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| MEETING: | Corporate Board Meeting | DATE: | December 11, 2018 |
| IN-PERSON ATTENDEES: | <p>DESC Board/Committee Members: Cal Sharp, Lena Barkley, Jeff Donofrio, Alice Thompson, Ric Preuss, Don O'Connell, Toney Stewart, Michael Aaron</p> <p>DESC Staff: Nicole Sherard-Freeman, Michelle Rafferty, Stephanie Nixon, Jason Lee, Terri Weems, Robert Shimkoski, Alessia Baker-Giles, Nicole Stallings-Bates, Rachel Perschetz, Lucia Seed, Chanelle Manus</p> <p>Guests/Presenters: Shawn Burch, Veronica Sanchez-Peavey, Kristin Hunt, John Allen – Corporate Counsel, Richard Briggs</p> | LOCATION: | 440 E. Congress, 3R, Corporate Conference Room, Detroit, MI 48226 |
| VIA TELEPHONE: | <p>DESC Board/Committee: Maria Woodruff-Wright, Chris Uhl</p> <p>DESC Staff: None.</p> | CALLED TO ORDER: | 9:47 AM |
| ABSENT: | <p>Excused: None.</p> <p>Unexcused: None.</p> | ADJOURNED: | 11:02 AM |
| FACILITATOR: | Cal Sharp, Interim Board Chair | DATE MINUTES APPROVED/ADOPTED: | |

| ITEM | DISCUSSION | OUTCOME/ACTION ITEM(S) |
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| <p>I. Welcome and Introductions</p> <ul style="list-style-type: none"> • Approval of 12/11/2018 Agenda • Approval of Meeting Minutes of 10/23/2018 | <p>Cal Sharp, Interim Board Chair, called meeting to order at 9:47 am, took roll, and welcomed everyone to the meeting.</p> <p>Cal Sharp, Interim Board Chair, called for a Motion to Approve the Agenda. Motion: Don O'Connell Seconded: Toney Stewart Motion/Carried. Passed/Approved Unanimously.</p> <p>Cal Sharp, Interim Board Chair, called for a Motion to Approve the Meeting Minutes of October 23, 2018. Motion: Jeff Donofrio Seconded: Don O'Connell Motion/Carried. Passed/Approved Unanimously.</p> | <p>Approval of 12/11/2018 Agenda. Motion Carried. Passed/Approved Unanimously.</p> <p>Approval of Meeting Minutes of 10/23/2018. Motion Carried. Passed/Approved Unanimously.</p> |
| <p>II. Board Chair Report</p> | <p>Cal Sharp, Interim Board Chair, gave his report:</p> <ul style="list-style-type: none"> • Mr. Sharp acknowledged Laura Hughes for her leadership and getting the organization pointed into a new direction. <p>Comment: Board Members would like to present Ms. Hughes with a certificate of recognition for all of her hard work and leadership of the organization.</p> <ul style="list-style-type: none"> • Ms. Hughes resigned after being elected to become a member of the Detroit Charter Commission | |

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| <p>III. CEO Board Report</p> | <p>Nicole Sherard-Freeman, President and CEO, gave her report:</p> <ul style="list-style-type: none"> • Thanked Mr. Sharp for his leadership, continuity, and for serving as Interim Board Chair. • The Detroit at Work strategy continues to be successful and 2,500 Detroiters were trained, totaling to a 286.5 increase from the past program year. • Ms. Sherard-Freeman discussed the contents of the year-end report that will be published. The report will share the key measures that the Mayor’s Office of Workforce Development looks at to determine progress. • In September 2018, Detroit reached its highest level of employment in a decade. • There are ongoing system re-design efforts which look to reconnect individuals who have been disconnected from the workforce for a long time. • DESC has chosen a new IT system and is excited to reveal that information at a later date. <p>Q: What’s the target launch for the IT system? A: We expect the system to be ready for testing in April so that we are ready for a July 1 system launch, along with the system re-design.</p> <p>Q: Do we have a sense of the employers that pay higher wages? A: There’s not enough data about that and we are exploring ways on how we can make sure that we can capture this information.</p> <ul style="list-style-type: none"> • GDYT has officially kicked off its 2019 fundraising season and has met approximately 56 percent of its goal. DESC organized an appreciation luncheon in early December. <p>Q: How many youth go on to complete year-round employment? 300? A: There were approximately 200 in a year-round program academy last year, and the program is being reimplemented and is expected to launch in February. We are excited about being much more coordinated.</p> <p>Board Comment: One of the things that we talked about at the Skillman Foundation was how to replicate the Detroit Cristo Rey model.</p> <ul style="list-style-type: none"> • DESC is in the final stage of negotiations for its new lease space for its new headquarters, and it will likely be discussed in an interim board report. • As a point of transparency, a list of the contracts that were signed by Nicole Sherard-Freeman was shared with the Board. <p>Q: Where is JVS? A: On Woodward.</p> <p>Board Comment: Thank you to the Board and SER Metro for the Apprenticeship grant. The grant helped the participant to complete a pharmacy tech training program. She was taking two buses to work, and through the grant, she was able to obtain transportation.</p> <p>Board Comment: Thank you to the Board for support on Ready, Set, Build, which produced a large number of qualified candidates.</p> <p>Q: Are the last two contracts signed by the President & CEO first-year contracts? A: Yes.</p> | |
| <p>IV. System Re-design Presentation</p> | <p>Michelle Rafferty, DESC’s COO, gave her presentation:</p> <ul style="list-style-type: none"> • DESC has some specifics for the new system and sent out a public report of about 10 slides, which is available on the website, and was available for public comment during the comment period. • Some of the key features of the system re-design, are that we are looking to expand the access points across the City of Detroit and looking to integrate braiding of funding resulting in cost-efficiencies such as blending WIOA and PATH providers. | |

- DESC is using human-centered design as a guiding philosophy to make the customer experience better for visitors of the Career Centers and thinking about what can be done on the back-end to improve service (making things best for customers as opposed to more streamlined for staff).
- DESC is requesting in new RFPs that providers seeking to serve customers have financial planning staff on-hand to assist customers with fixing their credit, budgeting, and other important financial decisions.
- Research shows that DESC's customers need to be served holistically, so DESC will pilot a soft launch next year.
- DESC is piloting a new work experience program for participants. The program will be supervised by SERCO's staff in order to help provide consistent information to callers. It will also connect PATH participants with temporary work experiences.
- DESC is looking to integrate WIOA and PATH programming and will require all providers to offer financial capability services geared toward building a budget, credit, and other important financial decisions.
- DESC will require bidders to leverage and match resources through either cash or in-kind, to support their customers.

Q: When centralizing Northwest Activities Center, what does that mean for people on the East Side or Southwest Side?

A: The only thing that we'll be centralizing is the actual call center.

Q: What are some of the attributes that you are looking for relative to space?

A: There are some features that every center will be required to have, and there will be three types of career centers. The first type is that DESC will hold the lease or will use a donated space where it will have contractors to come in. For Type 1 space, DESC will be looking for spaces that are professional, clean, and well-lit. There will also be some funding done to customize the space, based on human-design principles and accessibility. For Type 2 centers, the providers will propose the space. We don't want to have to create a parallel system when there are already organizations who are doing the work. Type 3 sites will be WIOA only and in all cases, DESC will select the ultimate plan based on quality of responses, filling in the gaps, and making the centers accessible for the entire City of Detroit.

Q: Are you looking at proximity to transit and those kinds of things?

A: Absolutely. And that will be spelled out in the RFP.

Q: Can you talk about exactly what you are looking for with regard to the in-kind and matching?

A: I think our goal for this is to make better connections across DESC's investments with other investments whether they be public or philanthropic. If DESC is going to reach its employment goals for Detroiters, even with the amount of funds it has and other additional resources, it can't go it alone and wants to align with other investments happening in the City of Detroit.

- The youth model is focused on how young people will be engaged. DESC will ask bidders to demonstrate how they will have a collective impact model, and the intake process must be empathetic.

Q: What does the budget look like for the Youth Model?

A: We have funding that we will work with, but with leveraged dollars, we anticipate being able to provide quality service.

Q: What will the youth RFP cover?

A: The youth RFP will only be for youth services.

Q: What is the timing for the Youth Model's RFP?

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| | <p>A: DESC is going to release them all together except Wagner Peyser/Trade Adjustment because Wagner Peyser/Trade are only awarded to merit-based staffed organizations. DESC wants to give people time to really think about how they are going to respond because we are implementing some significant changes.</p> <p>Q: How will the Youth model align with GDYT?</p> <p>A: We expect that the alignment will be on the access to GDYT, we're not expecting that this will be site-related.</p> <ul style="list-style-type: none"> • DESC has identified goals for the new program year and brought Maximus onboard in October. DESC expects that Maximus will help improve the agency's performance. • DESC feels very good about the direction that it is headed in based on first quarter performance metrics. <p>Q: What stage is Maximus in?</p> <p>A: They are actually out talking to employers and have hired former SERCO employees to help in transitioning to the new model. Maximus will be taking over some of the responsibilities of SERCO and all of their employees already have relationships.</p> | |
| <p>V. Program Services Committee Update</p> | <p>Alice Thompson, Program Services Committee Chair, shared that there was no update for the Program Services Committee since the Committee had not met since the last Board Meeting.</p> | |
| <p>VI. Audit and Finance Committee Update</p> | <p>Chris Uhl, Audit and Finance Committee Chair, Terri Weems, DESC CFO, and Kristin Hunt, Plante Moran Auditor, gave an update:</p> <ul style="list-style-type: none"> • The auditors have completed all of their field work and are in the final stages of the audit. • Ms. Hunt shared that there are unmodified audit opinions, which means that there is a clean audit, which is pretty impressive considering that there was about a 30 percent increase in funding over the previous year. • Ms. Hunt shared that DESC had unmodified, clean audits for both the financial statements and single audits (grant compliance). • Ms. Hunt noted that there was an approximate 30 percent growth increase in the financial statements and increase in volume. • Ms. Hunt stated that this year's grant audits focused on WIOA, and that there were two important matters to report on, one focusing on the GDYT program. • Ms. Hunt shared that last year there was a modified opinion as it related to CDBG, so DESC's financial staff conducted a post-mortem audit. <p>Q: What was the error rate percentage-wise?</p> <p>A: 2 percent.</p> <p>Q: What was the error rate last year?</p> <p>A: Last year's error rate was not predictable. It was if we tested one sample and then tested another, we might have gotten a different rate, it just wasn't a consistent rate. But with improvements, and different service providers, that buttoned that down.</p> <p>Q: I'm just trying to figure out where we are this year compared to last year?</p> <p>A: That's part of the reason we had a modified opinion last year, because Plante Moran wasn't able to come up with a percentage.</p> <ul style="list-style-type: none"> • Ms. Hunt acknowledged that a cyber matter occurred earlier in the year, and that procedures have been put into place in order to mitigate that in the future. • Ms. Hunt assured the Board that they should have confidence and she expressed her appreciation of the finance team's open sharing of information throughout the process. <p>Q: Is it still an active investigation?</p> | |

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| | <p>A: It is. We've been informed that these matters could take months, so we're in constant contact and no current updates.</p> <p>Q: Do we know how to prevent it?</p> <p>A: Yes, we do. The investigation is more centered around identifying the source than it is preventative.</p> <ul style="list-style-type: none"> Ms. Weems shared that the audit is conducted around the same time that closeouts are done and acknowledged the team's efforts since closeout is a significant activity at DESC. <p>Q: How many different funding streams does DESC have?</p> <p>A: There are about 50 excluding all of the various GDYT sources.</p> <p>Q: Is that 100 percent manual?</p> <p>A: We have an accounting system which is a pretty good system, but what's tough is that it doesn't connect to the data and information outside of the accounting system. There is a timing difference in what's going on in the world and as it goes here. The new IT system will help us to automate that process.</p> <p>Board Comment: I ask that the Board reflect on how far we've come in the past year and kudos to the entire team on all of the hard work they are putting in.</p> | |
| <p>VII. Golightly Career Technical Education Presentation</p> | <p>Nicole Stallings-Bates, Mayor's Office of Workforce Development, Rachel Perschetz, Mayor's Office of Workforce Development, and John Allen, Corporate Counsel, gave a presentation:</p> <ul style="list-style-type: none"> Ms. Stallings-Bates shared that Rachel Perschetz joined the team and will be leading the youth initiatives and Golightly CTE. Ms. Stallings-Bates also shared that DESC is continuing to improve the programming and investment at Randolph Career Center. Breithaupt was launched this past fall and focuses on Services. There have been construction updates to both buildings. There are new training programs that will launch in January 2019. Ms. Perschetz shared that the Golightly location is geographically further away from all of the present training sites, which allows the center and DESC to serve new residents. Golightly has been designated as a technology and innovation hub by the Detroit Public Schools Community District in their new "Living Plan." Based on feedback from prior teachers and students, DESC will work collaboratively with Golightly to ensure that there is adequate time for Adult programming, set-up, and break-down. <p>Q: What happened to Davis Aerospace?</p> <p>A: That is a district decision, Davis is currently in the facility and will remain there. In the MOU, we'll be thinking about how to draft the MOU to accommodate that and to provide superficial improvements while they determine what its long-term improvements will be.</p> <p>Q: Approximately how much of the building is taken up by Davis Aerospace?</p> <p>A: Maybe 30 percent. The bulk of the building is used for CTE programs, there is a fair number of unused really large classrooms.</p> <p>Board Comment: I want to thank the team for all of their hard work. This is a really big job and there are a lot of moving parts.</p> | |
| <p>VIII. Public Comment</p> | <p>Richard Briggs, a member of the public, voiced his concerns about training and the lack of jobs being referred to him as a certified welder. Mr. Briggs also expressed that there was a job with Detroit Training Center as a Welding Instructor that he wasn't notified about. What's going on with welding training?</p> | <p>Public Comment Taken Under Advisement.</p> |
| <p>IX. Adjournment</p> | <p>Cal Sharp, Interim Board Chair, called for a Motion to Adjourn.</p> <p style="text-align: center;">Motion: Jeff Donofrio</p> | |

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| | Seconded: Don O'Connell Motion/Carried. Passed/Approved Unanimously. | Motion Carried. Passed/Approved Unanimously. |
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DRAFT SUBMITTED BY:

Printed Name: **Chanelle N. Manus**

Title: Board Governance/EO Analyst

Signature: /s/ Chanelle N. Manus

Date: December 17, 2018

DATE MINUTES APPROVED/ADOPTED: _____ **Initials:** _____

NEXT MEETING: February 12, 2019 at 9:45 am

