

**Business Employment Skills Team, Inc.  
Board of Directors' Meeting Minutes  
December 16, 2019**

The Business Employment Skills Team, Inc. Board of Directors' Meeting was called to order at 6:30 p.m. by Co-Chair Kathy Enbom

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

**PROXIES:** Carl Carlson to Kathy Enbom, Kevin Lindeman to Kathy Enbom, Scott Toot to Kevin Reibel

**OTHERS PRESENT:** Pam Furlan, Jo Ann Johnson, Annette Pace, Rusty Gibson (CLA), Carrie Folken, Kerri Hicks

PY 18 Audit Report

Kathy Enbom introduced Rusty Gibson with Clifton Larson Allen (CLA) to members. Kathy told members that copies of the PY 17 Audit and Governance Communication Letter was included with their meeting materials. Rusty disseminated a copy of a power point presentation and provided members with an overview of the audit results. He told members that CLA issued an unmodified audit opinion over financial statements and the reports are in accordance with Government Auditing Standards (GAS) and Uniform Grant Guidance (UG). In regards to the GAS, Rusty told members that no deficiencies in internal control were noted. He told members that total revenues were \$3,853,014 for the year ending June 30, 2019 which is a \$227,000 increase from last year. Total expenses, Rusty said were \$3,843,994 for the year ending June 30, 2019 which is up by \$232,000 from last year. He said that as BEST, Inc. program activities increase with more grant funding, expenses have increased 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 5 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 operations, Rusty told members, resulted in a positive change in net assets of \$9,020 for the year ending June 30, 2019 compared to \$13,860 from last year. 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 \$326,000 as of June 30, 2019. This amount was down by \$8,000 from last year. He said that the funding source will fluctuate based on timing of drawdowns and receipts from the state. As required by 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 several years. Total liabilities as of June 30, 2019 were \$301,000 which is

down \$17,000 from last year. Payables accrued expenses will fluctuate based on timing of year end payments. PY 2018, he said, included a small amount of unearned revenue as payments were received in advance of expenses at June 30. Net assets increased, he said, to \$25,476 as of June 30, 2019. 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.

Members thanked Rusty for the audit presentation.

### Approval of the Meetings Minutes

Wayne Reising motioned to approve the October 28, 2019 Meeting Minutes. Motion was seconded by Steve Malavolti and carried.

### Public Comments

Pam recognized Annette Pace, Jessica Green, Carrie Folken and Kerri Hicks for members. She informed members that Kerri Hicks is the Career Advisor in the Princeton office and recently accepted the position as Opioid Project Coordinator. Pam said that Kerri is starting to meet with individuals and businesses that will be a part of the Opioid Grant project.

Gary expressed some concern regarding the Job Fair event that was being held in Galena on December 18 for the Honeywell employees. He said that he had learned that about two-thirds of the employers that were invited to participate in this event were from out-of-state companies. Pam explained that when staff did a zip code check of the employees that were being laid off they were mostly from Iowa and Wisconsin. She told members that some employers were identified to participate from the Sterling area but it was noted that it would be a long drive for the employees affected by this layoff. Pam did tell members that staff is collecting applications of the employees affected by the layoff and will distribute their applications and/or resumes to businesses in our local workforce area. Gary stated that since we are an Illinois Workforce Board we should be giving Illinois businesses priority to help build our Illinois economy. He continued by saying that the neighboring states have not invited our local workforce area to participate in their Job Fairs and/or Hiring events. After discussion, Pam told members that she would pass this information along and make sure that it does not happen again.

### **Executive Director Report**

Pam informed members that she did not have anything to add to her typed report regarding the BEST Successes, Legislative Update, State 50% Training Expenditure Requirement, or the Foundation (Essential) Skills Training Program. Under the Current Projects and Grants, Pam noted that she did not have anything to add to the Apprenticeship Expansion Grants, Service Integration Technical Assistant Grant or Youth Career Pathways/Workforce Innovation & Pipeline Grant information. However, in regards to the Opioid Grant. Pam informed members that last week staff was made aware of an opportunity for a supplemental Opioid Grant that would allow Incumbent Worker Training for health care centers or businesses if they are working with individuals affected by the Opioid crisis. Pam said that she will be making contacts with local hospitals, treatment centers, etc. to determine if there is an interest. She also noted that due the holiday season there is limited time to respond but she has set aside one day to work on it and submit it before the end of the year if there is an interest.

Kerri told members that she has been meeting and networking with community support groups. She said that the goal is to have 2 job coaches by the spring. She said that there will be an application process that will assist in getting these individuals integrated back into the workforce.

Randy expressed his concern regarding the transportation issues. Kerri told members that North Central Behavior Center has partnered with NCat and BPart to assist with transportation issues. In regards to individuals in the Lee, Ogle and Whiteside Counties they have transportation assistance available through LOTS (Lee Ogle Transportation System), WCPT (Whiteside County Public Transportation), and "211 Network". Pam commented that when staff is placing these individuals at worksites, there is funding available to assist with transportation costs. Jim asked Kerri if she has talked with LOTS and she replied that she has not but will be soon. Pam also suggested that Kerri talk with Emily Legel for the Jo Daviess County area.

Referring to her Personnel Issues report, Pam noted that Judy Fitzpatrick cancelled her Leave of Absence at this time.

Pam reported that the Rapid Response Activities is included with her report and referred members to the list of businesses and number of employees affected.

Referring to her Contact List that was included with the meeting materials, Pam reported that she did attend the Starved Rock Advantage Board meeting on December 9 and met with the Chairman of the Project Open Coalition and Kerri Hicks on December 10.

#### **Finance Director Report**

Annette provided members with a Grant Updates. She said that the Trade Grant has been approved by DCEO and currently one customer is enrolled. However, Annette said that we will be asking the CEOs to approve a modification so that additional enrollees can be added to that grant.

As for the PY 19 WIOA Grant, Annette said that we are preparing paperwork to transfer Dislocated Worker funding to the Adult program that was previously approved by NCI Works and the CEOs.

Annette told members that staff received confirmation from the State that the 1E Rapid Response grant application has been approved with an initial amount of \$403,880 for staffing and Dislocated Worker training.

Annette informed members that the Uniform Budget templates and Work Plans have been approved by the State for an incremental amount of \$224,867.00 for initial grant start up. She said that additional funding becomes available when initial funding has been expended.

Regarding the Apprenticeship Expansion Grant, Annette said that the Grant Application and Uniform Budget Template have been submitted to the State in the amount of \$150,000. Pam stated that with the grant, BEST, Inc. is hoping to hire a Navigator to go out and talk to businesses about Apprenticeship Programs. She said that this grant covers the 8-counties in LWIA #4 and the 3-counties in LWIA #13, so totally 11 counties will be served through this grant. Pam said that the plan is to subcontract with local chambers of commerce, community colleges, business relations representatives in the Local Workforce Area, etc. Pam reiterated that the purpose for this grant is to promote and encourage apprenticeship programs by expanding it to other fields such as industry, finance, health care, truck driving, etc. industries.

Annette told members that the Grant Application and Uniform Budget Template have been submitted to DCEO for a Service Integration Assistance Grant in the amount of \$200,000. Pam provided members with an overview of this grant application by saying that the focus on the entire workforce system is for all partners to work together and integrate services. Pam reminded members that BEST, Inc. and local partners went through a process several months and identified what each partner can do for the customer. She said that it will be a challenge, but this grant is being submitted to create a referral tracking system for all partners to use. From the business side of this, Pam said that it would utilize the rapid talent pipeline that was started in the LWIA a few months ago. Currently, Pam said that partners are using a pencil-paper type of referral tracking system. Pam also noted that if BEST, Inc. is awarded the grant, we would serve as a pilot program for the state

#### Approval of the Fiscal Reports for September & October 2019

Annette reported that as of October 31, 2019 WIOA funds obligated was at 80%. She told members that the combined Direct Training expenditure for Adult and Dislocated Worker was at 67.11% and the Work Based Learning percentage ratio was 32.1%. Annette told members that BEST, Inc. is in good shape. Motion to approve the September & October 2019 Monthly Report was made by Kevin Reibel. Motion was seconded by Steve Malavolti and carried.

#### Approval of the PY 18 Audit

Randy Freeman motioned to approve the PY 18 Audit as presented at the beginning of the meeting. Motion was seconded by Steve Malavolti and carried.

#### **Human Resource Committee Report**

##### Review & Approval of the Apprenticeship Navigator/Project Coordinator Job Description

Kathy Enbom informed members that the Human Resource Committee reviewed the Apprenticeship Navigator/Project Coordinator Job Description and recommend approval contingent upon receipt of the grant. Wayne Reising motioned to concur with approving the Apprenticeship Navigator/Project Coordinator Job Description contingent upon receipt of the Apprenticeship Expansion Grant. Motion was seconded by Kevin Reibel and carried.

#### Employee Health/Life Insurance Renewal

Kathy informed members that Jo Ann informed members that the Employee Health Coverage with United Health Care received a 9.2% premium increase effective January 1, 2020. Kathy said that Jo Ann provided the Committee with cost information from other insurance groups for consideration. Kathy also noted that Jo Ann is recommending that in May/June to have employee's complete generic health care application and solicit for potential costs for 2021. Kathy told members that after discussion, the HR Committee is recommending to renew the current Plan with United Health Care effective January 1, 2020. Kevin Reibel motioned to renew the United Health Care Plan effective January 1, 2020. Motion was seconded by Robert Albrecht and carried.

## Employee Handbook Updates

Kathy told members that a revision to the Employee Handbook was presented. She said that the current policy states that a vacation is defined as 3 consecutive days (including holidays). Kathy said that Jo Ann has requested to strike out "including holidays" from the description of vacation. Steve Malavolti motioned to strike out "including holidays" from the current definition of vacation in the Employee Handbook. Motion was seconded by Jamey Sulser and carried.

On another matter, Kathy informed members that Jo Ann has requested to have the Employee Handbook, applicable policies and job descriptions reviewed by an attorney or expert in the HR field to determine what needs to be changed. Kathy told members that the committee discussed this request and felt that it was a good idea. She said that Jo Ann was asked to secure bids for this project but not exceed \$9,500.00. Kevin Reibel motioned to proceed with the project by procuring costs and not expend more than \$9,500.00. Steve Malavolti seconded the motion. Motion carried.

## **Other Business**

### Election of Officers

Randy Freeman motioned to re-elect the current officers for another term. Kevin Reibel/Kathy Enbom as Co-Chairs and James Duffy as Secretary. Motion was seconded by Gary Camarano and carried.

### BEST Board Committees Membership

Kathy asked that members serve on at least one of the committees (Bylaws, HR and Audit). Randy Freeman said that he would serve on the Audit Committee. Jamey said he would serve on the HR Committee and Kathy Enbom said that she would move from the HR Committee to the Audit Committee.

### 2020 Holiday Schedule

Pam informed members that the 2020 Holiday Schedule was included for informational purposes only.

### Other Business

It was noted that the next meeting was February 24, 2020, 5:30 p.m. in the Lee County Board Conference Room.

### Adjournment

With there being no further business, Steve Malavolti motioned to adjourn. Motion was seconded by Randy Freeman and carried. Meeting adjourned at 7:39 p.m.

Jo Ann Johnson

Approved by:

James Duffy  
Secretary