

Fox Valley Workforce Development Board, Inc.
Executive Committee Conference Call
Approved Meeting Minutes-PUBLIC
March 7, 2012

FVWDB Executive Committee Members Present: Mr. Grant, Mr. Thiel, Mr. Martinez, Mr. Dissing, Ms. Roettger
Members Absent: Mr. Kleman, Mr. Schultz
Others Present: Mr. Hesse, Ms. Jusic

Mr. Grant called the Executive Committee meeting to order at 11:06 a.m.

Approval of Minutes

Mr. Martinez made a motion to approve the Executive Committee meeting minutes from February 14, 2012. Mr. Dissing second. There was no discussion and the minutes were approved unanimously.

WIA Youth Contract Renewal

Mr. Hesse explained that Workforce Economics, Inc., one of the Youth subcontractors, is due for renewal for a second year on their contract. Workforce Economics, Inc. has unique capabilities due to their previous Adult Program and Dislocated Worker experience. They met performance aside from one measurement which was a result of a data entry issue with the previous subcontractor. The total contract is approximately \$380,000. FVWDB has monitored the subcontractor, and results were very minor issues with nothing significant. Workforce Economics, Inc. was awarded the contract last year through an RFP bidding process.

Mr. Martinez made a motion to renew the Workforce Economics, Inc. Youth contract for an additional year. Mr. Thiel second. There was no discussion and the contract renewal was approved.

WIA Youth Contract Extension

The remaining two Youth subcontractors, CESA#5 and Advocap, are currently in their second year of contracts and FVWDB would like to extend them for an additional year in order to align all Youth contracts in the same year. CESA#5's contract is approximately \$61,000 and Advocap's is approximately \$35,000. PY10 performance was not fully met due to data entry issues that have since been addressed.

Mr. Thiel made a motion to extend the CESA#5 and Advocap Youth contract for a third year, provided that this is permitted in the contract terms and WIA regulations. Mr. Martinez second. There was no discussion and the Youth contract extension was approved contingent upon the conditions stated above.

WIA Resource Room Contract Renewal

Workforce Economics, Inc. is in their first year of the Resource Room contract, and FVWDB would like to renew the contract for an additional year. One Stop Director is receiving favorable comments about the services provided. The Iowa model of service delivery is still in development and FVWDB would like to continue to implement this process with the current subcontractor. WE, Inc. has also been very flexible with providing additional staff hours at the rural job centers. Mr. Thiel added that the staff at the Waupaca job center has a lot experience that would be beneficial to retain.

Mr. Martinez made a motion to approve the Workforce Economics, Inc. Resource Room contract renewal for an additional year. Mr. Thiel second. There was no discussion and the contract renewal was approved unanimously.

Administrative Office Update

Mr. Hesse distributed the offer from McMahon associates for purchase and lease of the 1401 McMahon Drive building, as well as Ms. Welch's comments on the offer. Potential terms were discussed, and Mr. Thiel asked that Mr. Hesse solicit an offer for purchase from Pfefferle as well.

Ms. Welch joined the meeting via phone at 11:25.

Ms. Welch discussed the comments in her email to Mr. Hesse regarding McMahon's offer. She also said that Pfefferle had a holding company that could purchase the building but their offer was somewhat lower than McMahon's. She also mentioned that the contract should contain a clause regarding non-guaranteed funding, and offer to pay closing costs but split the broker fee of 6%. Details of the offer were further discussed. The committee agreed to have the contract be contingent upon funding and ensure the ability to sub-lease.

Ms. Welch left the meeting at 11:35.

Vick Lutz from McMahon joined the meeting at 11:40.

Mr. Lutz discussed the terms of the offer for purchase and lease of the building. He confirmed concerns of the one year buy-out clause. He clarified that it would be very difficult to provide the option of a one year buy-out in the first five years of the lease, but it would be a better option in the second five years of the lease. Mr. Hesse explained the two points that the FVWDB would like to see in the contract: the ability to sub-lease; and language that states lease is contingent upon funding. Mr. Lutz replied that subleasing would not be an issue at all, but asked for further clarification on the funding contingency. Mr. Martinez and Thiel explained the situation that the workforce system is in and that future is very uncertain as funding is determined at the federal level. Mr. Lutz explained that if the funding provision is in the contract, the purchase price would have to go down since the organization would assume more risk. He also explained that the lease amount of \$11/square foot listed in the proposal does not currently include taxes, which would depend on the assessment by the Town of Menasha. After further discussion of terms, Mr. Lutz proposes that if the contract includes the funding contingency, FVWDB would then accept the 6% broker fee deduction (from the appraised value) and the closing costs; the purchase price would remain at \$658,000. The lease would be for ten years with a five year renewal option. Mr. Lutz added that if his partners do not agree to these terms, McMahan would ask for the opportunity to match any offer if the building is listed on the open market. The committee agrees that this is a favorable proposal and that Mr. Lutz should communicate further information to Mr. Hesse and Ms. Welch.

Mr. Lutz left the meeting at 12:07.

The offer as discussed with McMahan will be presented to the full Board.

Announcements

Mr. Hesse briefly updated the committee that a former Title V participant was hired to do office cleaning, and as Alex Annoye has transitioned into the role of Disability Coordinator, his position with the Corrections grant was also filled. Mr. Hesse and Mr. Malinowski will be going to the National Association of Job Training Assistance (NAJA) conference in New Orleans this month. The FVWDB local WIA plan was conditionally approved with some minor revisions in progress.

Adjournment

Mr. Martinez made a motion to adjourn the meeting. Mr. Thiel second, and the meeting adjourned at 12:11 p.m.

Respectfully submitted,

Al Hesse