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| MEETING: | DESC Corporate Board Meeting | DATE: | October 23, 2018 |
| IN-PERSON ATTENDEES: | <p>DESC Board/Committee Members: Laura Hughes, Cal Sharp, Lena Barkley, Chris Uhl, Don O'Connell, DESC Staff: Nicole Sherard-Freeman, Michelle Rafferty, Terri Weems, Stephanie Nixon, Robert Shimkoski, Jason Lee, Sharon-Rene Fowler, Anthony Piaskowy, Lucia Seed, Chanelle Manus, Lisa Roberts, (John Allen – Corporate Counsel) Guests/Presenters: (Public - Reginald Davis) Veronica Peavey, Shawn Burch, Joe Murphy, Rachel Zietlow, Anthony Rolfe</p> | LOCATION: | 440 E. Congress, 3R, Corporate Conference Room, Detroit, MI 48226 |
| VIA TELEPHONE: | <p>DESC Board/Committee: Maria Woodruff-Wright, Ric Preuss (joined at 9:47 AM) DESC Staff: None.</p> | CALLED TO ORDER: | 9:45 AM |
| ABSENT: | <p>Excused: Michael Aaron, Jeff Donofrio, Toney Stewart, Alice Thompson Unexcused: None.</p> | ADJOURNED: | 10:29 AM |
| FACILITATOR: | Laura Hughes, Board Chair | DATE MINUTES APPROVED/ADOPTED: | December 11, 2018 |

| ITEM | DISCUSSION | OUTCOME/ACTION ITEM(S) |
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| <p>I. Welcome</p> <ul style="list-style-type: none"> Approval of 10/23/2018 Agenda, Meeting Minutes of 08/28/2018 and 06/26/2018 | <p>Laura Hughes, Board Chair, called meeting to order at 9:45 am, welcomed everyone to the meeting.</p> <p>Laura Hughes, Board Chair, called for a motion to approve the Agenda, Meeting Minutes of August 28, 2018, and the Meeting Minutes of September 27, 2018.</p> <p style="text-align: center;">Motion: Lena Barkley Seconded: Chris Uhl Motion Carried. Passed/Approved Unanimously.</p> | <p>Approval of 10/23/2018 Agenda, Meeting Minutes of 08/28/2018 and 06/26/2018. Motion Carried. Passed/Approved Unanimously.</p> |
| <p>II. Board Chair Report</p> | <p>Laura Hughes, Board Chair, gave her report:</p> <ul style="list-style-type: none"> DESC's CEO, Nicole Sherard-Freeman spoke at the University of Michigan's Poverty Solutions Summit about Building Detroit's Workforce of the Future; President Trump signed the Fiscal Year 2019 Funding Bill for the Departments of Defense, Labor, Health and Human Services; Federal funding (approximately 77 percent of DESC's budget) is approved through June 2019; GDYT support has expanded support from the City which includes the CDBG's funding, which allows more stable funding for youth; | |

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| | <ul style="list-style-type: none"> • Cal Sharp, Board Vice Chair, and Alice Thompson, Board Secretary also serve on the Mayor's Development Workforce Board and have done work surrounding the One-Stop Service Centers, which reduces the silos between the work that DESC and the City does. | |
| III. CEO Board Report | <p>Nicole Sherard-Freeman, DESC CEO, gave her report: The Board Report was submitted to the Board on Monday, October 22, 2018.</p> <ul style="list-style-type: none"> • DESC is paying special attention to preferred partner providers and providing additional support with System Re-design underway to ensure quality and ensuring that training is connected to real opportunities; • Ms. Sherard-Freeman publicly acknowledged the behind-the-scenes work of the staff allowing DESC's to continue; • Chanelle Manus joined in Board Governance/EO Analyst assuming the responsibility from Lisa Roberts, Executive Assistant to Ms. Sherard-Freeman, who has performed these tasks in addition to her other responsibilities; • Board Members were provided all of the contracts and contract modifications signed by Ms. Sherard-Freeman since the previous Board Meeting as a point of transparency; • Jason Lee, DESC's Executive Director, GDYT, did a great job of working with Stephanie Nixon, DESC's CPO, in leading DESC's first off-site GDYT Strategic Planning Session as the organization continues to find the balance between Mr. Lee's fundraising and relationship management and Ms. Nixon's expanded leadership of GDYT Program Services. The strategic planning session was made possible through generous funding from the Skillman Foundation; and • DESC is being very deliberate about forming the Workforce System's Re-design around best practices from other cities. The best practices review will ensure that the best practices used are well informed by both research and site visits. | |
| IV. System Re-design Presentation | <p>Michelle Rafferty, DESC COO, gave her presentation: The presentation highlighted features of the System Re-design and provided an update and DESC's specific performance against state metrics.</p> <ul style="list-style-type: none"> • DESC conducted research to determine the features that its model needed; • DESC Staff spent time in a second design lab to assess partner interaction and determined that the focus will be on frontline staff, grantees and partners who actually do the work to ensure that service centers are customer-centered; • DESC is thinking about accountability and incentives strategically in order to use them in a way so that contractors want to do the best job possible, while still allowing for flexibility and innovation for customization; • An RFP has been released for Workforce Information Management and Data Exchange System (WIMDES), after working with a consulting company who helped to assess the current systems and what's needed; • DESC's current IT infrastructure does not allow the level of service that jobseekers and employers can interface with directly; and • If DESC is successful in finding such a vendor, it will radically change how DESC and its partners do business – so very excited about it. <p>Ms. Sherard-Freeman added through the chair that DESC has been talking about redoing the IT systems for quite some time and for the RFP to be as inclusive as it is, is a major milestone. She added that DESC recognizes that it may not get everything asked for. The new systems have to</p> | |

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| | <p>phase in and scale in, in a way that makes sense for all stakeholders including community partners, jobseekers, employers, and the organization.</p> <p>Ms. Rafferty shared that DESC has conducted site visits in major cities to look at who is integrating WIOA and TANF (PATH) well through the recommendation of best practices from National Experts. She added that DESC's ultimate goal is to increase financial stability and reduce poverty rates by helping people to get employment and training.</p> <p>Q: Do you see any kinds of patterns developing from those site visits in what other cities are doing? A: One pattern is that it is her opinion that DESC is doing a really good job. The team visited major cities who are doing innovative work, specifically industry-engagement for quite some time. She added that they've learned a lot from New York City, Philadelphia, and Chicago. They've also concluded that these cities are DESC's peers, and that they're trying to figure it out, too. She felt that DESC appreciated the candor of other cities in sharing what did not work and feels that DESC is in a good place.</p> <p>Ms. Rafferty concluded by acknowledging University of Michigan and Accenture's support for their allowance of a third design lab pro bono. She also shared that DESC will be releasing the design model at a high level for public comment that will be taken into consideration. University of Michigan completed an analysis of training providers performance which resulted in the removal of some trainers from the preferred provider training lists and corrective actions. DESC is focused on training that leads to employment.</p> | |
| <p>V. Program Services Committee Update</p> | <p>Cal Sharp, Board Vice Chair, gave a Program Services Committee Meeting update:</p> <ul style="list-style-type: none"> • Primary item on the agenda was to approve PATH funding for the year • Ms. Nixon, DESC's CPO, provided a good overview of the statistics involved with the program, • There were 4,410 individuals who enrolled into the program this past year and DESC exceeded all of the state's mandated performance goals. • The Board approved all of the contracts during the meeting, the item came before the committee because it exceeds Ms. Sherard-Freeman's signing authority • There is a motion before the board to approve all of the contracts today, which totals approximately \$15M. <p>Ms. Nixon added that DESC is looking at incentivizing providers to increase enrollment numbers due to a large number of participants not receiving services due to being unable to meet a 21-day Applicant Eligibility Period requirement.</p> <p>Q: When you say incentives, is it possible to have a pay-for-performance program? A: There are some things that we are looking at.</p> <p>Q: Is this enrollment also during site visits and follow-up with our providers, as well? A: Yes, all of this is on OS-MIS, our One-Stop Management Information System. This information is accessible to everyone, it is pulled directly from the state's system.</p> <p>Cal Sharp, Board Vice Chair requested a Motion to Approve Funding for 3rd Year PATH Providers.</p> | |

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| | <p>Motion: Chris Uhl Support: Lena Barkley Motion Carried. Passed/Approved Unanimously.</p> | <p>Approval of 3rd Year Funding for Path Providers. Motion Carried. Passed/Approved Unanimously.</p> |
| <p>VI. GDYT Update</p> | <p>Jason Lee, DESC's Executive Director, GDYT, gave an update on GDYT:</p> <ul style="list-style-type: none"> • In 2018, GDYT served 8,210 youth in terms of placement; • GDYT generated approximately \$11.5M in funding through philanthropy, the City of Detroit, and through federal support; • In 2018, GDYT also rolled out the Career Academy Program (CAP) which is the year-round initiative with the CEO Regional Council and was able to enroll 5 schools and 200 youth. <p>Ms. Nixon, DESC's CPO, added that the GDYT Payroll Error Rate managed by DESC was down to 1.06 percent for the 1,400 young people DESC manages payroll for, and that DESC is hoping to trend down and looking forward to 2019.</p> <p>Ms. Sherard-Freeman, DESC's CEO, added that during her last review of ADP's Payroll Error Rate, it was listed at approximately 3 percent, and emphasized that payroll is ADP's core service. She shared that the work was a testament to Alessia Baker-Giles, DESC's Finance Director, and her team, given that youth are still using paper timesheets.</p> <p>Ms. Nixon explained how the error rate is calculated and how DESC is able to pay people timely and accurately.</p> <p>Q: Will the paper timesheets go away with the new system? A: That is the plan and the goal.</p> <p>Ms. Nixon explained three ongoing items, 1) the analysis by the University of Michigan School of Social Work on the analysis of Employer surveys and employee evaluations, 2) the University of Michigan Youth Policy Lab's analysis of youth datasets from DESC and Connect Detroit's data sets, and 3) the 3-Year Strategic Plan currently under development.</p> <p>Mr. Lee added that there will be a Funder Recognition Luncheon on November 28th from 11:30 AM to 1:00 PM. Mr. Lee shared that this event was on the Mayor's calendar and is part of the effort to recognize funders who have supported this work and to also preview the upcoming year and share what the funding needs will be.</p> <p>Q: Do you have any fears with regard to future funding? A: I know that this is still a priority for the Mayor and there has been no indication that GDYT will not be funded.</p> <p>Comment: It's something to be aware of, for the City's Strategic Neighborhoods Fund and many of the other things, they're actually trying to tap the corporate community in ways that they haven't before, so be aware of competition.</p> | |

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| | <p>Q: We've typically done planning in advance around cash flow, when will we start to do projections for that? A: We've already started. We are approximately 30 percent through our fundraising goal for 2019.</p> <p>Ms. Sherard-Freeman added that the expanded funding from the City is all the more important, that DESC understands the need to build more sustainable funding streams and is grateful for every philanthropic investment.</p> <p>Q: I would like to begin those conversations earlier with the Board, rather than later, whatever that might look like. A: So noted.</p> <p>Comment: There is a concentrated effort to work with the City much earlier on funding for GDYT.</p> <p>Q: Is this this the 3rd Year of GDYT? A: This is the 3rd year DESC has had it.</p> <p>Comment: Hopefully, those funders, within a year or two, might see a return on their investment. We need to lift that up. Hopefully, they will be the employees of those investors that have funded this.</p> | |
| <p>VII. Audit and Finance Committee Update</p> | <p>Chris Uhl, Board Treasurer, gave an update on the Audit and Finance Committee:</p> <ul style="list-style-type: none"> Plante Moran is now approximately halfway through the audit, having completed their field work and that to date, there've been no material issues <p>Terri Weems, DESC's CFO added that she's really pleased with the audit and that it has went very well and acknowledged Alessia Baker-Giles and her team on managing both the audit and expenditure reporting simultaneously. Ms. Weems shared that they continue to receive through October training bills which accrued prior to June 30, but are submitted after the deadline by providers. Ms. Weems added that training dollars have increased from \$1M-2M to \$10-13M, so as a result the number of invoices being submitted after June is not shocking. Ms. Weems added that she expects a few audit insignificant adjustments Ms. Weems concluded that audit test results mirror DESC's testing results which gives should give us confidence that the outcomes will be favorable.</p> <p>Q: When should we be finished with the audit, by the end of the year? A: The audit should be finished ibn the next couple of weeks.</p> <p>Q: In which meeting will we present to the board? A: We expect it to be presented at the next meeting, which is December.</p> | |
| <p>VIII. Public Comment</p> | <p>Laura Hughes, Board Chair, opened the floor for public comment: Mr. Reginald Davis, a public constituent, introduced himself and inquired about whether metric data will be made available to the public, preferably for use in an Excel Spreadsheet; and whether DESC has taken into consideration what the legislature may be doing with a minimum wage increase to \$15 per hour.</p> <p>Laura Hughes, Board Chair, took both comments under advisement.</p> | <p>Public Comment Taken Under Advisement by Board Chair.</p> |

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| IX. Adjournment | Motion: Cal Sharp Support: Chris Uhl Motion Carried. Passed Unanimously. | Approval of Motion to Adjourn. Motion Carried. Passed/Approved Unanimously. |
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DRAFT SUBMITTED BY:

Printed Name: Chanelle N. Manus

Title: Board Governance Analyst/EO Analyst

Signature: /s/ Chanelle N. Manus

Date: October 29, 2018

DATE MINUTES APPROVED/ADOPTED: December 11, 2018

Initials: CNM

NEXT MEETING: December 11, 2018 at 9:45 am

