



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

WORKFORCE ORGANIZATIONAL REFORM COMMITTEE

ALD. RUSSELL STAMPER, II, CHAIR
Ron Roberts, Vice Chair
Lori Lutzka, Nikki Purvis, and Dan Thomas
Staff Assistant, Chris Lee, 286-2232, Fax: 286-3456,
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Legislative Liaison, Andrew VanNetta, 286-2253,
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Thursday, May 26, 2016

10:00 AM

Employ Milwaukee (formerly MAWIB)
Room 118
2342 N. 27th St., Milwaukee, WI 53210

1. Call to Order.

Meeting called to order at 10:46 a.m.

Present 5 - Thomas, Roberts, Purvis, Stamper and Lutzka

Individuals also present:

*Andrew VanNatta, Legislative Reference Bureau
Monique Lofton, Budget & Management Division*

Meeting recessed at 10:49 a.m.

Meeting reconvened at 11:13 a.m.

2. Introduction of Members.

Members made brief introductions.

3. Review of the Meeting Minutes from April 18, 2016.

Ms. Lutzka moved approval, seconded by Mr. Roberts, of the meeting minutes of April 18, 2016. Mr. Thomas excused. There was no objection.

4. Review and Presentation of Recommendations regarding Ordinance, Policy, Procedure, and Practice relative to the SBE, LBE, and RPP Programs.

Ald. Stamper gave initial remarks. The discussion will consist of a presentation and review of the draft ordinance, public comments, and any new recommendations proposed. The draft ordinance presented today for discussion is legal according to the City Attorney's office.

*Individuals present who participated in the meeting discussion:
Dan Bukiewicz, Milwaukee Building & Construction Trades Council President*

Joan Zepecki, Hunzinger Construction Diversity and Community Outreach Coordinator
Ruth Zubrensky, National Association for the Advancement of Colored People (NAACP) volunteer
Pam Fendt, Laborer's Union
Rocky Marcoux, Department of City Development Commissioner
Brian Mitchell, Choice Wrecking
Tim McMurtry, Milwaukee Area Workforce Funding Alliance
Shannon Jefferson, Gibraltar Industries, Inc.
Rob Henken, Public Policy Forum
Fred Royal, National Association for the Advancement of Colored People (NAACP) Milwaukee Chapter
Earl Buford, Employ Milwaukee
Lafayette Crump, Prism Technical
Joe Liebau, WasteCap Resource Solutions
Mr. White
Jim Carpenter, Milwaukee Area Technical College
Rhonda Kelsey, City Purchasing
Kathy Block, City Attorney's Office

Ms. Lofton gave a presentation on proposed changes as reflected in the draft ordinance relative to RPP eligibility requirements, RPP certification period, RPP worker information, apprentices, disadvantaged areas, incentives, missed hours, penalties, utilization plan, LCPTTracker software, First-Source Employment Program, performance reporting, LBE certification, SLBE incentive, disadvantaged w/ respect to business location, and an advisory committee..

Ms. Lofton said that the unemployment duration eligibility requirement for RPP certification is decreased from 30 to 15 consecutive days inclusive of Saturdays and Sundays.

Ms. Lofton said the RPP certification period will be indefinite, as opposed to five years, and will require verification every two years. Certification will be lost if residency and/or income criteria are no longer met.

Ms. Fendt and Zepecki questioned reverification of income.

Ms. Lutzka said that only residency addresses will be verified every two years and not incomes.

Ald. Stamper said to strike "and/or income criteria are no longer met" from reverification and to change two years to three years for reverification in order to align with the three year audits from the Comptroller's office.

Ms. Lofton said that, in addition to basic information, RPP worker list information will include worker's trade, experience, and worker hours by zip code, race, ethnicity, and gender.

Ms. Block said to strike ethnicity since it is not relevant.

Ms. Lofton said that all apprentices must be RPP certified, one quarter of required RPP hours must come from apprentices, and apprentices may also count towards the disadvantaged area requirement if applicable. Apprentices are not currently required to be RPP certified.

Ald. Stamper said the Public Policy Forum indicated that no apprentices were RPP

certified in its report concerning the last development agreements.

Ms. Zubrensky said that there is no control over the Bureau of Apprenticeship Standards housed in the Wisconsin Department of Workforce Development. The Bureau has different criteria and a convoluted apprenticeship process. There has been little recruitment and production of minority, including African Americans, and women apprentices. The apprenticeship and on-the-job trainee requirements in Ch. 355-9 of the proposed ordinance needs to be revised to align with reality. Apprentices cannot be required to be RPP certified. There are other sources of apprenticeship recruitment including nontraditional sources from a variety of organizations.

Ald. Stamper said the State's ratio requirement is 25 percent in development agreements and the proposal is only for 10 percent of apprentices to be RPP certified. Developers and contractors have the ability but are not employing apprentices.

Ms. Lutzka said Ms. Zubrensky's concern is that it may be unrealistic to require all apprentices to be RPP certified due to a lack of apprentices.

Ms. Zepecki said that for proposal is only one quarter of required RPP hours must come from apprentices, which translates to 10 percent of the required 40 percent RPP requirement on a project. The proposal that all apprentices must be RPP certified is not in the proposal despite being stated as such.

Mr. Bukiewicz said that some jobs may just not require apprentices to be on it due to some jobs requiring extremely skilled or unique workers or journeymen. The City Hall foundation project is an example. There should be consideration of the different apprenticeship processes from the different trades.

Commissioner Marcoux said that there should be some apprentices that are RPP certified for typical projects that will not have an issue with hiring apprentices. There is flexibility in the existing ordinances for atypical situations where the hiring of apprentices may not be practical.

Mr. Mitchell said that his company hires all RPP certified apprentices for iron work. He added that there should be flexibility in hiring apprentices since apprentices may not be practical for certain projects.

Mr. McMurtry commented. His firm serves to aggregate funds, privately and publicly, to improve workforce development output in Milwaukee and southeastern Wisconsin and also to remove barriers to employment. The proposed requirement of one quarter of required RPP hours must come from apprentices should be left unchanged and is an opportunity to provide insurance and entry for people of color into the construction industry where historically it has not been done.

Ms. Jefferson said there is difficulty in finding ethical contractors to put residents on the job and subcontractors do not have knowledge of local resources.

Atty. Block said a potential remedy is to alter the RPP apprenticeship portion of Ch. 355-9 to require that a certain portion of the apprenticeship participation allowed through state law be RPP certified instead of altering Ch. 355-7, which concerns RPP requirement.

Ms. Lutzka said that is the intent, makes sense, and is more achievable. The remedy is to say 25 percent of the state apprenticeship standards be RPP certified

rather than say 25 percent of the 40 percent RPP requirement be apprentices.

Ms. Zepecki said it is important to get the language written right on the RPP certified apprenticeship requirement to lessen the concerns, misconceptions, and fears of contractors who may not understand it. It should be made clear that 10 percent of the total project should require apprentices. Also, there is real opportunity to hire apprentices now as opposed to the past.

Mr. Roberts said the total worker hours on a project should come from apprentices.

Atty. Block said that there are two different intentions being discussed. The current proposal is for 25 percent of the 40 percent RPP requirement, which translate to 10 percent of the total worker hours on a contract, come from apprentices. The current proposal can be tweaked to be made clearer and to lessen confusion.

Ms. Fendt added remarks. A Milwaukee County Apprenticeship Work Group report from 2010 examined barriers that minorities faced in entry to registered apprenticeship programs in the area. The report called for more effort to increase participation in local apprenticeship programs in a local community. There is much outreach going on in the contracting community, and more workers are needed for projects. Since the report, 10 of 16 union affiliated construction trade apprenticeship programs in the greater Milwaukee metro area have increased its minority participation. Changes are happening now because the work is coming in. Perhaps the committee should meet one more time on the recommendations within the draft ordinance. Putting the requirement in the apprenticeship portion of Ch. 355 would be more appropriate.

Mr. Henken said a concern is Ch. 355-9 not being enforced and inclusive of RPP certification. Altering Ch. 355-9 to require a portion of apprentices to be RPP certified would be more in accord.

Ms. Lutzka moved that 25 percent of the apprenticeship state standards need to be RPP certified under Ch. 355-9 for projects that are getting apprentices.

Mr. VanNatta said that Ch. 355-9 applies to only projects that receive direct financial assistance. The current ordinance draft includes Ch. 309-41 for city contracts.

Ald. Stamper said the 25 percent RPP certified apprenticeship requirement should also include city contracts.

Ms. Jefferson said that her company has difficulty in finding local residents with the necessary skills to hire for projects.

Mr. Royal said that the target disadvantaged areas and intended population should not be excluded from the proposed provision.

Mr. Crump said that the apprenticeships are connected to RPP but not disadvantaged areas in the proposed provision.

Atty. Block commented. There are two different perks. RPP is citywide. There is the 25 percent apprenticeship RPP certification requirement. There is also a 25 percent disadvantaged area requirement, which is a separate piece, tied to census tracts and not CDBG areas. There are incentives for achieving beyond the apprenticeship and census tract requirements. The motion on the apprenticeship RPP certification requirement should be made to address both city contracts and development contracts.

Ms. Lutzka moved to amend her motion to include that 25 percent of apprentices under state standards are required to be RPP certified in Ch. 309 for city contracts.

Mr. Roberts said the current low threshold of \$100,000 should be addressed with regards to the apprenticeship RPP requirement because it may not be practical for small city contracts, despite being over that threshold, to support apprentices as opposed to very large contracts through private developments in excess of \$1 million. There are provisions that say the contracting department has the discretion to exclude requirements under certain conditions such as the nature of work, duration, and non-apprenticeship trades.

Mr. Thomas said that every DPW contract is over \$100,000, would be subject to the proposed RPP apprenticeship provision, and would have a hardship to have apprentices if the contract is small.

Mr. McMurtry said that everyone, big or small, has to have skin in the game. The proposed provision is not perfect but would be a starting point.

Mr. Roberts said that the proposed advisory committee can further dive deeper to review and make improvements or further details on the proposed provisions being discussed.

Mr. Thomas moved to amend Ms. Lutzka's motion, as amended, for the apprenticeship RPP requirement to apply only on a city contract over \$500,000.

Mr. Bukiewicz said that companies can take advantage by accumulating separate contracts under \$500,000; thus, not being subject to the apprenticeship RPP requirements despite the separate contracts totaling over \$500,000.

Mr. Royal said the apprenticeship provision is intended for major projects and not small ones to provide pathways for apprentices.

Mr. Crump added that a certain number of apprenticeship hours, similar to RPP hours, should be addressed instead of the number of apprentices employed to ensure that apprentices are actually working.

Atty. Block said that she would have to check with state laws about incorporating apprenticeship hours instead of apprenticeship bodies.

Mr. Liebau said that he agrees with the \$500,000 city contract threshold with his firm hiring 70 to 90 percent of entry level RPP workers for its smaller scale deconstruction projects.

Mr. White commented. He trains young men and women to acquire real skills to be employable long term. He is concerned with firms avoiding the \$500,000 threshold through the acquisition of multiple smaller contracts. Focuses should be on target areas with different zip codes and establishing strong pre-apprenticeship programs.

Ms. Zepecki said that tracking apprentice hours is doable and beneficial.

Ald. Stamper said that out of the proposed 25 percent requirement that apprenticeship hours are RPP hours, 10 percent from the 25 percentage should come from disadvantaged areas.

Mr. VanNatta commented. The motion is to require one quarter of apprenticeship

hours be from RPP certified workers for private development contracts above \$1 million in the apprenticeship requirement section in Ch. 355-9 and for city contracts above \$500,000 in the apprenticeship requirement section in Ch. 309-38. Additionally, 10 percent should come from disadvantaged areas out of the one quarter RPP apprenticeship requirement on contracts.

Mr. Carpenter asked for clarity on the percentages discussed.

Ald. Stamper said 10 percent of the total apprentices have to come from distressed areas. Those apprentices from distressed areas all have to be RPP certified.

Mr. Henken said the intent is for 25 percent of apprentices all have to be RPP certified and 10 percent of those RPP certified apprentices have to come from distressed areas.

Ms. Lutzka moved that the final motion, as discussed and amended, is to require one quarter (25 percent) of apprentice hours under state standards be RPP certified hours in Ch. 355-9 for private development contracts and Ch. 309 for city contracts; that requirement shall apply only on a city contract over \$500,000; and 10 percent of those RPP certified apprentice hours are to be from workers in distressed areas. Mr. Thomas seconded. There was no objection.

Ms. Lofton said the next proposed change is to require one quarter of required RPP hours come from workers in CDBG areas.

Ald. Stamper said that this change is for RPP only and should not count towards the apprentice requirement, which was already addressed.

Ald. Stamper said that the next change provides an incentive of 1.5 hours for contracts exceeding the required percentages for RPP hours from apprentices and from disadvantaged areas.

Ald. Stamper said another change is that additional hours used from different projects to meet requirements on an original project can come from hiring RPP workers for projects within Kenosha, Ozaukee, Racine, Walworth, Washington, and Waukesha counties. Contractors who are unable to fulfill requirements can fulfill requirements with the same workers as long as those workers are RPP, start a job originally on a Milwaukee project, and work on projects in the outlining areas as described. The point is to allow residents to continue their employment on projects elsewhere and lessen layoffs.

Ms. Lutzka remarked. Milwaukee County should be included. The existing ordinance in Ch. 355 allows for one-third of hours of other projects to be counted towards a City project that fails to meet its RPP requirement per the discretion of the city department. The new proposal is more generous.

Atty. Block said the one-third of the hours on other projects is based on the hours that are short on the original project and is different from the new proposal. Perhaps the two can be mixed to produce a better provision.

Ms. Zepecki said that the City of Madison, which has much work, should be included.

Ms. Purvis said that there has not been an opportunity to see this provision triggered due to the limited number of projects requiring the RPP requirement. The current ordinance language allows for flexibility. It remains to be seen if the current language or the new provision is feasible.

Mr. Thomas said a concern would be a company having RPP workers on a project outside of the City instead of on a simultaneous project in the City.

Mr. VanNatta said that the new provision states that the residents must have begun their employment on projects within the City.

Mr. Bukiewicz said the intent is to keep people employed and the incentive for the contractor is to get credit for the RPP worker on projects outside of the City in the adjoining areas.

Mr. Crump said this new provision may prompt contractors to not achieve their RPP requirement on a project in the City. This may not be an incentive to keep workers employed. Also, there should be a time parameter imposed.

Ms. Purvis said this provision would only be applicable if the RPP requirement is not met. The proposed provision is not meant to be across the board to include situations where the requirement is met.

Mr. Thomas said that perhaps the offsite project should produce banked hours only.

Ms. Lutzka said there would be an issue of monitoring the banked hours.

Mr. Henken said that the advisory commission should deliberate further on the matter and can be directed to do so via legislation.

Ald. Stamper said that the offsite project should be concurrent to the City project and perhaps this provision can be held for further deliberation by the advisory committee.

Ms. Kelsey said that the continuity piece for RPP employment is important to the Common Council president.

Mr. Roberts moved to accept the RPP missed hours and offsite additional hours provision with the addition of Milwaukee County and Dane County as permitted project areas. In addition, projects in the permitted areas have to be concurrent to the original project in the City. Furthermore, the advisory committee is to review and determine improvements on the provision within three months of the advisory committee's creation. Mr. Thomas seconded. There was no objection.

Ald. Stamper said the next change pertains to standardizing penalties for non-compliance through a \$2000 fine for both public works and private development projects. The funds gained from the fines will be used to train individuals as a pre-apprenticeship measure to prepare them for employment.

Mr. VanNatta said the proposed provision about the use of the funds is not in the draft ordinance.

Atty. Block said that the provision about the use of the penalty funds may not be legal. There are rules about where fines go in municipal court. Potentially the provision can be altered to say the portion that the City gets after a court determination. The matter needs further investigation.

Mr. Thomas said that the two different kinds of penalty measures pertain to fraud and nonperformance. The \$2000 fine addresses the fraud, but there is nothing codified that addresses nonperformance issues. The existing ordinance gives discretion to the city department but offers no real guidance.

Mr. Roberts said the concept of a bonus fund would not waive nonperformance but redirect the penalty funds towards training and development. The advisory commission should discuss addressing performance shortfalls. There should be no waivers but shortfalls, and money should be redirected to address those shortfalls.

Ald. Stamper said that the training part of the provision should be held for further study by Atty. Block.

Mr. Roberts moved that the advisory committee should study within the first 90 days of its creation the matter of redirecting penalty funds for training. Mr. Thomas seconded.

Mr. Carpenter said that the amount of the fine should be proportionate to the size of a contract.

Mr. Thomas said that there is a formula based on wages paid, shortfall, RPP requirement, and contract dollar amount that would provide for higher penalties for higher value contracts.

Ms. Kelsey said that the penalty amount can be tied to the dollars not paid to a particular RPP worker or a percentage thereof. The end game is that the penalty amount would be used for training.

Ald. Stamper said that a change that has been implemented is the requirement of LCPTracker software for all projects with RPP requirements.

Mr. Mitchell said that the Department of Transportation uses a different system for tracking as opposed to the City using LCPTracker. He asked about integrating his payroll accounting system with LCPTracker.

Ms. Purvis said that the City, County, MMSD and Housing Authority use LCPTracker. The B2G system is for contract compliance and LCPTracker is for workforce compliance. LCPTracker has already been implemented as the system that is required for all projects with RPP requirements.

Ms. Zepecki said that LCPTracker can integrate one's payroll accounting system into LCPTracker for about a \$150 fee.

Ald. Stamper said the changes for the First-Source Employment Program include Employ Milwaukee as the administrator, retention of a 10-day threshold for announcement or advertisement to the public, and follow-up by the Office of Small Business Development (OSBD) to ensure that outreach is being done. Contractors should contact Employ Milwaukee within ten days. OSBD is to follow-up with Employ Milwaukee and the contractor after ten days.

Ms. Fendt remarked. Construction employment goes through WRTP/Big Step and not Employ Milwaukee. In the M.O.R.E. ordinance, first source was meant for end use jobs and not construction jobs. Employ Milwaukee does not keep a list of RPP workers, which WRTP/Big Step does. The 10-day public announcement requirement violates union hiring rules to use its own lists. There should be a clearing house instead of the discretion to refer to a wide range of entities, which may be problematic.

Mr. VanNatta said that the draft ordinance does not state any specific agency but rather the City or its designee. The desire to designate an entity formally can be

accomplished through a resolution.

Ald. Stamper said that reference to Employ Milwaukee is an error. The designee should be WRTP/Big Step, and a resolution should be done accordingly.

Mr. Taylor said Ch. 355 references Milwaukee Area Workforce Investment Board (MAWIB) currently. Employ Milwaukee has the database capacity to track RPP residents with its ETO system, but he is unsure if WRTP/Big Step has that same capacity.

Ald. Stamper said the program has been in the ordinance but has not been enforced.

Ms. Purvis commented. OSBD directs contractors of private developments to WRTP/Big Step. The Moderne and Northwestern Mutual projects are examples. There should be capacity with WRTP/Big Step. The program has not been triggered by any projects. The Moderne project was voluntary. The existing program provision should be removed so that OSBD or the City would not be put into a position to be a workforce development agency.

Mr. Mitchell said that a concern is that individuals recommended through the First-Source program may not be eligible or prepared for a project and then companies have to start the process over again.

Mr. Taylor said an assessment piece on worker candidates needs to be a part of the program.

Mr. Bukiewicz added comments. The WRTP/Big Step list can contain information on workers' readiness and classes taken. RPP is a certification of residency in Milwaukee and does not provide readiness training. There are many organizations that feed into WRTP/Big Step. WRTP/Big Step has acted as a first source.

Ald. Stamper said that the First-Source employment program provision should be held for review by the advisory committee, and WRTP/Big Step can meet with the committee regarding their resources.

Ms. Lutzka moved to hold the First-Source employment program provision for review by the advisory commission. Mr. Roberts seconded. There was no objection.

Ald. Stamper said the change in performance reporting is to have one comprehensive RPP report presented at the Community and Economic Development Committee with all departments present. This change is an internal one for the City and does not affect outside entities.

Ald. Stamper said that for Local Business Enterprise certification, a business must also operate in the City of Milwaukee in addition to owning or leasing property within the geographical boundaries of the City.

Ald. Stamper said that for the Small Local Business Enterprise (SLBE) incentive, a 10 percent bid preference is given to local businesses also meeting small business enterprise certification requirements. In addition, the cap for a SLBE firm will be increased to \$30,000.

Ald. Stamper said that "disadvantaged with respect to business location" is changed to reflect that a portion of the city has received the designation of "renewal community" and not "enterprise zone".

Ald. Stamper said that there will be the formation of a 9-member advisory committee consisting of public and private stakeholders.

Mr. Royal said that the advisory committee should be changed to add two more members to total the membership total to 11. The two new members to include should be from community advocacy groups, specifically NAACP for the African American community and Voces de la Frontera representing the Latino community.

Mr. VanNatta commented. The Common Council president has the discretion to pick the following five members: one representing private developers, one representing local labor groups or trade unions, one representing local contractors, one representing workforce development agencies, and one representing community organizations. A community advocacy group, as stated specifically by Mr. Royal, is not among the list of groups that can be picked as a member. Other members to the advisory committee are: Commissioner of City Development, Director of the Department of Administration, Commissioner of the Department of Public Works, and Common Council member appointed by the president. For the formation of public bodies, expanding membership to a body may complicate a body and increase difficulties with obtaining a consensus in general.

Mr. Royal added remarks. The Common Council president can pick any community organization as a member as stated in the current proposal. His organization may not necessary be picked. Other community organizations may have other agendas for constituents other than those that the reform efforts are trying to target in the disadvantaged areas. It is not unprecedented to specifically state certain entities as a source of membership to a committee.

Ms. Purvis said that there should be consideration of other organizations representing other communities, such as the Hmong and Native Americans.

Mr. Roberts moved to change the composition of the advisory committee from 9 to 11 members to include a member from NAACP and a member from Voces de la Frontera. Both members would be appointed by the Common Council President. There was no second to the motion. Motion fails.

Ald. Stamper said that the composition of the advisory committee can be reviewed by the advisory committee.

Mr. Roberts said that although the Department of Neighborhood Services is not a member to the advisory committee, his office will attend and participate in the committee's meetings.

Ms. Fendt said that the Public Policy Forum report indicates that the industry has been progressing to be more inclusive of minorities.

Mr. White said that progress has been made, but there needs to be more significant improvements to what has been done in the past.

Ms. Lutzka moved that the committee approve the proposed draft ordinance, as amended. Mr. Thomas seconded. There was no objection.

Further details on the draft ordinance and presentation, as reviewed and discussed by the committee and participants, can be found within Common Council File Number 151345.

5. Discussion on Expectation for Implementation.

Ald. Stamper said that the draft ordinance, as amended and approved by the committee, will go before review and approval by the Community and Economic Development Committee and the Common Council. The timing of the ordinance's review by those bodies is to be determined.

6. Adjournment.

*Meeting adjourned at 1:43 p.m.
Chris Lee, Staff Assistant*