

DRAFT MINUTES
DESC CORPORATION BOARD MEETING
Tuesday, April 16, 2013

Time: 8:30 a.m. – 10:00 a.m.
Location: 455 West Fort Street, 4th Floor, Room 403
Facilitating: Cal Sharp, Chairman

Members Present: Cal Sharp, Kenyetta Bridges, Art Dudley, Veronica Madrigal, Al Nelson (via phone),
Larry Steward, Alice Thompson
Members Absent: David Carroll, John Harris, Saunteel Jenkins, George Swan
Staff Present: Pamela Moore, Kristin Bailey, Alessia Baker-Giles, L'Tanya Clegg, Joycelyn
Malcolm carr, Stephanie Nixon, Lynne Scully, Robert Shimkoski
Guest: Doug Cotter and Richard Acosta/Grant Associates; Dolores Noel and Anthony
Stinnette/Marygrove College

PROCEEDINGS

The meeting of the Detroit Employment Solutions Corporation Board (hereby referred to as “the Board”) was called to order at 8:35 a.m. by Mr. Cal Sharp, Chair.

APPROVAL OF DRAFT AGENDA & DRAFT MINUTES OF FEBRARUY 22, 2013

A motion was made by Member Veronica Madrigal to approve the Draft Agenda of April 16, 2013, supported by Member Kenyetta Bridges. Motion Carried. A motion was made by Member Alice Thompson to approve the Draft Minutes of February 22, 2013, with any recommended corrections, supported by Member Madrigal. Motion Carried.

BUSINESS SERVICES DIVISION REPORT

Mr. Doug Cotter, Vice President of Grant Associates, explained that a steady stream of placements has occurred since Grant Associates began working with Detroit Employment Solutions Corporation (DESC) in July 2012. Due to Detroit Manufacturing Systems (DMS) placements, February was a busy month. Many DMS placements will also occur next month, and approximately 180 starts will take place in the month of April alone. Mr. Cotter also explained that job orders are coming from several business areas, specifically professional services, retail and hospitality. In addition, in prior board meetings, discussions took place about focusing on special populations. Grant Associates changed some of its processes in order to identify customers from special populations. As a result, Grant Associates has experienced a steady increase with the identification of this particular customer base.

In the last Corporation Board meeting, board members requested a narrative of the One Stop Service Center data, which was supplied in today’s meeting. The narrative illustrates some of Grant Associates’ successes, and also highlights some of the challenges that it is currently facing. Member Larry Steward noted that he requested the narrative and believes it was well done.

Mr. Cotter stated that DMS’s retention rate is doing well at about 80 - 85%, but Grant Associates is striving to improve these figures. He explained that a part of the issue (which is not exclusive to DMS) is the fact that some people do not show up to work on time and in some cases do not show up at all. He noted that some individuals do not have a real understanding of what is required of them. Mr. Cotter explained that his staff talks to customers

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Auxiliary Aids and Services Available Upon Request to Individuals With Disabilities

Dave Bing, Mayor

about these issues, but until the customers are on the job, they do not always fully understand. The training that has been put together not only will assist the pipeline of workers, but will also operate as a vetting or screening process to assure that they are committed to showing up to work on a daily basis and are committed to showing up on time. Mr. Cotter stated that Grant Associates has seen a lot of progress in the last nine months and explained that a “point system” will be included in the training. As a result, customers can complete the training, but if they do not meet the point system requirements for showing up on time, they will not be forwarded to DMS.

Discussions continued about researching methods to inform businesses and individuals in the community about the great things occurring within the city of Detroit with employment and training. Member Nelson noted that he has some contacts and requested that Mr. Robin Johnston, DESC’s Communications Manager, contact him.

Member Thompson asked about documentation that explains Grant Associates’ progress with customers that are visually and hearing impaired. Mr. Cotter explained that such documentation does not currently exist but it can be created and presented to the board in the future. Mr. Cotter also assured the board that Grant Associates has been in constant contact with Member Gwen McNeal, the Bureau of Services for Blind Persons and also attends meetings with agencies that assist the disabled. In addition, Grant Associates is currently in the process of purchasing equipment that will address some needs. This equipment should be on site within the next month.

In addition, Mr. Cotter noted that Grant Associates is still in conversations with Faygo Beverages, Inc. regarding the hiring of production workers and drivers.

DETROIT EMPLOYMENT SOLUTIONS CORPORATION’S CEO REPORT

Ms. Pamela Moore, President/CEO at Detroit Employment Solutions Corporation, explained that DESC has been doing a good job of positioning the organization as the hub for workforce activities in the city of Detroit, with the help of the Detroit Workforce Development Board, the DESC Corporation Board, and additional allies in the city. DESC regularly receives calls from City Council members, the Mayor’s office, the Governor’s office, and others. Ms. Moore believes that people are noticing the change and that perceptions are changing. Grant Associates is doing a good job as well. For example, Henry Ford was a customer about a year ago and was not pleased with past service, so the fact that Grant Associates was able to execute a positive turnaround with Henry Ford is a positive outcome. Henry Ford has now agreed to use DESC’s services for all of their entry-level positions. Ms. Moore gave special thanks to Member Nelson for all of his support and stated that even more people will learn about DESC as board members continue to talk about the organization.

Budget

DESC is under-expended. Expenses were calculated based on the organization’s existence as a city of Detroit entity and the organization was aware that some of those expenses would go into the areas of fringe benefits and overhead costs.

Sequestration cuts will impact all workforce agencies across the country. Usually there is a penalty for rolling over funds, but due to the cuts, agencies are permitted to roll over unexpended funds on June 30th.

Staffing and Benefits

DESC is currently at 37 FTEs (full-time employees) and is procuring its benefit administration and payroll services since the company is required to formally procure all goods and services. Staff has been in conversations with American Society of Employers, DESC’s current staffing administrator, who understood that the services would have to be procured. DESC believes it is best to not bring this type of service in-house.

Member Larry Steward suggested having someone analyze how the organization would be impacted by the Affordable Care Act if there were more than 50 FTEs.

RFPs

DESC's attorneys have informed the organization that RFPs are subject to the Freedom of Information Act. The attorneys have also stated that it is allowable for DESC to ask potential vendors through the RFP about the number of Detroiters that they currently employ and the number of Detroiters they plan to employ. However, no preferences can be given when taking this information into account during the review process. In addition, in the case of an appeal regarding an RFP decision, Ms. Moore recommends that the appeal should be brought before the Board if an entity is not satisfied or has an issue and wants to bring forward a complaint.

Strategic Plan

Staff is still working with consultant Mr. Larry Good from Corporation for a Skilled Workforce on several projects.

Ms. Moore also mentioned that although it has not been made public, she thanked DTE for agreeing to do a project with the City of Detroit's Recreational Center to place young people in the recreation centers.

Infrastructure Jobs

DESC is still in conversations with the Governor's office, which is starting to view DESC as the logical lead agency for Detroit's workforce development. A meeting is scheduled for April 30, 2013 where DESC will roll out plans to utilize Detroit's partner network and create a pipeline to get Detroiters ready for jobs.

Detroit Future City

DESC has been approved for one Wayne State Detroit Revitalization Fellows Program II fellow. DESC needs project managers in light of upcoming projects.

Open Meetings Act

The question of whether DESC is subject to the Open Meetings Act should be revisited.

IRS

DESC has not yet received an update from the IRS regarding its 501(c)3 status. Congressman Gary Peters' office has offered to provide some assistance. We are currently waiting for feedback.

One Stop Operations

Mr. Cotter talked about his team and data input issues. Grant Associates has a lot of numbers on record but the numbers are not reflected in the state's system. DESC found that a lot of the paperwork was not collected for many individuals. The organization is going back and collecting those forms and information so those numbers can go into the state system and be counted.

Legal Aid Defenders

DESC met with Legal Aid Defenders to discuss possible expungement of offenses that occurred between 18 – 24 years old. DESC will hopefully be able to expunge those records, which will help many customers attain employment.

PATH Program (formerly the JET Program):

The PATH program is now at 48%, with a goal of 50% +. The state of Michigan's number is currently at 43%.

Mayor Bing, Ms. Moore, along with other mayors and workforce agencies participated in a teleconference with President Barack Obama about challenging local businesses to hire youth. The President charged the mayors to speak with local businesses, explaining that he cannot make local businesses hire youth but mayors can entice them

to do so. Mayor Bing and the City of Detroit will run public service announcements challenging employers to hire youth.

Member Thompson requested yielding to counsel on the RFP process, recommending that a written legal opinion should be rendered about whether DESC can inquire through the RFP about how many Detroiters vendors hire. A written legal opinion is preferred since it becomes a matter of minutes for not only this body but for the Policy Board as well. Member Thompson stated that the wording should be included in the RFP process and should be worded just as it is from the attorney.

Ms. Moore also discussed an email that was circulated and provided to Ms. Moore by the Michigan Works Association. It was signed by a "concerned citizen" who listed a number of accusations that are without merit. Members received a copy of the email as well as a copy of DESC's response. DESC mailed its response directly to Congressmen Gary Peters and John Conyers. In light of the meritless accusations, Member Madrigal emphasized the importance of DESC's continued commitment to transparency.

AUDIT/FINANCE COMMITTEE RECOMMENDING APPROVAL OF:

- 1) RFP for Youth Services; 2) RFP for Demand-Driven Training; 3) RFP for Janitorial Services; and 4) RFP for Employment Services.

Robert Shimkoski, Planning Manager at Detroit Employment Solutions Corporation, reviewed committee-approved recommendations. A motion was made by Member Steward to approve the funding recommendations, approved by Member Nelson. Motion Carried.

DISCUSSION: BY-LAWS AND OPEN MEETINGS ACT

Chair Sharp stated that as long as DESC is only receiving public dollars, it will adhere to the Open Meetings Act, as recommended by DESC's attorneys. Once the corporation receives its 501(c)3 status, the subject will be revisited.

ADJOURNMENT

With no further business to come before the Detroit Employment Solutions Corporation Board, a motion was made by Member Art Dudley to adjourn the meeting at 10:12 a.m., supported by Member Madrigal.