

MINUTES

Detroit Employment Solutions Corporation (DESC)

Board Meeting

Thursday, February 11, 2016

Time: 9:30 a.m. – 11:00 a.m.
Location: Samaritan Center (One-Stop Center), 5555 Conner, Detroit
Facilitating: Laura Hughes, Chair

Directors Present: Cal Sharp, Mark Gaffney, Ric Preuss, David Carroll, Mike Aaron, Toney Stewart, Don O'Connell, Alice Thompson, Jeff Donofrio, Lena Barkley
Staff Present: Pamela Moore, Jose Reyes, L'Tanya Clegg, Kristin Bailey, Alessia Baker-Giles, Robin Johnston, Chauncey Samuel

PROCEEDINGS

The Meeting of the Detroit Employment Solutions Corporation (DESC) Board was called to order at 9:35 a.m. by Chair Laura Hughes. A motion was made by Director Mark Gaffney to approve the Draft Agenda and Draft Minutes, supported by Director Alice Thompson. Motion Carried Unanimously.

INTRODUCTION TO SAMARITAN CENTER (ONE STOP SERVICES)

Mr. Maxie Jones, Manager of the East Detroit One-Stop Service Center in the Samaritan Center (5555 Conner, Detroit), provided a brief overview of the center's services. After his overview, Chair Hughes shared that Mr. Jones would be available to provide a tour of the facility immediately following the meeting today.

DESC FINANCE REPORT

Director David Carroll requested an overview of DESC's three audit cycles, and also noted that Mr. Alan Panter, CPA, Abraham and Gaffney, will discuss the audit letter that is included in today's board packets. Ms. Alessia Baker-Giles, Director of Finance, DESC, explained that the State of Michigan visits DESC three times per year for monitoring visits. The first one takes place in January and is currently in completion phase. With this audit, the state monitors DESC and looks at cost allocation, allowable cost, budget and internal controls financial reporting, single audits and debt collection. The state comes back in May and reviews the same topics. At that time, it assesses DESC's subcontractors and spends at least two weeks at each subcontractor location to review the aforementioned items. The state then comes back in October for the third cycle and assesses procurement, grievances and appeals, inventory and policies.

Mr. Panter presented to the Board a letter from Abraham & Gaffney regarding the last audit and directed members to the information available in their packets. He explained that the audit went well, and he thanked Ms. Baker-Giles and her staff for all of their work pulling documents together per the auditor's request. He then provided a brief review of the audit. A motion was made by Director Thompson to approve the Audit Report as presented, supported by Director Cal Sharp. Motion Carried Unanimously.

Director Carroll directed the group's attention to the Form 990 included in the packets. The group reviewed and discussed the form. A motion was made by Director Don O'Connell to approve the Form 990, supported by Director Gaffney. Motion Carried Unanimously.

DESC BOARD CHAIR REPORT

Chair Hughes thanked Director Carroll, Ms. Baker-Giles, and Ms. Pamela Moore, President/CEO, DESC, for their assistance during the past two Audit and Finance Committee meetings. Chair Hughes shared that both the Audit and Finance Committee and the DESC Board will review the agency's finances on a regular basis. She also explained that she is a part of a working group including Mr. Jose Reyes (Chief Operating Officer, DESC), Ms. Nicole Sherard-Freeman (Corporation for a Skilled Workforce), and Mr. Andrew Cartwright (Strategic Staffing Solutions), who have worked with Ms. Moore regarding the organizational assessment. If she conducted an assessment today, Chair Hughes would note that DESC is a strong organization, but not strong enough at present to take on the job of putting over 100,000 people to work. She inquired about what DESC would need to look like in order to put that many people to work.

Chair Hughes also shared that there are new members on the Audit and Finance Committee that are not on the DESC Board and noted that these individuals will help round out the committee with their expertise. She stated that DESC needs an unrestricted infusion of \$400,000.00 to balance the agency's finances, noting that DESC has been making the necessary moves to ensure that by the end of July, the agency's current fiscal deficit is resolved. She explained that the next DESC Board meeting would include a working session around the agency's finances so that members have a working knowledge of the agency and what the Board could do in order to help plug the hole.

Chair Hughes shared that she will hold quarterly meetings where she updates Mr. Tom Lewand (Group Executive for Jobs and Economic Growth, City of Detroit) as well as Mayor's Workforce Development Board Co-Chairs Cindy Pasky and Dave Meador on DESC matters. She invited members to make her aware of any issues that she should also be discussed with Mr. Lewand and the MWDB Co-Chairs.

MAYOR'S WORKFORCE DEVELOPMENT BOARD (MWDB) UPDATE

Chair Hughes welcomed Director Jeff Donofrio, a new member of the DESC Board. Director Donofrio offered a few updates:

- (1) Grow Detroit's Young Talent (GDYT) - Over 6,600 applications have been started in GDYT's online portal and about half have been completed. Fundraising is in process in order to ensure that the program is a success.
- (2) The Mayor's Workforce Development Board (MWDB) – The Board plans to map the city's workforce infrastructure, which includes over three-hundred organizations. The Board is looking at a three-phase approach: (1) Receive general information about these agencies, which will be shared at the MWDB meeting on March 28, 2016; (2) Determine the best way to work with returning citizens and learn about how these organizations work with them as well (this second phase should be completed sometime early spring, late summer); and (3) Work with other organizations regarding services conducted for the returning citizen population. This will also help with identifying additional funding sources.

Director Donofrio spoke briefly about the companies he is meeting with and also addressed the interest in developing an employment pipeline in the city.

CEO REPORT

Ms. Moore welcomed Director Donofrio and expressed gratitude for his role in the workforce space. Ms. Moore provided the following updates: (1) GDYT – Director Donofrio explained that almost 7,000 individuals have started the GDYT application online and about 4,000 have completed the application process. There are aggressive fundraising efforts led by the Mayor's office. Ms. Moore also noted that City Council approved

\$1.5M CDBG dollars for the program, and stated that DESC hopes to receive another \$300,000.00. Ms. Moore also informed the Board that DESC has held recruiting events for GDYT in churches and schools.

SER Metro – Ms. Moore explained that DESC is concerned about transportation issues. She explained that discussions took place regarding increasing outreach and marketing initiatives to connect talent with employers.

Jobs for America’s Graduates (JAG) – DESC is in Cody and Osborn, with about 350 youth in both schools. DESC is in the second-year of this program, which has seen huge success.

Supplemental Nutrition Assistance Program (SNAP) – This is the food assistance program for abled-bodied adults that have no dependents on the public assistance rolls. There are a lot of returning citizens on that roll. This program also allows individuals to receive training.

The Demonstration Grant – DESC is in Ryan and now in Macomb. DESC had some hiccups in the early implementation stages and invited Ms. Heidi Washington, Director of the Michigan Department of Corrections, to assist with this initiative. The problem is there are not a lot of Detroiters in Macomb so the Department of Corrections has agreed to transfer some Detroiters into Macomb from other facilities across the state. DESC has had three placements to date, but Ms. Moore strongly believes that there are more to come.

Downriver Community Conference (DCC) – DCC filed a formal complaint regarding a disallowed cost. DESC staff will keep the Board up to date as this process continues.

PROGRAMMATIC MONITORING REPORT

Mr. Reyes talked about the issues regarding the participation rate in the centers. He noted that this is a global challenge. WIOA funds are for the low-skilled, low-income individuals that need the services that DESC provides. Mr. Reyes briefly explained the reasons that the numbers in participation are down. For example, many customers come in for ES services, visit one time to qualify for their benefits, and do not come back until those benefits have expired. Employers drive this model, so staff are now working to bring on more employers to this demand-driven system. Regarding special populations, DESC is servicing persons with disabilities and returning citizens. DESC has worked with about 1,800 returning citizens to date. DESC is reaching further into those targeted groups. Mr. Reyes shared the unemployment rate is dropping, which does not necessarily indicate that people are getting jobs. It could instead indicate that people are dropping out of the workforce and not seeking work.

COMMUNICATING WITH KEY AUDIENCES

Mr. Robin Johnston, Communications Manager, DESC, shared examples of flyers and other communications issued by his department, noting that while the agency has invested a lot of time focusing on supporting short-term deliverables, more focus was needed on longer-term strategic goals and associated communications. In 2016, the Mayor’s new workforce board will be focusing on a more system-wide, collaborative “One-Detroit” approach. Mr. Johnston said that to balance doing all the tactical work required and doing a much better job of understanding and taking action on the more strategic elements of communications, it would be helpful to recruit one or two non-paid interns to assist with the volume of work that needs to be done. Mr. Johnston also talked in detail of other potential initiatives that could be undertaken providing there was scope to support them, including the extended use of digital media and inserting workforce information into utility bills sent out through the city.

DESC Board Meeting
February 11, 2016

PUBLIC COMMENT

No public comment was presented before the Board.

ADJOURNMENT

With no further business to come before the DESC Board, Director Thompson made a motion to adjourn the meeting at 11:12 a.m., supported by Director Gaffney. Motion Carried Unanimously.

Prepared by: L'Tanya Clegg