

**Business Employment Skills Team, Inc.
Board of Directors' Meeting Minutes
December 17, 2018**

The Business Employment Skills Team, Inc. Board of Directors' Meeting was called to order at 6:33 p.m. by Co-Chair Kathy Enbom

Name	Present	Absent	Name	Present	Absent
Robert Albrecht	X		Kevin Lindeman	X	
Gary Camarano	X		Steven Malavolti		
Carl Carlson			John Nicholson	X	
James Duffy	X		Kevin Reibel	X	
Kathy Enbom	X		Wayne Reising	X	
Randy Freeman	X		Scott Toot		X
Kim Gouker		X			

PROXIES: Carl Carlson to Kathy Enbom, Steve Malavolti to Randy Freeman

OTHERS PRESENT: Pam Furlan, Jo Ann Johnson, Annette Pace, Jessica Green, Kerri Hicks

Approval of Meetings Minutes

Wayne Reising motioned to approve the October 22, 2018 Meeting Minutes. Motion was seconded by Kevin Lindeman and carried.

PY 17 Audit Report

Kathy Enbom introduced Rusty Gibson with Clifton Larson Allen to members. Rusty disseminated copies of the PY 17 Audit, Governance Communication Letter and a power point presentation that include historical financial analysis and emerging accounting/auditing issues. Rusty told members that no separate management letter was issued this year since after a review of the internal controls one was not needed. Rusty then provided members with an overview of the audit results. He said that total revenues were \$3,626,287 for the year ending June 30, 2018. This amount was down by \$448,000 from PY 2017. He said that as 99% of revenue is from federal grants, decrease is due to the amount of grand funding in the current year, as funding was less from all grants, with the largest decreases coming from Trade Adjustment Assistance of \$179,000 and Dislocated Workers of \$123,000. Total expenses, Rusty said, were \$3,612,427 for the year ending June 30, 2018. Down by \$455,000 (11%) from PY 2017. He said that as BEST's program activities decreased with less grant funding, expenses have decreased proportionally. Rusty then referred members to the chart that shows the ratio of program expenses vs. management and general expenses. A good rule of thumb, he said, is to keep management and general expenses at 20% or less of total expenses. BEST, Inc. has consistently maintained this rate at 10% or less over the past year period, Rusty said. He continued by saying that the majority of expenses are allocated to the programs, with most being either training and materials or personnel costs. These costs, Rusty stated, have consistently been 87-90% of total expenses over the trailing 5 year period. Overall, Rusty told members, operations resulted in a positive change in net assets of \$13,860 for the year ending June 30, 2018. Rusty said that since the main source of revenue is federal grants, the programs operate close to break-even every year. Continuing to highlight the financial analysis, Rusty said that total assets were \$334,000 as of June 30, 2018. This amount was up by \$14,000 from June 30, 2017. He said

that the funding source will fluctuate based on timing of drawdowns and receipts from the state. Due to federal funding requirements, he said, BEST monitors cash levels to ensure there is minimal time to draw to disbursement of funds, thus cash has remained relatively consistent the past few years. Total liabilities as of June 30, 2018 were \$318,000 which was the same last year. Payables accrued expenses will fluctuate based on timing of year end payments. PY 2014, he said, included a significant amount of unearned revenue as payments were received in advance of expenses at June 30. Net assets increased, he said, to \$16,456 as of June 30, 2018. As the main source of revenue is federal/state grants, the programs operate on a close to break-even budget and significant excess revenue is not expected.

In regards to the Single Audit, Rusty told members that there were no findings reported.

Rusty provided members with an overview of some changes for next few years.

In closing, Rusty told members that with Kathy's leaving the transition with Annette, Jessica and Pam has gone smoothly and they have certainly done a great job. He said that even with one less person, internal controls did not break down. Rusty complimented the Board for being active in the process.

With there being no further comments, Kevin Lindeman motioned to approve the PY 17 Audit as presented. Motion was seconded by Randy Freeman and carried.

Public Comments

Pam introduced Annette Pace, Jessica Green and Kerri Hicks to members.

Executive Director Report

Pam provided members with updates from her typed report that was included with the meeting materials.

Legislative Update – Pam told members that the State's waiver request regarding the requirement that a local area can only be in one Economic Development Region (EDR) was on the Secretary's desk to be signed.

PY '18 Incumbent Worker Training (IWT) – Pam reported that there is a good list of businesses that are utilizing the Incumbent Worker Training. Staff are hoping to add some new businesses to this list next year.

Fiscal Update

Pam informed members that a Workforce Clerk will begin tomorrow (December 18) starting at 11:00 a.m. She said that this individual was hired through a staffing agency. Pam said that the staff have been incredible at volunteering to help out Annette and Jessica and there is a definite need for this person in the fiscal office.

Kathy Enbom asked what types of jobs she would be doing. Jessica said that they will introduce her to parts of the program and see what she can handle. Annette told members that she will have restricted access to the computer system, but will be able to review timesheets, look at bills, etc.

PY 18 Dashboard

Members reviewed the draft of the Dashboard that was included with the meeting materials. Referring to the Financial Snapshot, Pam told members that Kathy pointed out that adding the Expenditures and Total Projected Funds Obligated exceed the Total Grant Income. Pam said that after talking with Annette, we will change the Total Projected Funds column to read Total Projected Expenditures and Obligations.

Referring to the Client Exit Results, Jim asked if 62 of the 69 exiters from the program found employment. Pam confirmed that is correct. Gary asked how much money was spent on the 62 individuals that found employment. Pam said that would be difficult to calculate a cost per since some of these individuals may have been in the program for longer than a year. Also, she told members that for those exiters that were enrolled in Classroom Training activities, the cost may be low as the students may have received a Pell or another type of grant to help offset their costs of going to school. Jim said that he would like to see an aggregate cost of all money spent on books, tuition, fees, supportive services, etc. Jim said that part of the reason we ask for the Dashboard is because the Financial Reports are difficult for members to read. Referring back to Pam's typed report regarding the Youth Projects, Gary asked for numbers regarding the youth who are not being served by the program, but are in need of services. Pam said that information is not available. She told members that the BEST staff work with the Regional Offices of Education to get referrals to the program. Kerri Hicks responded for the Bureau Henry Stark Regional Office of Education by saying that they have tapped into the school districts, but not all are receptive to working with the program. Jim expressed concern numbers enrolled in the LaSalle Regional Office of Education and Bureau Henry Stark Regional Office of Education are extremely low in comparison to the Lee Ogle Regional Office of Education. Pam pointed out that the enrollments in the Youth Projects may cover more than the current year, so to provide a cost per person would be almost impossible. In closing, Gary also recommended to change the color scheme to make it more readable.

Approval of the Fiscal Reports

Pam then presented the Fiscal Reports for September and October 2018. Pam reported that all compliance issues have been met. Wayne Reising motioned to approve the September and October 2018 Financial Reports. Motion was seconded by Kevin Lindeman and carried.

Personnel Issues

On behalf of the staff, Pam expressed their thanks for the "Appreciation Day" that was held on December 10. She said that the day consisted of a meeting and problem solving exercise.

Office Update

Pam informed members that staff will begin looking at office space for the Dixon Fiscal Office.

Pam said that she would be taking vacation from December 21, 2018 – January 2, 2019. Kathy asked if staff were taking their PHOs so that they would not need to lose any December 31. She said that some staff will lose time.

Referring to her Contact List, Pam told members that she did attend those events she had listed as "planned to attend".

Other Business

Pam told members that a copy of the 2019 Holiday Schedule was included with the meeting materials as an informational item.

Election of Officers

Randy Freeman motioned to re-elect the current officers. Kathy Enbom & Kevin Reibel, Co-Chairs; Jim Duffy, Secretary. Motion was seconded by Robert Albrecht and carried.

Membership List

A copy of the membership list was included for informational purposes. If anyone has an updates, please let Jo Ann know.

Next Meeting

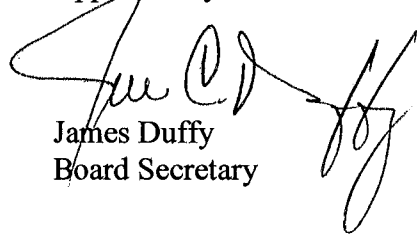
It was noted that the next meeting will be Monday, February 25, 2019 at 6:30 p.m.

Adjournment

With there being no further business, Wayne Reising motioned to adjourn. Motion was seconded by Steve Malavolti and carried. Meeting adjourned at 8:45 p.m.

Jo Ann Johnson

Approved by:


James Duffy
Board Secretary