

Fox Valley Workforce Development Board, Inc.
Executive Committee Meeting
Approved Meeting Minutes-Public
October 11, 2011

FVWDB Executive Committee Members Present: Mr. Grant, Ms. VanNess, Mr. Martinez (via phone), Mr. Kleman
Members Absent: Mr. Schultz, Mr. Thiel
Others Present: Ms. Welch, Ms. Jusic, Mr. Friedl, Mr. Skoug (via phone; Wegner)

Mr. Grant called the Executive Committee meeting to order at 8:13 a.m.

Approval of September 6, 2011 meeting minutes (*Action Item*)

Tabled until next meeting.

PY10 Auditors

Mr. Skoug explained that this meeting is required to discuss any possible issues he needs to review during the field work. As part of the financial audit, they will be doing a compliance audit, according to A-133. They will not be providing an opinion on internal controls, but will provide an opinion on compliance and the financial part of the audit. They will focus on areas where there is likely to be a potential problem and report any findings. The compliance section will be more of a focus. This is somewhat due to the recent DOL Monitoring.

Ms. Welch informed the group that the DWD report is due to DOL in the next few days. She also explained how the FVWDB response to the monitoring was developed, and that FVWDB worked with Northcoast Consulting staff. Some items were addressed by suggesting stand in costs, which would resolve any potential disallowed costs. Mr. Friedl further explained that DWD may be on site to review the FVWDB proposed stand in costs. Ms. Welch added that if more stand in costs are needed, FVWDB will work with partners to find all possible stand in costs per grant in the past several years. FVWDB will also have to make some decisions about the current building since the corporate funds cannot support the rent in the long run.

Mr. Friedl discussed the possible options for FVWDB building depreciation and using a 30 year useful life instead of 39.5 as suggested by DWD. Discussion ensued about the life of the building and the documentation needed to use the 30 year life. Mr. Skoug said that the 30 year mortgage does not necessarily serve this purpose. He also said that the life of the building is a management decision so it is an estimate communicated to the auditors. Ms. Welch added that she will look for minutes that decide the 30 year life to provide to Wegner. Other questioned costs in the DOL Monitoring were discussed, including the vacation payout, Lean training, and transactions between FVWDB and Workforce Economics, Inc.

Mr. Skoug asked the committee members if they have any concerns with DOL findings, how findings have been handled by management or where it may be heading in the future, that the auditors need to be aware of. Mr. Grant replied that it is uncertain as to what the result of the monitoring may be. He further discussed the monitoring process and the position of DWD in the process. Discussion ensued about the DOL monitoring and which WDBs were monitored and the issues that were reported in the monitoring report. Mr. Grant said that the committee is looking to get a clean audit in the financial and compliance piece, and any corrective action that may need to be taken. Mr. Skoug explained that anything of concern will be reported.

At this time, Mr. Skoug from Wegner asked all staff to leave the room so he could speak privately to the executive committee without staff present. He asked if any of the executive committee members had any particular concerns about the organization or management. Mr. Kleman stated a board member has asked about regular and consistent financial reports. Mr. Grant asked if non-profits have a standard or recommended financial package for reporting to the board. Mr. Skoug stated they work with other non-profits and unfortunately they all do it differently. Mr. Grant also asked if Wegner could recommend a standard set of financials our accounting dept could bring to the board on a quarterly basis. They will see what they can do.

The committee pointed out that our board members meet roughly 8 - 10 hours per year and it is difficult to keep boards informed and up to date on all issues in these limited time frames. Mr. Kleman commented that the workforce development system in general seems to be very difficult and confusing for board members. He mentioned that it is a federal system that flows through many bureaucratic layers before even getting to the non-profit workforce board level. He noted that this leads to confusion, misunderstanding, and misinterpretation as laws and rules change through administrations. Mr. Grant agreed. After further discussion, Mr. Skoug felt FVWDB had more of a board governance issue as opposed to a management issue. He suggested we might want to have some board educational sessions and offered to do so with materials they have used with other boards with the same problems.

Mr. Skoug again inquired if the members had any concerns regarding the agency. Mr. Grant asked, in light of our most recent DOL audit, if Wegner can comment on the strength of our internal controls and compliance not just offer an opinion on these items. Mr. Skoug added that any item worth commenting on in the report will be considered a finding and in need of attention. He asked if we felt there were any personnel issues that need to be addressed. The conversation revolved around the ability of the Board and Executive Committee to prevent impropriety. After further discussion Mr. Skoug felt we have been doing what is necessary, but recommended if we feel we have a problem to contact an employment attorney.

The committee asked if Mr. Skoug felt the agency had any additional issues that need to be addressed, he commented that the last audit went very well and hopes to expect the same this time around. Mr. Grant asked each (Mr. Martinez, Mr. Kleman and Ms. Van Ness) member of the committee if they had any particular concerns that the audit needed to address, having none, Mr. Skoug left the meeting. Ms. Welch and Ms. Jusic rejoined the meeting.

Move to Closed Session as per State Statute 19.85(1)(c) for Personnel (Action Item)

Tabled until future meeting that will be planned for the first week of November, with all members present.

Return to Open Session as per State Statute 19.85(1)(c) for Personnel (Action Item)

PY11 Budget Approval (Action Item)

Mr. Martinez made a motion to approve the PY11 FVWDB Budget as presented. Mr. Kleman second. There was no discussion, and the budget was approved as unanimously.

Mr. Martinez left the meeting.

Fox Valley WIA PY11 Drafting of Local Plan

Mr. Bartz spoke with Mr. Grant and would like to have a special board meeting to discuss the DOL monitoring. This would be for an update on the status of the DOL monitoring. A discussion ensued about a possible meeting and it having to be a closed session, and if it is necessary. Mr. Grant will communicate to the board members the current status of the DOL monitoring and that there would be a board meeting sooner than planned if there is a decision from DOL. The committee also discussed if there is a need to create a finance committee. Ms. Jusic will provide the Executive and LEO minutes to Mr. Grant so that he can attach them to his communication to the full board. The full board meeting will be planned for the end of November, unless a response from DOL comes earlier, in which case a full board meeting will be scheduled as soon as possible.

Ms. Welch discussed the Governor's Priorities and that they will be incorporated in the FV WIA Plan. The Executive committee agrees that Ms. Welch should move forward with the development of the plan, and continue to communicate with the partners and bringing them together.

FVWDB Building

Ms. Welch updated the committee on the possible options for a new FVWDB location. She will prepare an analysis for the options of the building for the next Executive Committee meeting.

Self Sufficiency Policy

Ms. Welch recommended the FVWDB Self-sufficiency Policy remain with 200% of poverty as a qualification for WIA programs, Adult services specifically. Federal law requires youth to be 100% and dislocated worker program is based on lay-off and eligibility for unemployment. The Committee was in consensus to move this forward to the Board as an acceptable level.

Adjournment

The meeting was adjourned by consensus at 10:15 a.m.

Respectfully submitted,

Cheryl A. Welch