

DRAFT MINUTES
Detroit Workforce Development Board
Friday, September 13, 2013

Time: 8:00 a.m. – 10:00 a.m.
Location: Youthville Detroit, 7375 Woodward Avenue
Facilitating: David Baker Lewis, Chairman

Members Present: David Baker Lewis, Cal Sharp, Alice Thompson, Lena Barkley, Shawn Crump, Karl Gregory, Yvette Harris, Dwayne Haywood, Malinda Jensen, Veronica Madrigal, Gwen McNeal, Larry Steward, George Swan, Robert Troutman, Al Nelson, Jannette Howard, Jerry Kaminski (via phone)

Members Absent: Tonya Allen, Byron Carter, Ronald Hall, John Harris

Staff Present: Pamela Moore, Robert Shimkoski, Kristin Bailey, L'Tanya Clegg, Eleanor Dodd, Robin Johnston, Jose Reyes, Stephanie Nixon, Alessia Baker-Giles, Ciara Ginyard

Guests: Saunteel Jenkins, Jon Iannucci Waller, Emma Belasco, Aimee Davis, Art Dudley, Shawn Burch, Richard Acosta, Harry Kalogerakos, J. Jamal, Mancez Hunt, Hachen Obieron

Proceedings

The meeting of the Detroit Workforce Development Board (DWDB) was called to order at 8:12 a.m. by Mr. David Baker Lewis, Chair.

Welcome and Introductions

Chair Lewis welcomed everyone in attendance and thanked the Board as well as DESC staff for making great strides in serving citizens and constituents in the city of Detroit.

Approval of Draft Agenda of Friday, September 13, 2013 and Minutes of June 14, 2013

Due to a lack of a quorum, approval for the Draft Agenda and Draft Minutes was deferred until a quorum was reached.

DESC's CEO Report

Ms. Pamela Moore, President/CEO of DESC, thanked the Board for their continued support, DESC staff for their dedication and hard work, and Ms. Janet Howard, Deputy Director at the State of Michigan's Workforce Development Agency, for all of her support.

Ms. Moore shared that the Board received the Michigan Works! Board of Excellence 2013 Award. DWDB Vice Chairman Cal Sharp accepted the award on behalf of the Board. Ms. Moore congratulated the Board on this fantastic achievement.

She provided the following agency updates:

- **Operating Budget:** 2012 – 2103 budget carryover was \$7MM (projected \$5MM), bringing the 2013-14 total operating budget to \$45MM. The higher carry-in was due to the low youth program expenditures, expenses charged

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to private funds, and slow summer employment start-up. The State allowed all unspent dollars to be carried over due to sequestration funding cuts with overall budget reductions from 2012-13 in the amount of \$9,205,799.

- **Leases-Relocation:** DESC has moved out of 455 W. Fort Street, Detroit and will be moved out of 707 W. Milwaukee, Detroit by the end of October.
- **External Audits:** Cycle I – March 18, 2013 (Sub-Recipient Records) includes allowable cost, cost allocation and cost classification, financial reporting audit, audit resolution, debt collection, budget systems and internal controls. The city will repay \$19K due to poor record keeping and discrepancies with the city's financial system. This has been a recurring finding for many years however, the separation from the city's financial system as of July 1, 2013 will eliminate this issue. Cycle II – May/June 2013 (Sub-Recipient Records) includes allowable cost, cost allocation, cost classification, financial reporting audit, audit resolution, debt collection, budget systems and internal controls. There were no financial findings. Cycle III (October, 2013) includes cash management, interest income, program income, complaints and grievances, equipment management, service provider and worksite monitoring, procurement and contract administration.

The City's Inspector General's Office has requested a number of items relating to the termination of Wrightway Transportation Services when DESC experienced JET funding cuts in 2009-2010 and realized that the services had not been properly procured. DESC is complying with their request.

- **501(c)(3):** Ms. Moore spoke with Senator Stabenow and has also written to the Senator and Congressman Peters regarding this matter.
- **Program Performance:**
 - W.I.A. Performance – DESC has met 4 and exceeded 13 of the 17 WIA federal performance measures.
 - One-Stop Service Center Placements Goal – All corrective action matters have been addressed and resolved. A six-month contract has been issued which sets a placement goal of 3,000 and will include taking responsibility for assessments, remediation and testing. These services were formerly performed by Marygrove. This integration change is expected to increase efficiencies and streamline service delivery on the One-Stops.
 - Department of Human Services (DHS) – DESC requested and was approved for a 90-day extension for the PATH Program since there was a reduction in the number of providers from 9 to 5 during the procurement cycle resulting in an overall cost-reduction (with decreases in overhead and administrative costs). The extension would allow DHS to have 90 days to notify customers regarding service provider changes, minimizing customer inconvenience and/or confusion.
 - Detroit Registered Apprenticeship Program (D-RAP) – The June 27th webinar had over 100 participants from across the country. Recognition from the United States Department of Labor (USDOL) and the state highlighted that the model is scalable and replicate using WIA Funding. Oakland County is interested in replicate the program. Currently, DESC is focused on M-1 Rail opportunities and non-skilled trade apprenticeship occupations in IT, Health Care and Retail.
 - Enhancing Community Health – DHS has provided funding to nine Detroit churches to serve as access centers for job leads and training. Ms. Moore met with Bishop Edgar Vann, Pastor Jerome Warfield and Brother Victor Muhammad to educate them on our programs and services and express our willingness to assist and partner in any way necessary. DESC will reach out to other major churches of all denominations to create partnerships.

- Year-Round Youth Program (YRYP) – Career Awareness and Readiness Equals Success (CARES) – Implementation is in progress in both EAA and DPS high schools working with administrators and principals, community colleges and Focus Hope to create career and technical training programs for 9 – 12th graders across eight high schools.
- **Special Funding:** Emergency Grants – The USDOL is focused on Detroit’s bankruptcy and possible layoffs that would trigger training grant allocation to DESC. Ms. Moore emphasized that the larger focus be on the skills gap of Detroiters, demand occupations and the how the gap should be addressed. Skilled Training: Conversations continue with key stakeholders to determine how skilled trades and other training and employment opportunities will be made available to Detroiters. Ms. Moore moderated a workforce panel discussion at Congressman Peters’ Jobs Summit where resources and training were discussed. Innovation Grants: The Aspen Institute Opportunity Youth Grant is underway. Ms. Moore explained that DESC is working with Excellent Schools Detroit on this grant opportunity.
- **Communications:** Accomplishments: A brief two-page summary was included in the board meeting packets which can be used as a quick reference for stats, outcomes and activities over the past year. Ms. Moore met with Council President Saunteel Jenkins to discuss providing a progress report to Detroit City Council. Anniversary Event: there will be an open house at Northwest Activities Center late fall to recognize first year accomplishments and goals going forward. Invitees would be Board members, DESC staff, service providers, State and city leadership and employers. Survey: DESC is creating a survey to gather feedback from both Boards on DESC’s performance, strengths and weaknesses as the new administrative and fiscal agent.

Detroit Employment Solutions Corporation Strategic Plan Update

Ms. Moore provided a brief update regarding DESC’s performance in the second quarter of the 2013 Strategic Plan.

Ms. Stephanie Nixon, Director of Contract Administration, provided an overview of the agency’s youth programs. She noted that 1,683 youth received pre-employment work readiness training and 1,440 youth are employed in a 6-week work experience. In addition, 200 worksites participated in the programs.

Mr. Richard Acosta, Strategic Operations Manager for Grant Associates, Inc., offered an update on the performance of the One-Stop Center. He mentioned that the Center is convening partners, sharing work readiness curriculum and best practices with partner agencies, and is also reinforcing structured referral processes. It is also developing an MOU for participating agencies and is creating an implementation plan for technology and reporting.

Mr. Jose Reyes, DESC’s Chief Operating Officer, discussed strategic employer engagement. He explained that the old model was passive with limited focus on employers’ needs with limited results. Mr. Reyes shared that the new business model is customer-focused and value-driven with a proactive strategy for identifying businesses with targeted state/local growth sectors (IT, Healthcare, Advanced Manufacturing). The new model also has a proactive strategy for identifying local market share within industry sectors and developing effective campaign strategies. Mr. Reyes also noted that the goal is to develop relationships and a proven track record which yields “clients” and not just “customers”.

With a quorum in place, Chair Lewis asked for approval of the agenda of September 13, 2013 and minutes of June 14, 2013. A motion was made by Director Al Nelson to approve the agenda of September 13, 2013, supported by Director Alice Thompson. Motion Carried Unanimously. A motion was made by Director Veronica Madrigal to approve the minutes of June 14, 2013, supported by Director Karl Gregory. Motion Carried Unanimously.

Detroit Employment Solutions Corporation Board Update

Calvin Sharp, Vice-Chairman of the DWDB and Chair of the DESC Board, thanked the agency and the Board members for all their hard work and dedication. He stated that he believes that DESC is heading in the right direction and that the DESC Board has been working on streamlining the Board's approval process.

Detroit Employment Solutions Corporation Board Approvals

Mr. Robert Shimkoski, Planning Manager at DESC, briefly reviewed the following items which were approved by the DESC Board:

- RFPs: Commercial Property Leasing, One-Stop Case Management Services, Payroll Services, Security Services, Website Services
- Leases: Freidman Integrated Real Estate Solutions, SER Metro-Detroit, Samaritan Center
- Boilerplates: Sub-Recipient and Professional Services
- Contracts: One-Stop (DB Grant Associates, Inc.) Website Services (MCCI), Janitorial (RNA) Janitorial), Security (Guardian) Payroll (Payroll 1), Year Round Youth (Midnight Golf, YMCA, Ser-Metro, Neighborhood Service Organization, Youth Development Commission)
- RFP Procurement Process Modification

RFP Procurement Approval Process Modification

Mr. Shimkoski explained that the Audit and Finance Committee aggressively reviewed all contracts and leases prior to forwarding them to the Corporation Board which has also approved all contracts and leases. A motion was made by Ms. Lena Barkley to approve the contracts and leases as presented, supported by Director Larry Steward. Motion Carried Unanimously.

Mr. Shimkoski explained DESC's procurement process modification recommendation, where funding recommendations would be reviewed by the Audit and Finance Committee, and then DESC would then be permitted to pursue contract negotiations. The contracts would then go before the Corporation Board for review/approval prior to going into effect. The DWDB agreed that once the DESC Board approved the contracts, the contracts could go into effect. A summary of the DESC Board-approved contracts would go before the DWDB for information purposes only. Also, the DWDB would provide formal approval of all funding recommendations. A motion was made by Director Gregory to approve the procurement approval process modification, supported by Director Nelson. Motion Carried Unanimously. A summary of this process will be provided at the next DWDB meeting.

Discussion: Appointment of DWDB Executive Committee

Chair Lewis explained that the DWDB Executive Committee will meet on an as-needed basis. Invitations were sent to selected members of the Board to serve on this committee.

Discussion: Prospective Amendment of Policy Board By-Laws

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Chair Lewis stated the DWDB would like to update the Board By-Laws. He noted that there are some items in the current By-Laws that should be removed and some items that should be incorporated into the updated version. He noted that the By-laws have been provided to Allen Brothers, PLLC for review and suggestions. The Executive Committee will then review the amended By-Laws and present to the Board for approval.

Good & Welfare

Chair Lewis recognized Ms. Janet Howard and asked her if she would like to say a few words. Ms. Howard commended Ms. Moore, the DWDB and DESC staff on its accomplishments and stated that she is very proud. She also stated that the award presented to the Board was well deserved.

Members of the public in attendance were invited by Chair Lewis to address the Board if they wished to do so. No comments were forthcoming.

Director Nelson acknowledged that DESC came through when times were tough and he wanted to congratulate Ms. Pamela Moore, the Board and the DESC staff.

Ms. Moore asked Council President Saunteel Jenkins if she would like to say a few words. Council President Jenkins congratulated the DWDB and Ms. Moore on behalf of the Detroit City Council. She wanted to make a public acknowledgement of the agency's change of direction and the agency's success.

Ms. Moore also advised the Board of the passing of Board member Tina Lessnau.

With no other business to come before the Detroit Workforce Development Board, the meeting was adjourned at 9:50 a.m.

Prepared by: L'Tanya Clegg