

# Milwaukee Area Workforce Investment Board Board of Directors Meeting

December 13, 2007  
Milwaukee Area  
Workforce Investment Board  
Youth Services Bldg.  
2342 N. 27<sup>th</sup> St.  
Milwaukee, WI  
7:30 a.m.

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**Board Members Present:** William Andrekopoulos; David Aragon; Dan Bader (Board Chair); Sheila Cochran; B.G. Robert Cocroft; Darnell Cole; Lea Collins-Worachek; Mike Fabishak; Melanie Holmes; Willie Johnson, Jr.; John Jorgensen; Shirley Lanier (Board Vice Chair); Donald Layden, Jr. (Board Secretary/Treasurer); John Miller; Mary Moore; Jeannetta Robinson; Carol Sample; Thelma Sias; Howard Snyder; Don Sykes; Devon Turner; Wallace White

**Board Members Absent:** Gwen Keller; Sheila Knox; Lupe Martinez; Sean McGowan; Tom Romoser; Linda Sowell; Karen Spindler; Julia Taylor; Willie Wade; Steven Xiong

**Guests/Visitors Present:** Nyette Brown-Ellis (MSD), Gary Denis (DWD), Tony Dziedzic (Kaiser Group), Melony Howard (Kaiser Group), Pete Kaiser (Kaiser Group), Paula Lampley (UMOS), Jay Luebke (BDO Seidman), Lois O'Keefe (Congresswoman Gwen Moore's office), Jennifer Riggenschach (UWM), Duane Schultz (MATC), Allen Turner (Job Service)

**Staff Present:** Chad Austin, Dick Buschmann, Teresa Devcic, Delores Graves, Mark Kessenich, Therese Palazzari, Patti Porth, Danna Rhinehart, Joe Stolzman, Paul Wechter, Sue Wile

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## MINUTES (Pending Board Approval)

The meeting was called to order by Board Chair Dan Bader at 7:38 a.m.

### I. Welcome & Introductions

Sheila Knox has retired. Al Turner was present in her place and will likely replace her as a Board Member in the future. Guests from some of the partners and operating programs were also present. Everyone introduced themselves.

### II. Minutes of September 25, 2007 Meeting

**Motion to approve the September 25, 2007 Board meeting minutes**      **Wallace White**

**Second**      **John Miller**

**Motion carried unanimously**

### III. Proposed Bylaws Changes

Proposed bylaws changes in the Board packet were previously sent out to Board members for review. Chairman Bader asked if there were any comments or disagreements. There were none.

**Motion to approve the bylaws changes**

**Wallace White**

**Second**

**John Jorgensen**

**Motion carried unanimously**

#### **IV. Mayor's Transition Committee Recommendations**

Darnell Cole stated that focus has been on redesigning job centers to career opportunity centers and developing career pathways to sectors that training will be focused on— manufacturing, healthcare, retail, finance and tourism. He noted that the focus on identified sectors will not exclude help to businesses that have needs in other areas. Duplication of the healthcare sector approach used in Baltimore is being looked at. Through this approach employees in entry level positions are trained to move up in the organization and unemployed or underemployed workers are hired for the resulting entry level position vacancies. One piece to be worked on is how to move the private sector to the table to contribute to the training. Presentation of a draft model will be made soon to Dan Bader, Don Sykes, the Business Services Organizational Restructuring Committees, the Coordinating Council and the Neighborhood & Community Council. A final recommendation will be brought to the Program Committee and the full MAWIB Board. Employment needs of the unemployed and underemployed will be addressed so that companies in need of employees will get enough qualified workers to stay in the community.

Carol Sample asked if there is any data on the successfulness of the PIC program with Aurora. Don Sykes responded that it was very successful and that it is the model being used in Baltimore. Darnell Cole stated that the desire now is to bring a core group of five or six hospitals together, train people with skill sets that are transferable between hospitals and really commit individuals in entry level jobs.

Carol Sample stated that Spotted Eagle engaged in a pilot project with Sinai Samaritan Hospital to transition youth into healthcare training at MATC and into healthcare professions and suggested this project be looked at. Darnell Cole encouraged anyone with information that could assist in creating the right model to share it with Duane Schultz or Dick Buschmann.

Lea Collins-Worachek asked if there has been any preliminary discussion with healthcare organizations to determine their interest in the Baltimore model. Darnell Cole indicated that there has been preliminary discussion and a meeting is scheduled with Mike Bolger at Froedtert. Presentation needs to be made of a working model.

Lea Collins-Worachek mentioned the oversaturation of the healthcare market with nursing assistants in the past and asked if there has been any recent labor market analysis to ensure that training resources will not be put forth in areas where there may be issues with job openings. Darnell Cole indicated that all available data will be looked at and the first step in bringing the hospitals together will be to have them identify their needs and commitment.

Sheila Cochran asked if there are plans to use any existing sector strategy models and expressed concern that we not reinvent something that already exists. Don Sykes responded that we are leading with an existing strategy model in WRTP in terms of construction and manufacturing. The desired approach to take with sector development is to be demand-driven. When the sector is put together, it will include the employers, training institutions,

unions and other community efforts. Protocols they think will work will be developed. Dr. Cole commented that Baltimore's model works and is similar to our current model, but the important thing is that everyone around the table must be involved and consistently committed.

Thelma Sias stressed the importance of the ability to communicate with the Board and the broader community concerning how we are using our own models that have been successful in Milwaukee and strategizing the building of collaborations. It will be important to show our successes that will be used as so designed and our approaches that will be tweaked in partnership and knowledge from others so as not to be viewed as something being taken from someone else, but something we have the capacity to do already.

Mary Moore asked if Aurora would be included in the new healthcare model. Dr. Cole stated that attempt is being made to bring together as many of the healthcare organizations as possible including the largest, of which Aurora is one.

Don Sykes distributed a mid-year report of the Milwaukee Area Workforce Investment Board and highlighted some of the information concerning systems reform, new initiatives and ongoing work. Concerning systems reform, he reported that the majority of the time and energy thus far has been spent on systems reform and that it is essential to put together all of the actors who in the past have not been in an integrated, seamless program. He also stated that the integration of W2 and WIA case management which involves the WIB, YWCA, UMOS, and Maximus and their partners has been the major thrust in terms of trying to create the reorganization as well as the collaboration around the central business service unit for a one-stop approach for the businesses in the community. The WIB has been working closely with MATC and the City and will bring forward some memorandums of agreement and understanding as work progresses on collaborations around youth programs and community development block grants as well as economic development. Data is being looked at in a number of areas that impact the seven-county region. Concerning new initiatives, there are a number of things are going on. It is desired to identify Board members who can be champions for some of these initiatives that staff members can work with. Board members were urged to complete the survey sent to them if they have not yet done so. One of the major initiatives is the Futures First Project with MPS for 500 at-risk youth. It is a \$5 million package of which the WIB is involved with approximately \$2 million. Additional funding through federal and national emergency grants is anticipated to assist the HIRE Center with the large closings of Delphi and the 440<sup>th</sup>. The State has asked us to run a pilot for workforce development focused on people involved in the criminal justice system. The Department of Corrections is funding 50 percent, the State if funding 25 percent and the WIB is putting money in for the WIA portion. It is hoped that an RFP will go out next month for intensive case management. With regard to systems reform, the major players who have been involved in the workforce system in Milwaukee have been at the table since July and are approaching the point of decision making. Before closure can be reached, there are some issues that must be negotiated with the State.

Darnell Cole stated the importance of private sector dollars to success and the need for ongoing dialogue with businesses and foundations. Dan Bader indicated that this is in process.

Don Sykes indicated that probably in January the Corporation for a Skilled Workforce will give a presentation on accountability measures and workforce development efforts around the country. An effort is being planned to pull together foundations to look at where

foundations are contributing, where the gaps are in public funding, and what kind of plans can be developed to put us on the map with other sector groups around the country.

Thelma Sias asked for those serving on foundation Boards to be kept well informed and prepared to answer questions that may arise.

## **V. Personnel & Finance Committee**

### **A. FY2007 Audited Consolidated Financial Statements**

Don Layden reported that the Private Industry Council (PIC) received a clean audit from BDO Seidman which included a financial audit and reviews on the Circular 133 and all of the Federal and State reporting requirements. A copy of the audit letter and a draft copy of the audit report are included in the Board packet and a final audit report is available. The auditors were complimentary of the staff performance and capacity for completion of work as well as the state of the PIC's internal controls and records. A management letter will be received with respect to internal controls for update of the year-end closing checklist. The Personnel & Finance Committee will monitor the achievement of that objective. Three minor audit adjustments were proposed of which two were made. The third relates to a prior period and is not material to the financial statements; therefore, it was decided not to amend the prior period statement.

Wallace White expressed concern over the debt ratio of 67 percent and asked what impact this will have on plans for the future and what steps should be taken to prevent problems going forward. Jay Luebke from BDO Seidman responded that this is not currently seen as a concern, but that a watchful eye is needed about incurring additional debt going forward. Don Layden stated that of greater concern is the continued decline of revenue sources and the resulting capacity to continue to incur the right kind of administrative and corporate overview of programs. There is a fixed infrastructure that must be kept in place to manage the operation. The Committee has asked staff to prepare scenarios that involve the risks and impact of declining revenue. Don Sykes indicated that work is being done to generate more income, including design of a fee structure for services.

Carol Sample asked what the administrative cost rate is that is received from the State. Don Layden responded that it depends upon the grant. WIA is ten percent. Carol Sample also asked if the indirect cost rate corresponds to the administrative cost rate. It does not. She also asked if WIB is operating with an indirect rate or a cost allocation plan. Don Sykes's response was a cost allocation plan. The ten percent covers the administrative costs. Any income generated from fees could go into a discretionary fund that could be used to offset costs.

Work needs to be done to address the balloon payment of approximately \$2.2 million due to Chase Bank at the end of 2009 associated with the cost of the building.

**Motion to approve the FY2007 Audited Consolidated  
Financial Statements**

**Wallace White**

**Second**

**Mike Fabishak**

**Motion carried unanimously**

## **B. Compensation Package**

### **1. Cost of Living Allowance (COLA) Increase**

Everyone was referred to the memo in the Board packet. The COLA increase has already been approved as part of the budget process and was reviewed by the Personnel & Finance Committee. Staff will receive a 2.3 percent adjustment.

### **2. CEO Compensation Package**

This item will be deferred until the next meeting. The Personnel & Finance Committee has made a recommendation to the Executive Committee for an adjustment to Don Sykes' compensation.

## **C. Financial Status Report**

Patti Porth directed everyone to the financial status summary report for the period of July 1 through October 31, 2007, highlighted the information and shared the following additional information:

- The next increment of the BRAC National Emergency grant for the 440<sup>th</sup> closing is due in early 2008 in the amount of \$350,000.
- DWD has approved an additional \$300,000 for the WIA Special Response Dislocated Worker grant to support the Delphi, AT&T and other dislocations.
- The Corporate account has a budget of \$61,000 and 48 percent has been expended. New revenue in the amount of \$15,000 has been received for business services provided.
- The total Administration budget is \$989,000 and 28 percent has been expended. The Administration budget is higher than the WIA Admin grant because it includes administrative budgets from other programs outside of WIA.
- The total budget is \$9.9 million and 31 percent was expended as of October 31<sup>st</sup>. Expenditures are on track with the budget with the exception of WIA Adult Service training funds, which is currently under-expended. This is due in part to the freeze on training in spring of 2007 because the 2007 funds were fully expended and the freeze remained in effect in the next budget year during the transition while determination was made on where to direct the funds. The State training requirement that 35 percent of the WIA allocation be directed to training for high wage jobs of \$15.91 per hour also contributes to the under-expenditure. The adult program is in the process of looking at new training programs to meet this requirement and there is expectation of use of these funds.

Carol Sample asked how much carryover from grants is allowed from year to year. Patti Porth stated that WIA regulations require spending 70 percent of the allocation and obligating 80 percent; 20 percent can be carried over.

There was some discussion on the possibility of WIA reauthorization and what effects it may have.

## **VI. Selection & Monitoring Committee Minutes**

Wallace White referred everyone to the report in the Board packet.

## **VII. Other Business**

Melanie Holmes distributed information on the Employment Circles Project Meeting at Manpower on December 17<sup>th</sup> and encouraged everyone to attend and provide input. It will be a facilitated discussion with various constituents to dialogue about barriers to employment and how to overcome them. A Circles Program around employment will be piloted in Milwaukee, but will be available for everyone in the country to use to help find work for people. Issues from people looking for work and businesses looking for workers will be addressed at the meeting.

Jeannetta Robinson made an announcement about the effort at CYD to provide toys to needy kids for Christmas and asked for everyone to consider supporting this cause by toy or monetary donations and/or informing families of children in need of this event on December 27<sup>th</sup> from 3:00-6:00 p.m.

Jennifer Riggerbach distributed the executive summary of the Corporation for a Skilled Workforce Benchmarking Study referenced at the Board orientation. They did a benchmarking of very effective workforce boards around the country in 2006. Attempt is being made to schedule the Corporation for a Skilled Workforce to give a number of presentations, probably on January 31<sup>st</sup>, to the business community, the Board and the foundation community and educate the constituents on the plan for the Board and how it will impact workforce development in the community. Jennifer may be contacted with questions.

Carol Sample announced that Spotted Eagle School is a bronze medal winner for academic achievement by U.S. News & World Report.

## **VIII. Adjourn**

**Motion to adjourn**

**Darnell Cole**

**Second**

**Wallace White**

**Motion carried unanimously**

The meeting was adjourned at 9:50 a.m.