

**MINUTES OF THE
WORKFORCE DEVELOPMENT BOARD**

June 25, 2009

The Macomb/St. Clair Workforce Development Board met Thursday, June 25, 2009 at the St Clair County Community College MTEC, 323 Erie, Port Huron, Michigan with the following members present (✓ denotes private sector):

AT ROLL CALL:

- | | |
|---------------------|--------------------|
| ✓ Patricia Anger | William Peterson |
| ✓ Robert Doetsch | ✓ Paul Reiz |
| ✓ Patti Gendernalik | ✓ Charles Shaw |
| ✓ Peter Keating | Rene Stephan |
| Mike Moran | ✓ Kristine Tremble |
| ✓ Scott Orts | Jennie Tunnell |
| Philip Papes | |

ARRIVALS AFTER QUORUM CALLED:

- | | |
|-----------------|---------------|
| ✓ John Daoud | ✓ Mary Matuja |
| ✓ Carl Gervason | |

MEMBERS ABSENT:

- | | |
|-----------------|-------------------|
| Lillian Adams | ✓ Mike Kramer |
| Ken Austin | ✓ Dominic LaRosa |
| ✓ Frank Blowers | ✓ William Morelli |
| John Bozymowski | Gary Polulak |
| ✓ David Brandt | ✓ Rick Regan |
| Nancy Falcone | ✓ Erin Smith |
| George Kovtun | ✓ Mike Wiegand |

OTHERS PRESENT:

- | | |
|------------------|------------------|
| John Bierbusse | Thomas Christ |
| Marsha Prose | Holger Ekanger |
| Doreen MacDonald | Brenda Etheridge |

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1. Call to Order

Chairman Shaw called the meeting to order at 4:20 p.m.

2. Roll Call

Roll call was taken with 13 members present (8 private sector).

4. Chairperson's Report

Mr. Shaw thanked everyone for attending but noted no quorum at this time. Members wished to continue while awaiting arrival of others. Mr. Michel returned to visit and was welcomed by all.

5. Committee Reports

A. Education & Adult Programs Committee

1. Meeting of May 21, 2009

a. Recommendation to Modify Comprehensive 5-Year Plan

Jennie Tunnell reported that the five-year plan was updated effective July 1, 2009 to include the new Macomb County CEO; update of current labor market information; notice of publication; the inclusion of the American Recovery and Reinvestment Act stipulations and funds; inclusion of the WIA continuum summer program for 375 youth; and the inclusion of the ARRA summer youth component for approximately 2,000 youth. The 2009 performance standards mandated by the State have not changed presenting a challenge this year.

b. Recommendation to Approve PY'09 Incumbent Worker Plan

Funds for the local 2009 Incumbent Worker plan total \$497,535. The board previously approved transfer of half the funds to the *Employment Builders Alliance*, an eight-county expansion operated by the lead agency identified as the Thumb Area Michigan Works Agency. This all-inclusive employer-driven training cooperative is primarily financed through WIA Incumbent Worker funds. The Thumb Area will create generic training programs that any participating employer can utilize. Employer cost is \$10 per employee. The State of Michigan will provide funds to the Thumb area on behalf of the five participating MWAs. The Macomb/St Clair WDB will continue to work with the two major economic development agencies in the two counties. Therefore, \$247,535 remains for this board to continue with direct contracts with local training institutions to provide training to incumbent workers.

c. Recommendation to Approve Classroom Training Programs

With the commencement of the American Recovery and Reinvestment Act, classroom training programs are now allowed as previously operated through past legislation. Therefore, members reviewed a handout of 43 responses from nine (9) institutions submitted for various training programs requesting a total of \$5,669,532.12. Proposals were reviewed by staff eliminating 17 programs while necessary information is awaited from Macomb Community College for seven (7) of their proposals. Programs include a myriad of occupations from health care, information technology, green jobs, etc. Members reviewed staff recommendations for 19 training programs to serve approximately 350 customers. Number of total students will be negotiated along with costs that will be reduced to approximately \$1.5 million at this time. Additional programs for approval will be considered at a later date when more information is received.

(Gervason arrived)

d. Recommendation to Approve PY'09 Michigan Older Americans Community Service Employment Program Plan

The Macomb/St Clair WDB is the only Michigan Works Agency in the State to operate the Michigan Older Americans Community Service Employment Program having assumed it from the Area Agency on Aging 1B three years ago. The program serves individuals 55 and older from not only Macomb and St. Clair but also Oakland, Livingston and Monroe counties. There are 76 slots available for those eligible economically disadvantaged that provides opportunities to perform community service at the current minimum wage, where the goal is to retrain by providing work experience leading to unsubsidized employment. The majority of the \$721,327 available will provide wage and fringe benefits to program participants.

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(Daoud arrived)

e. Recommendation to Approve PY'09 Wagner-Peyser Employment Services Plan

The Wagner-Peyser Employment Service Plan describes how allocated funding is used to deliver employment services to qualifying individuals. The plan provides a physical description of the local system, a description of the service delivery process and a line item budget. There is a strong focus on the *No Worker Left Behind* program and assistance to local job seekers to prepare them for return to employment. The organization works in conjunction with the Unemployment Insurance Agency to provide special re-employment services to claimants who have been profiled as being likely to exhaust their UIA benefits before obtaining employment

f. Recommendation to Submit Competitive Plan for Enhanced Employment Services

With the huge increase in the number of unemployed and dislocated workers seeking services at our Michigan Works Service Centers in Macomb and St. Clair counties, we are in great need to increase our employment service staffing. The new staff will perform a number of functions including providing orientations to the *No Worker Left Behind* program; assisting customers in preparing resumes for the Talent Bank; delivering workshops on job search techniques, interviewing, networking, resume writing, marketing yourself, etc.; developing and delivering customized services that address the unique challenges faced by white-collar workers; and providing individual assessment of needs and service strategy plans. This initiative requires a request from the State for \$962,300 and an additional 16 limited-term staff positions through the current service provider, St. Clair Shores Adult and Community Education. Members reviewed a chart reflecting a tripling of traffic at the five centers.

g. Informational Items

i. Plant Closure Report

Ms. Tunnell reported one closure. Stock Building Supply will close its Macomb Township location in mid-July affecting 64 employees. A rapid response meeting and worker orientation are scheduled. Trade certification was received by K&K Screw Products in East China affecting 23 employees.

ii. NEG Update

The State of Michigan has applied for National Emergency Grant funds to assist those people impacted by the significant job losses in the auto industry. The request was spurred by lobbying from the local area MWA directors to get more dollars directed to this initiative.

Mr. Bierbusse has met with UAW/Chrysler, southeast Michigan Works directors and State representatives to request \$32 million to provide services to displaced auto workers. If the initiative is approved, it is expected that \$7.2 million will be made available locally to operate the UAW Chrysler Auto Transition Center in Warren. Members will be kept informed of any progress.

(Matuja arrived constituting a quorum)

WILLIAM PETERSON MOVED TO APPROVE ALL PLANS AS PRESENTED; SUPPORT BY PETER KEATING. MOTION CARRIED UNANIMOUSLY.

3. Approval of Previous Minutes

PATRICIA ANGER MOVED TO APPROVE THE MINUTES OF MAY 28, 2009 AS PRESENTED; SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY.

B. Administrative Committee

1. Meeting of June 11, 2009

a. Recommendation to Modify PY'08 WIA Dislocated Worker Program Budget

Mr. Gervason reported that the previous request to the State for \$2 million of dislocated worker funds has been approved and incorporated into the budget. Of this, \$1.6 million will be transferred into the adult program since there is a greater need for that population. Carry-in to the upcoming program year beginning July 1st was

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slightly increased. The majority of funds will be dedicated to training and training needs for dislocated workers. The budget totals \$7,183,435.

PATRICIA ANGER MOVED TO MODIFY THE PY'08 WIA DISLOCATED WORKER PROGRAM BUDGET AS PRESENTED; SUPPORT BY KRISTINE TREMBLE. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Modify PY'08 WIA Adult Program Budget

Due to the previous action, the budget has been revised to reflect the transfer of funds. Carry-in to the new budget was also increased. The majority of funds are dedicated to training and training needs for economically disadvantaged adults. The budget totals \$9,829,600.

PETER KEATING MOVED TO MODIFY THE PY'08 WIA ADULT PROGRAM BUDGET AS PRESENTED; SUPPORT BY PATTI GENDERNALIK. MOTION CARRIED UNANIMOUSLY.

c. Recommendation to Approve PY'09 WIA Dislocated Worker Program Budget

The initial allocation is less this year than last by approximately \$3.5 million. However, the budget will increase throughout the year as additional funds are requested. A transfer of \$850,000 will be made into the adult program; five percent is dedicated to administrative costs and three percent is expected to carry in to the next year. The majority of funds are dedicated to training for dislocated workers. The budget totals \$3,917,535.

MARY MATUJA MOVED TO APPROVE THE PY'09 WIA DISLOCATED WORKER PROGRAM BUDGET AS PRESENTED; SUPPORT BY PAUL REIZ. MOTION CARRIED UNANIMOUSLY.

d. Recommendation to Approve PY'08 Recovery Act Dislocated Worker Program Budget

Recovery Act dollars are allocated until 2011 and must be budgeted annually. Since April, a portion of the initial budget has been expended leaving \$3,604,087 remaining for the 2009 budget. The majority of funds will be dedicated to training dislocated workers. The budget totals \$3,183,351.

WILLIAM PETERSON MOVED TO APPROVE THE PY'08 RECOVERY ACT DISLOCATED WORKER PROGRAM BUDGET AS PRESENTED; SUPPORT BY PETER KEATING. MOTION CARRIED UNANIMOUSLY.

e. Recommendation to Approve PY'09 WIA Adult Program Budget

There is a slight increase of funding for the adult program. It is anticipated that this budget will increase throughout the year as transfer of funds from the dislocated worker budget will continue in order to provide services to economically disadvantaged adults. Five percent of the allocation will be targeted to administrative costs and three percent is projected to carry in to the next year. The majority of funds are dedicated to training. The budget totals \$5,680,209.

MARY MATUJA MOVED TO APPROVE PY'09 WIA ADULT PROGRAM BUDGET AS PRESENTED; SUPPORT BY KRISTINE TREMBLE. MOTION CARRIED UNANIMOUSLY.

f. Recommendation to Approve PY'09 Recovery Act Adult Program Budget

It is anticipated that the majority of funds will be used this year. Three percent is dedicated to administration costs; five percent is targeted for carry-in with the majority of funds dedicated to participant training. The budget totals \$3,728,839.

PHILIP PAPES MOVED TO APPROVE PY'09 RECOVERY ACT ADULT PROGRAM BUDGET AS PRESENTED; SUPPORT BY PETER KEATING. MOTION CARRIED UNANIMOUSLY.

g. Recommendation to Approve PY'09 WIA Youth Program Budget

The 2009 youth program allocation is similar to the previous year. The year round program offers services to both in-school and out of school youth. The budget totals \$3,999,186.

MARY MATUJA MOVED TO APPROVE THE PY'09 WIA YOUTH PROGRAM BUDGET AS PRESENTED; SUPPORT BY PAUL REIZ. MOTION CARRIED UNANIMOUSLY.

h. Recommendation to Approve PY'09 Recovery Act Youth Program Budget

The youth program recovery act budget is dedicated to the summer program only, anticipating services for up to 2,000 young people. The majority of funds are targeted to the wages of students who will earn the current minimum wage of \$7.40 per hour. The budget totals \$4,445,164.

PAUL REIZ MOVED TO APPROVE THE PY'09 RECOVERY ACT YOUTH PROGRAM BUDGET AS PRESENTED; SUPPORT BY RENE STEPHAN. MOTION CARRIED UNANIMOUSLY.

i. Recommendation to Approve PY'09 Administration Budget

The administration budget provides wages and fringe benefits for administrative staff who work solely with Workforce Investment Act programs. There is \$825,851 available; \$319,741 will be directed to the administrative cost pool making the budget total at \$396,110.

MARY MATUJA MOVED TO APPROVE THE PY'09 ADMINISTRATION BUDGET AS PRESENTED; SUPPORT BY WILLIAM PETERSON. MOTION CARRIED UNANIMOUSLY.

j. Recommendation to Approve PY'09 Recovery Act Administration Budget

The recovery act administration budget has an estimated \$621,000 of carry-in from the initial allocation received in April. These funds are tracked separately. WIA staff wages and fringes are paid through this budget, which totals \$137,100.

PHILIP PAPES MOVED TO APPROVE THE PY'09 RECOVERY ACT ADMINISTRATION BUDGET AS PRESENTED; SUPPORT BY MIKE MORAN. MOTION CARRIED UNANIMOUSLY.

k. Recommendation to Approve PY'09 Incumbent Worker Program Budget

The 2009 allocation is slightly less than the previous year. The board previously authorized transfer of funds to the Thumb area to support the Employer Builders Alliance. Therefore, local funds to train incumbent workers are \$222,785 and the remaining \$250,000 will be transferred to the Thumb area. The budget totals \$472,785.

MARY MATUJA MOVED TO APPROVE PY'09 INCUMBENT WORKER PROGRAM BUDGET AS PRESENTED; SUPPORT BY KRISTINE TREMBLE. MOTION CARRIED UNANIMOUSLY.

l. Recommendation to Approve PY'09 Administrative Cost Pool Budget

The administrative cost pool is derived from contributions from the Workforce Investment Act, the JET program, Employment Service, both MPRI programs and other miscellaneous funding sources. The budget supports the majority of the central administrative staff and was slightly increased due to an increase of staff. Indirect costs paid to Macomb County for their services increased this year. The budget totals \$1,525,950.

PETER KEATING MOVED TO APPROVE PY'09 ADMINISTRATIVE COST POOL BUDGET AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.

m. Recommendation to Approve PY'09 Information Technology & Computerization Budget

This budget supports I T staff and purchases, maintenance and repair of computer equipment. Funds are pooled from all other funding sources. The budget totals \$752,000.

MARY MATUJA MOVED TO APPROVE THE PY'09 INFORMATION TECHNOLOGY & COMPUTERIZATION BUDGET AS PRESENTED; SUPPORT BY RENE STEPHAN. MOTION CARRIED UNANIMOUSLY.

n. Recommendation to Approve PY'09 Michigan Older Americans Community Services Employment Program Budget

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This budget supports a program that services economically disadvantaged individuals 55 years of age and older with training to assist them in returning to unsubsidized employment. There are 76 positions funded through this budget, which has increased by approximately \$65,000 since last year. The majority of funds are directed to participant wages. The budget totals \$652,801.

WILLIAM PETERSON MOVED TO APPROVE PY'09 MICHIGAN OLDER AMERICANS COMMUNITY SERVICES EMPLOYMENT PROGRAM BUDGET AS PRESENTED; SUPPORT BY PAUL REIZ. MOTION CARRIED UNANIMOUSLY.

o. Recommendation to Approve PY'09 Wagner-Peyser Employment Services Program Budget

The employment service budget supports staff for the program where customers must register for unemployment benefits by registering on the Talent Bank and are also required to seek employment. The budget is similar to the previous year and totals \$1,504,585.

MARY MATUJA MOVED TO APPROVE PY'09 WAGNER-PEYSER EMPLOYMENT SERVICES PROGRAM BUDGET; SUPPORT BY PETER KEATING. MOTION CARRIED UNANIMOUSLY.

p. Informational Items

i. Trade Adjustment Assistance Expenditure Report

State policy requires TAA funds to be requested as needed and the organization is reimbursed for actual expenditures, eliminating the need for monthly budget modifications.

Year-to-date comparisons reflect fiscal year 2008 at \$1,968,815.96 compared to fiscal year 2009 at \$3,078,302.82.

6. Executive Director's Report

Mr. Bierbusse approached Chrysler Corporation representatives in an attempt to coordinate an automotive transition center in their UAW Chrysler National Training Center facility in Warren. The company was quite agreeable to a coordinated venture to assist displaced auto workers in southeast Michigan by providing the 240,000 square foot building. The State of Michigan has applied for a National Emergency Grant (NEG) and once received, the local \$7.5 million allocation will be applied to establish the National Training Center providing viable training opportunities to displaced auto workers and suppliers.

Mr. Bierbusse reported on local media attention where the Washington Post and the New York Times are both working on stories involving local dislocated workers.

7. Other Business

There was no other business.

8. Hearing of the Public

There were no comments.

9. Scheduling of Next Meeting

The next general meeting is scheduled for 3:00 p.m., Thursday, August 27, 2009. Members will be notified.

10. Adjournment

WILLIAM PETERSON MOVED TO ADJOURN; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY. The meeting adjourned at 5:10 p.m.

Respectfully submitted,
Laura Carne
Recording Secretary