

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

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

**October 22, 2019  
1:00-3:00 PM**

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

**BOARD MEMBERS IN PERSON:**

- Henry C. Newell, formerly Wausau Paper (Chair)
- Senator Dan Feyen
- Representative Gordon Hintz (arrive in person 1:38 PM)
- John Peterson, Schuette Metals
- John Brogan, Bank of Kaukauna
- John Oathout, American Bank
- Joseph Kirgues, gener8tor
- Lisa Mauer, Rickert Industries (depart 3:09 PM)
- Mike Kunesh, Place Perfect
- Randy Hopper, Mountain Dog Media
- Rebecca Cooke, Red's Mercantile
- Thelma Sias, We Energies (ret.)
- Secretary Peter Barca, Department of Revenue (depart 2:50 PM)
- Secretary Joel Brennan, Department of Administration

**BOARD MEMBERS PRESENT VIA TELECONFERENCE:**

- Jim Ladwig, SC Johnson (depart 3:01 PM)
- Representative Rob Hutton
- Senator Tim Carpenter (arrive 1:15 PM, depart 1:30 PM)

**BOARD MEMBERS EXCUSED:**

- Eugenia Podesta, Synergy Madison

## **CALL TO ORDER AND ROLL CALL**

WEDC Chair Hank Newell called the meeting to order at 12:59 PM.

Hank Newell requested a motion to approve the minutes from the September 25, 2019 Meeting. Motion was made by Lisa Mauer with a second by Becca Cooke.

## **CHAIR REPORT**

Hank Newell updated the Board on changes to the committee structure by reference to the WEDC Board Transmittal Letter dated October 17, 2019. The WEDC Board Transmittal Letter dated October 17, 2019 is incorporated into the minutes by reference.

The Audit Committee and the Budget and Finance Committee will be consolidated with a charter that will be prepared for adoption. Hank Newell thanked former Audit chair Randy Hopper, thanked former Budget and Finance chair Nancy Hernandez, thanked former Audit member Representative Gordon Hintz, thanked former Budget and Finance members Senator Dan Feyen, Eugenia Podesta, and Mike Kunesh. Hank Newell introduced Lisa Mauer as chair of the Audit and Budget Committee with members Randy Hopper, Senator Tim Carpenter, Representative Rob Hutton, Secretary Kathy Blumenfeld, and one position TBD.

Hank Newell thanked former Awards Administration Committee members John Reinke and Randy Hulke for their service. Hank Newell thanked former chair Jim Ladwig and introduced John Brogan as chair of AAC. Hank Newell introduced members John Oathout, Jim Ladwig, Thelma Sias, and two Non-Board members TBD. Hank Newell also thanked former Entrepreneurship and Innovation Committee member Eugenia Podesta and introduced Mike Kunesh to the Committee. Hank Newell also introduced a Strategic Alignment Process consisting of Eugenia Podesta, Senator Dan Feyen, Representative Gordon Hintz, and John Peterson who will work with management to establish a process to engage the Board in achieving strategic alignment around a Five-Year Strategy.

## **CEO REPORT**

WEDC Secretary and CEO Melissa Hughes presented the CEO Report to the Board. Melissa Hughes presented an overview of her state travel within the past few weeks. Melissa Hughes highlighted cities, businesses, and partners she was introduced to over her travels across the state of Wisconsin.

DOA Strategic Economic Initiatives Director Sam Ridders presented, and the Board discussed, the Foxconn Project Update. Sam Ridders updated the Board on the Wisconsin Valley, Mt. Pleasant, Racine County full development site. Sam Ridders updated the Board on the current planning and construction underway, including the SIO-LCD Manufacturing Facility, Power Substation, Fii Data Center, and Smart Manufacturing Center. Sam Ridders provided a status update on site development, site utility, roadway paving, and steelwork underway. Sam Ridders provided an update on the Economic Inclusion & Diversity results to date including the milestones of approximately 250 construction works on site each day and more than \$300 million in contracts awarded or out for bid. Wisconsin State Investments include WEDC, DOT, DOA, DWD, DNR, and DSPS.

## **COO REPORT**

WEDC COO Tricia Braun introduced Russell Kashian, Director, Fiscal and Economic Research Center & Choton Basu, Professor, IT&SCM, Sam Walton Fellow who presented on the UW-Whitewater Program Evaluation. Each presenter presented an outline executive summary for their reports evaluating both the Jobs Tax Credit Program (JTC) and the International Market Access Grant (IMAG). Each presenter detailed the methodology, data collections, and analysis included within the executive summaries provided to the Board and provided key recommendations and feedback from their studies.

## **CFO REPORT**

WEDC CFO Brian Nowicki presented, and the Board discussed, the CFO Report. Brian Nowicki presented the June 30, 2019 Quarterly Financials providing a financial support overview. The information provided on the June 30, 2019 Quarterly Financials is included within the report provided to the Board. Brian Nowicki also presented the Credit and Risk Report to the Board. The memo provided the Board summarizes and provides general comments regarding the Credit and Risk reports as of September 30, 2019.

## **COMMITTEE REPORTS**

Audit Chair Randy Hopper provided an overview of the Audit Committee meeting provided in the Audit Committee Memo.

### **Review and Vote on CLA Audits**

Brian Nowicki introduced Jake Lenell from Clifton Larson Allen (CLA) to present on the FY17 Audit Follow-up Report and the FY18 Audit Report for the six-month period ending December 31, 2017. To begin, Jake Lenell presented on the report addendum to the FY17 Verification of Annual Performance Measurements for WEDC Awards report. This review was performed to access whether the exceptions reported for the awardees on the initial report have been remediated. For the awardees where exceptions were reported, it was noted that all of the Performance Report exceptions and several of the Compliance Workbook exceptions have been remediated. For the Compliance Workbook exceptions, all 9 were reviewed in addition to the 3 awardees that did not respond or did not provide requested information. For the 12 awardees, 6 were remediated, 4 were affirmed, and 2 are in process with review steps being performed to access whether the exception has been remediated.

Next, Jake Lenell presented their review to verify the annual performance measurements for WEDC awards from 7-1-2017 to 12-31-2017. Sixty percent (24) of the awardees had no issue. Twenty-two percent (9) of the awardees had previously provided information to support the amounts reported or withdrew from the contract. The remaining seventeen percent (7) of the awardees provided documentation but had reporting exceptions. The 17.5% total that responded, but did not provide the requested information or provided information but reported exceptions, was a marked decrease from the last report which saw 31.2% reporting exceptions.

Hank Newell requested a motion to approve the CLA Audits. Motion was made by Randy Hopper with a second by John Peterson. The motion to approve recommendation of the CLA Audits was passed unanimously.

### **Review and Vote on WEDC Management Responses to the LAB Audit**

Brian Nowicki presented, and the Board discussed, the WEDC Management Responses to the LAB Audit. Brian Nowicki presented an overview of the WEDC management responses to the LAB Audit. There were two changes to the responses that Brian Nowicki discussed with the Board: recommendation #4 regarding Enterprise Zones & recommendation #9 regarding the Annual Report on Economic Development.

Hank Newell requested a motion to approve the WEDC Management Responses to the LAB Audit. Motion was made by Randy Hopper with a second by John Brogan. The motion to approve the responses was passed unanimously.

Becca Cooke and Joe Kirgues provided an update on the Entrepreneurship and Innovation Committee, their upcoming travels to meet with committee members across the state, and their upcoming meeting on November 4, 2019.

Jim Ladwig was not presented as Chair for the last meeting, the AAC memo document provided in the Board materials stood as the report.

### **CLOSED SESSION**

Hank Newell requested a motion to approve entering closed session. Motion was made by Thelma Sias with a second by John Peterson. The motion to enter 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 3:20 pm.

### **ADJOURNMENT**

Hank Newell requested a motion to adjourn the meeting. Motion was made by Senator Dan Feyen with a second by John Brogan. The motion to adjourn the meeting was passed unanimously. The meeting adjourned at 3:20 PM.