

# Private Industry Council

## A Workforce Development Board

### Board of Directors Meeting

June 7, 2005  
Private Industry Council  
Youth Services Bldg  
2342 N. 27<sup>th</sup> St.  
Milwaukee, WI  
Noon

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**Board Members Present:** George Franco- Chair, Brig. Gen. Robert Cocroft, Daniel Davis, Robert Dennik, Ricardo Diaz, Enid Glenn, Fred Gordon, John Hiller, William Jenkins, Spvr. Willie Johnson Jr., Sheila Knox, Shirley Lanier, John Miller, Mary Moore, Gerard Randall, Jeannetta Robinson, Carol Sample, Paul Soczynski, Linda Sowell, Mark Thomas

**Board Members Excused:** Richard Abelson, Dr. William Andrekopoulos, T. Michael Bolger, Dr. Darnell Cole, Fred Delmenhorst, Lupe Martinez, Tim Sheehy, Julia Taylor, Richard Tennessen, Charles Vang

**Guests Present:** Theresa Loerke, DWD/DWS; Lois O'Keefe, Congr. Gwen Moore's office; Erik Swenson and Robin Wright, Northwestern Mutual Life; Joel Dresang, Journal Sentinel

**Staff Present:** Alba Baltodano, Angie Colbert, Kaye Giese, Roger Hinkle, Mark Kessenich, Patti Porth, Jovo Potkonjak, Tonya Powell, Walt Przybylowski, Lesley Salas, Paul Wechter, Sue Wile, Lamont Williams, David Wilson

#### MINUTES (Pending Board Approval)

The meeting was called to order by Chair George Franco at 12:10 pm. Due to the lack of a quorum at the previous meeting, the Board voted on approval items from the March 8, 2005, meeting.

#### I. Approval of the December 7, 2004, Meeting Minutes

Motion to approve  
Second

Brig. Gen. Robert Cocroft  
Sheila Knox

*Passed unanimously*

#### II. Approval of the March 8, 2005, Meeting Minutes

It was noted that proxy voting is not allowed by the current PIC by-laws; therefore, the results on approval items described in the March 8 minutes were nullified. The minutes were presented for approval with the proper quorum.

Motion to approve  
Second

Carol Sample  
Paul Soczynski

*Passed unanimously*

#### III. Chair's Report

##### 1. Old Business

##### A. FY 2004 Audit Report Management Letter

Mr. Balistreri explained that the Personnel and Finance Committee had reviewed the auditor's FY 2004 audit management letter and the PIC's response to observations, which included the following:

- PIC services, LLC, will maintain separate accounting records, effective as of the date of purchase of the building – June 17, 2004.
- The positive pay service was implemented for the payroll checking account as of April 2005, in order to minimize the possibility of check fraud.
- The Fiscal Department has implemented further controls to limit access to functions of the accounting system to fiscal employees.

Mr. Balistreri recommended the items be approved as presented.

**Motion to approve Audit Report Management Letter**      **Brig. Gen. Robert Cocroft**  
**Second**      **Mark Thomas**

*Passed unanimously*

**B. Independent Audit Bids**

The PIC solicited bids from potential auditors. Staff recommended that the PIC use BDO Seidman, LLC, the firm that has been doing the PIC’s audit for a number of years. BDO Seidman’s audit proposal was a bit more costly; however, it is recommended because of the firm’s familiarity with PIC funding and accounting procedures. This agreement is for two audits – the Board indicated it might need to search for a less costly option after that.

**Motion to approve BDO Seidman for auditing services**      **John Hiller**  
**Second**      **John Miller**

*Passed unanimously*

**C. CEO Performance and Review**

As a result of a positive evaluation by the Personnel and Finance Committee, it is recommended that the CEO receive a 3.5% raise. During discussion Board members commented on the lack of established processes and procedures for an executive review. Mr. Hiller expressed concern that no performance criteria had been established and that it may not be appropriate to approve a raise in a time of funding reductions. Mr. Balistreri commented that the proof of Mr. Randall’s competency is evidenced by the smooth operation of the agency and its continued fiscal soundness under his leadership. Mr. Soczynski suggested that the Board create a committee to standardize the process and criteria for future reviews of the CEO’s performance.

**Motion to approve 3.5% salary increase for the CEO**      **Jeannetta Robinson**  
**Second**      **William Jenkins**  
**Opposed**      **John Hiller,**  
                          **Paul Soczynski**

*Motion carried*

**D. Subsidized Employment Funding Request**

This year a total of 54 agencies responded to the PIC Youth Request for Proposals. The Evaluation Team recommended 51 of these agencies for approval as subsidized employment sites. The number of positions available this year are 500 for summer employment and 50 for year-round. Mr. Diaz and Ms. Robinson recused themselves, since their agencies were applying under the Youth RFP.

**Motion to approve 51 agencies to serve  
as subsidized youth employment sites**

**Second  
Recusals**

**Fred Gordon  
Sheila Knox  
Jeannetta Robinson,  
Ricardo Diaz**

*Motion carried*

**2. New Business -2005 WIA Local Plan**

Ms. Salas of the PIC's Planning Department highlighted the most significant changes in the 2005 Local Plan:

*One-Stop Programming* – There will be increased emphasis on Core services. Regarding intensive case management, the PIC has developed a team concept that organizes WIA registrars and contracted case managers into teams led by a PIC supervisor.

*Re-Structuring of the One-Stops* – The future location of the One-Stops is uncertain at this time, due to such major factors as substantial WIA funding reductions, potential changes in the configuration of the W-2 agencies and the yet-unknown impact of WIA re-authorization.

*Coordination Among Partners* – Job Service has developed its first-ever Local Plan; the new TANF contracts may bring new entities into the WIA partner mix; and the re-authorizations of the Higher Education and Perkins Acts may bring more unforeseen changes in relationships. In addition, regional efforts to coordinate activities with the WOW PIC have led to new synergies. The PIC is committed to coordination with all partner programs for the benefit of the WIA customer.

*Increased Emphasis on Employers* – This year DWD asked local areas to describe their services relating to employers and their connections to high-wage, high-growth employment prospects. The PIC identified healthcare and advanced manufacturing as its primary target areas.

*Strategy for Serving Women* – The PIC has emphasized the importance of education, training and exposure to Non-Traditional Occupations for female WIA participants. This approach will ensure the creation of career ladders rather than the perpetuation of dead-end, entry-level jobs for female jobseekers.

The Local Plan requires a sunshine period of 30 days. During the month of May, the PIC conducted two public listening sessions and a One-Stop partner meeting to receive feedback. The PIC website also provided an avenue for public comment. The PIC has made every attempt to incorporate the comments received. The final version of the Plan is due to the State on June 10, 2005.

**Motion to approve 2005 Local Plan  
Second**

**Lyle Balistreri  
Shirley Lanier**

*Passed unanimously*

**IV. President's Report**

Mr. Randall discussed the potential impact of the federal re-authorizations of WIA, the Higher Education Act and other federal programs that impact the One-Stops and WIA services. He informed the Board of the new structure for the REACH program for out-of-school youth, now that the Youth Opportunity grant is completed.

**V. Committee Reports**

**1. Personnel and Finance Committee**  
**A. FY 2004 Profit Sharing Plan Audit**

The FY2004 Profit Sharing Plan Audit was reviewed. The audit had no findings.

**Motion to approve Profit Sharing Plan Audit**  
**Second**

**Lyle Balistreri**  
**Brig. Gen. Robert Cocroft**

*Passed unanimously*

**B. Profit Sharing Plan Resolution**

Mr. Erik Swenson of Northwestern Mutual Investment Services (NMIS) presented the Personnel and Finance Committee with a proposal to manage the PIC's profit-sharing plans. The 401K and profit-sharing plans would be merged into one account, with one-time administrative costs associated with this change.

NMIS proposes to create a customized plan that best fits the PIC's needs, as well as providing individual investment options for each employee. John Hancock/Manulife will provide the list of funds with client-friendly access to personal accounts. McCready and Keene will handle the financial administration of the plan. The PIC will continue to make a 6% contribution to the plan for each employee.

**Motion to approve Profit Sharing Plan Resolution**  
**Second**

**Mark Thomas**  
**William Jenkins**

*Passed unanimously*

**C. FY 2006 Annual Budget Presentation**

Mr. Randall brought aspects of the PIC's current financial status to the Board's attention:

- The total PIC budget for FY 2006 (beginning July 1, 2005) is \$13,024,606, a 32% decrease from the current FY 2005 budget.
- Funding from the DOL's Youth Opportunities Grant that supported the majority of the Youth Division's REACH program is ending as of June 30, 2005. Over the five year period of the YO Grant, the total grant amount (\$23 million) was successfully invested in the program with very positive outcomes, including national recognition for its innovative components.
- This year the total funding reduction for the local WIA Adult, Dislocated and Youth programs was \$1.6 million. The percentage of the reduction was greater for the Milwaukee WDA than for most of the state's other 10 workforce areas.
- Staff level for FY 2006 is 77, compared to 107 for last year. Significant staffing cuts have already been made in the Youth Division.
- Program funding cuts impact the dollars allowable for administrative purposes. Adjustments in this area include lease cost reductions, telecommunications cost reductions, replacement of more expensive vendor services with internal staff, reduction of a full time position in accounting, and the elimination of the Director of Administration position after the incumbent's retirement in August 2005.

- The PIC has set a goal of 100% occupancy of the 27<sup>th</sup> Street location by October 2005. The PIC will also explore the leasing of space by UWM and MATC for their presence in the Milwaukee Career Center.
- The budget includes an allowance for a COLA salary adjustment of 2.5% to 3%, depending on the annual increase published for the 2006 Social Security adjustments.
- A “positive performance” adjustment allowance of 3% was included, based on the existing merit evaluation program.
- The annual profit-sharing contribution to individual pension accounts remains at 6%.
- The employer cost increase for the health, dental and life insurance benefits package is 7%.

**Motion to approve  
Second**

**Jeannetta Robinson  
Paul Soczynski**

*Passed unanimously*

**D. Executive Summary and Committee Minutes**

**E. Financial Status Reports**

For informational items D and E, Mr. Franco directed the Board’s attention to the materials in their packets. The FY2005 Budget Financial Activity Report detailed the agency’s financial status as of April 30, 2005.

**2. Monitoring and Selection Committee Report**

Highlights of the Monitoring and Selection Committee in the previous quarter:

- PIC staff reviewed 11 W-2 RFPs and provided applicants with a form to certify that the review had been completed. Applicants were advised to contact the PIC upon award for further coordination with local WIA programs and components.
- The PIC’s Legal Affairs Coordinator reviewed the basic elements of the agency’s conflict-of-interest policy to ensure that members understood when it is appropriate to recuse themselves because of a potential conflict.
- The Aurora Health Care customized skills training application for funding was approved in the amount of \$249,556.
- John Pawasarat presented the findings of the Annual Job Opening Survey conducted in May of 2005.
- Committee directed PIC staff to research other existing community organizations that perform the same kind of work as the PIC and to collect information on driver’s license recovery programs in the community and their success rates.
- All board members were invited to attend the Limited English Proficiency conference, “The Missing Link,” to be held August 4, 2005.

**3. Youth Council Report**

The Youth Council reviewed the Evaluation Team recommendations regarding subsidized employment vendors. The PIC has been working closely with MPS on a release-of-information process so that test scores and other pertinent information can be shared. The PIC is collaborating with MPS and UWM to provide services under their GEAR UP grants.

**The meeting was adjourned at 1:35 p.m.**