

**Business Employment Skills Team, Inc.
(Hybrid) Meeting Minutes
December 18, 2023**

The Business Employment Skills Team, Inc. Board of Director's Meeting was called to order at 6:31 p.m. by Co-Chair James Duffy. Roll call was taken.

Name	Present	Absent	Name	Present	Absent
Gary Camarano	X		Steven Malavolti	X	
James Duffy	X		Michael McEmery	X	
Kathy Enborn	X		Kerwin Paris	X	
Chris Flikkema	X		Wayne Reising	X	
Keane Hudson	X		Jamey Sulser	X	
Kevin Lindeman	X		LaDon Trost		X

OTHERS PRESENT: Rusty Gibson, Carrie Folken, Jo Ann Johnson, Jessica Green

PY 22 Audit Report

Jessica Green, introduced Rusty Gibson with Clifton Larson Allen (CLA) to members. Rusty informed members that copies of the PY 22 Audit and Governance Communication Letter was sent to members prior to the meeting. He provided members with an overview of the Audit. Rusty complimented Jessica for her support and flexibility in conducting the audit. Referring to a power point presentation that was distributed to members prior the meeting, Rusty 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). Rusty told members that this year they adopted new accounting standards for Leases. He said that in the past you could disclose what the future commitments were, but the standards what to show the actual cash flow on the balance sheet. Rusty told members that total revenues were \$3,376,132 for the year ended June 30, 2023, which were down by \$131,000 from FY 22. As 99% of revenue is from federal grants, the decrease is primarily due to the amount of grant funding in the current year, as funding decreased for the Opioid crisis grants of approximately \$225,000. In regards to expenses, Rusty said that total expenses were \$3,333,268 for the year ended June 30, 2023, which was a decrease of \$185,000 from FY 22. As BEST's program activities decreased with less grant funding, expenses have decreased proportionally. Referring to the chart that shows the ratio of program expenses vs. management and general expenses, Rusty said that a good rule of thumb is to keep management and general at 20% or less of total expenses. He said that BEST has consistently maintained this rate of 9-12% over the past 5 year period. Rusty continued by saying that the majority of the expenses are allocated to the programs, with most of these being either training & materials or personnel costs. These costs, he said, have consistently been 85-90% of total expenses over the trailing 5 year period. Rusty told members that FY 22 had additional expenses for layoff aversion costs. Overall operations, Rusty said, resulted in an increase in net assets of \$42,864 for the year ended June 30, 2023. He said that since the main source of revenue is federal grants, the programs operate close to break-even each year. Rusty said that PY 23 had additional prepaid expenses at year end that skewed this

slightly. Continuing to highlight the financial analysis, Rusty told members that total assets were \$413,000 at June 30, 2023, which is an increase of \$46,000 from June 30, 2022. He commented that funding sources will fluctuate based on timing of draws and receipts from the state. The prepaid expenses, he said, and the right of use lease assets were new in PY 23. As required by federal funding regulations, Rusty said that BEST monitors cash levels to ensure there is minimal time from draw to disbursement of funds. Rusty told members that total liabilities as of June 30, 2023 were \$365,000, which increased \$3,000 from PY 22. Rusty noted that payables and accrued expenses will fluctuate based on timing of year end and payments and these decreases are consistent with the decrease in cash. He said that BEST had no unearned grant revenue at June 30, 2023. The lease liability, he said, was new for PY 23. Continuing, Rusty told members that net assets increased to \$47,178 as of June 30, 2023. 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 the audit was a very positive report and there were no findings or issues reported. He also noted that CLA values their relationship with BEST, Inc. and once again thanked staff for their assistance throughout the audit process. Jessica commented that the auditors with CLA were wonderful to work with and were very patient. Members thanked Rusty for attending the meeting and giving the presentation.

Approval of the October 23, 2023 Meetings Minutes

Wayne Reising motioned to approve the October 23, 2023 Meeting Minutes. Motion was seconded by Kerwin Paris. Roll Call vote was taken.

Name	Yes	No	Name	Yes	No
Gary Camarano	X		Steven Malavolti	X	
James Duffy	X		Michael McEmery	X	
Kathy Enbom	X		Kerwin Paris	X	
Chris Flikkema	X		Wayne Reising	X	
Keane Hudson	X		Jamey Sulser	X	
Kevin Lindeman	X		LaDon Trost		X

Motion carried.

Public Comments

None

Executive Director Report

Carrie informed members that she did not have much to add to her typed report that was included with the meeting materials. She reported that a new bi-partisan bill (A Stronger Workforce for America Act) did pass out of Committee and some amendments have been made. She said that updated regarding this Bill are received every day and will continue to keep members informed.

Carrie told members that we did receive the Supplemental Grant so staff will be working on the projects that were outlined in the proposal.

Carrie said that the Notice of Funding Opportunities (NOFO) has not yet been released for the PROWD grant. She reminded members that this is the initiative with the Department of Labor and Federal Bureau of Prisons. She said that once the NOFO is received, she will apply for funding.

Carrie encouraged members to take a look at the Success Stories and Facebook updates.

HR Committee Report

Approval of Employee Health and Life Insurance Renewal

Wayne informed members that the HR Committee met and reviewed the renewal information for Employee Health and Life insurance with United Health Care. Wayne told members that the agency received a significant increase of 22.5%. He told members that he was not surprised by the increase since the last few years the agency received a minimal increase for premiums. Wayne Reising moved and seconded the HR Committee’s recommendation to renew the Employee Health and Life Insurance with United Health Care effective January 1, 2024. Roll Call vote was taken.

Name	Present	Absent	Name	Present	Absent
Gary Camarano	X		Steven Malavolti	X	
James Duffy	X		Michael McEmery	X	
Kathy Enbom	X		Kerwin Paris	X	
Chris Flikkema	X		Wayne Reising	X	
Keane Hudson	X		Jamey Sulser	X	
Kevin Lindeman	X		LaDon Trost		X

Motion carried.

Wayne also told members that the HR Committee gave authorization to change the Agent of Record for Employee Health/Life with United Health Care and Dental/Vision with Delta Dental. This change will be effective January 1, 2024.

2024 Holiday Schedule

Finance Director Report

Jessica informed members that she did not have any changes to her typed report that was included with the meeting materials. She did tell members that she provided the fiscal reports ending October 31, 2023 in a different format and if anyone had any questions or suggestions to change the format to let her know.

PY 22 Audit Approval

Keane Hudson motioned to approve the PY 22 Audit as presented. Motion was seconded by Kerwin Paris. Roll Call vote was taken.

Name	Present	Absent	Name	Present	Absent
Gary Camarano	X		Steven Malavolti	X	
James Duffy	X		Michael McEmery	X	
Kathy Enbom	X		Kerwin Paris	X	
Chris Flikkema	X		Wayne Reising	X	
Keane Hudson	X		Jamey Sulser	X	
Kevin Lindeman	X		LaDon Trost		X

Motion carried.

Approval of the Fiscal Reports

Wayne Reising motioned to approve the Fiscal Reports ending October 31, 2023. Motion was seconded by Keane Hudson. Roll Call vote was taken.

Name	Present	Absent	Name	Present	Absent
Gary Camarano	X		Steven Malavolti	X	
James Duffy	X		Michael McEmery	X	
Kathy Enbom	X		Kerwin Paris	X	
Chris Flikkema	X		Wayne Reising	X	
Keane Hudson	X		Jamey Sulser	X	
Kevin Lindeman	X		LaDon Trost		X

Motion carried.

Other Business

Election of Officers

Keane Hudson motioned to reappoint the current slate of officers for another term. Motion was seconded by Kerwin Paris. Roll Call vote was taken.

Name	Present	Absent	Name	Present	Absent
Gary Camarano	X		Steven Malavolti	X	
James Duffy	X		Michael McEmery	X	
Kathy Enbom	X		Kerwin Paris	X	
Chris Flikkema	X		Wayne Reising	X	
Keane Hudson	X		Jamey Sulser	X	
Kevin Lindeman	X		LaDon Trost		X

Motion carried.

Jim informed members that the following officers were reelected for another term:

James Duffy/Kathy Enbom – Co-Chairs

Steven Malavolti – Secretary

Meeting Schedule for 2024

Members reviewed the Meeting Schedule for 2024 and agreed to move the December 23, 2024 Meeting to December 16, 2024.

Adjournment

With there being no further business, the meeting was adjourned at 7:07 p.m.

Jo Ann Johnson

Approved by:

A handwritten signature in black ink, appearing to read "Steven Malavolti". The signature is written in a cursive, flowing style.

Steven Malavolti
Secretary