Wednesday, April 21st or at the call of the Chairman.

Adjournment

The meeting was adjourned at 12:20 p.m.