

**Wisconsin Economic Development Corporation
Meeting of the WEDC Board**

**WEDC
First Floor Conference Room
201 West Washington Avenue
Madison, WI 53703**

**November 20, 2018
1:00 - 4:00 P.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

BOARD MEMBERS PRESENT IN PERSON:

- Lisa Mauer, Rickert Industries (Chair)
- Senator Caleb Frostman
- Senator Dan Feyen
- Representative Rob Hutton
- Randy Hopper, Mountain Dog Media
- David Drury, WING Capital Group
- Secretary Rick Chandler, Department of Revenue

BOARD MEMBERS PRESENT VIA TELECONFERENCE

- Nancy Hernandez, ABRAZO, LLC
- Raymond Dreger, Seeds 'N Stuff Farm Market, Inc.
- Secretary Ellen Nowak, Department of Administration
- Jim Ladwig, SC Johnson

BOARD MEMBERS EXCUSED

- Representative Dana Wachs

CALL TO ORDER AND ROLL CALL

WEDC Chair Lisa Mauer called the meeting to order at 1:00 p.m.

Lisa Mauer requested a motion to approve the minutes from the July 11, 2018, August 27, 2018, September 18, 2018, September 26, 2018, and October 25, 2018 Meetings. A motion was made by Senator Dan Feyen with a second by David Drury. The motion to approve the minutes was passed unanimously.

COO Report

COO Tricia Braun presented the COO report to the Board. Tricia Braun highlighted WEDC's commitment to small businesses and communities around the state, explaining that out of the 342 financial awards WEDC provided in the past year, 98% of them were to small and medium sized businesses and communities around Wisconsin. She also noted that WEDC's strong commitment to the Veterans Talent Outreach Initiative has been recognized by "Hiring Our Heroes", the non-profit organization that hosts the transition summits at which the Wisconsin team has participated, noting they are using Wisconsin as a best practice in showcasing what the state has to offer for U.S. service members and their families as they transition to civilian life, beyond just a job.

Manufacturing Ready in Wisconsin

Business and Investment Attraction Director Jela Trask and Executive Director and CEO Buckley Brinkman from the Wisconsin Center for Manufacturing & Productivity presented Manufacturing Ready in Wisconsin to the Board. Jela Trask and Buckley Brinkman provided overview and updates on supplier readiness, productivity and Industry 4.0 in the current competitive global marketplace. The presentation highlighted WEDC's commitment to the access of information for small and medium sized manufacturing businesses in Wisconsin as well as the catalysts needed to elevate competitiveness, create improvements by utilizing the Transformational Productivity Initiative (TPI), and help small and medium size manufacturers navigate their resources in favorable ways.

Chair Report

Lisa Mauer presented the Chair Report to the Board. Lisa Mauer recognized multiple WEDC internal staff for receiving several awards. The awards for recognition include:

- The International Economic Development Counsel's Gold Excellence in Economic Development Award for WEDC's Think-Make-Happen Wisconsin video
- UK-based City Nation Place Awards recognizing WEDC's talent attraction marketing initiative as one of 10 finalists for "Best Communication Strategy", a global competition that attracted 100 entries from 16 countries across the globe
- Government Finance Officers Association of the United States and Canada awards WEDC for the fifth consecutive year the "Certificate of Achievement for Excellence" for the Comprehensive Annual Financial Report
- FaB Wisconsin, the state's food and beverage industry cluster, named Cate Rahmlow as one of the organization's "FaB Five" for the support that she and WEDC has provided to the organization for the development of the state's food and beverage sector

- UW-WEDC Ideadvance Lean- Start Up program was a national award of excellence finalist in the Innovation category

Lisa Mauer also recognized Tricia Braun as being awarded one of North America's Top 50 Economic Developers.

Board Ethics Policy

Lisa Mauer identified that updates were made to the Board Ethics Policy. The changes were made primarily to align with changes to the WEDC Code of Ethics and Conduct.

CEO Report

Secretary and CEO Mark Hogan presented the CEO Report to the Board. Mark Hogan started by addressing the Gubernatorial transition for Governor-Elect Tony Evers and identified that he would be meeting with Governor-Elect Evers as part of the transition process to discuss how WEDC operates and how it can support the new administration's economic development goals. Mark Hogan then discussed the China International Export Summit and the economic support provided by Foxconn to ten Wisconsin companies to showcase at the event pavilion.

Mark Hogan presented the Credit and Risk report to the Board. As part of the report, he provided updates for the Kestrel and Green Box collection matters.

In his WEDC in the News presentation, Mark Maley highlighted the work WEDC has been doing out in the communities, including top stories appearing in local newspapers and T.V. stations statewide.

CFO Report

CFO Brian Nowicki presented, and the Board discussed, the Quarterly Financial Report from September 30th. The unassigned fund balance from this quarter reflects the excess balance at the end of the previous fiscal year from SEG funding. Brian Nowicki described the seasonality of business at WEDC, pointing to a lag between revenues and expenses within the first quarter.

Review and Vote on Submission of Programmatic Report under Wis. Stat. 238.07(1)

Senior Director of Public Policy Amy Young presented, and the Board discussed, the Submission of the Programmatic Report. This plan, which must be approved by the end of the calendar year, highlights the current operating plan in place and information on how the fiscal year plan will develop.

Lisa Mauer requested a motion to approve the report. A motion was made by David Drury with a second by Randy Hopper. The motion to approve the report was passed unanimously.

Committee Reports

Budget and Finance Committee Report

The Board was provided a summary of the September 7, 2018 and October 12, 2018 meetings.

Audit Report

The Board was provided a summary of the November 9, 2018 meeting.

AUDIT OF ANNUAL PERFORMANCE MEASUREMENT FOR WEDC AWARDS

CFO Brian Nowicki introduced Bill Judd and Jake Lenell from Clifton Larson Allen (CLA) to present on the Audit of Annual Performance Measurement for WEDC Awards. CLA performed a sample selection of awards to “perform an adequate sample selection, and verify, through source documentation obtained directly from selected Awardees, that the information provided by the Awardee to WEDC, under both performance reports and compliance/workbook reports, is accurate and complete”. CLA presented on the process in which the awardees from FY17 were selected, source documentation to support information within the Performance Report and Compliance Workbook was requested, and documentation providing supporting information was reported to WEDC.

CLA found that 63.2% of the Awardees provided documentation with no exceptions. 3.2% had paid off the loan, withdrew from their award contract, or had their award contract revoked. 2.4% did not respond or responded but did not provide the requested information, and 31.2% reported some form of exceptions. Narrowing the population to exceptions that had a negative effect on reported outcomes, the exception rate falls to 8%. The total net effect on jobs reporting in our ARED database was a net loss of 11 jobs on 37,422 jobs verified.

Lisa Mauer requested a motion to approve the Audit of Annual Performance Measurement for WEDC Awards. Motion was made by David Drury with a second by Randy Hopper. The motion to approve Audit of Annual Performance Measurement for WEDC Awards was passed unanimously.

YEAR END COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Dan Berg from Sikich presented the CAFR, Management Communications Letter, and Federal Single Audit to the Committee. Sikich issued a ‘clean opinion’ of WEDC. They did not encounter any difficulties in performing their audit, there were no disagreements with WEDC management, and there were no management issues or adjusting journal entries reported.

CLOSED SESSION

Lisa Mauer requested a motion to approve entering closed session to discuss specific personnel matters. Motion was made by Senator Dan Feyen with a second by Nancy Hernandez. The motion to move to closed session was passed unanimously. All WEDC staff and attendees exited the room and reconvened upon conclusion of the closed session deliberations.

Lisa Mauer requested a motion to approve the CAFR. A motion was made by Senator Dan Feyen and David Drury. The motion to approve the CAFR was passed unanimously.

Awards Administration Committee

The Board was provided a summary of the July 9, 2018, August 23, 2018, September 18, 2018, September 25, 2018, and October 23, 2018 meetings.

CLOSED SESSION

Lisa Mauer requested a motion to approve entering closed session. Motion was made by David Drury with a second by Caleb Frostman. The motion to move to closed session was passed unanimously.

Members of the public excused themselves for closed session.

See separate minutes for closed session.

RESUMPTION OF OPEN MEETING

The meeting reconvened in open session at 2:52 pm.

ADJOURNMENT

Lisa Mauer requested a motion to adjourn the meeting. A motion was made by David Drury with a second by Randy Hopper. The motion to adjourn the meeting was passed unanimously. Lisa Mauer adjourned the meeting at 2:52 pm.