



A Michigan Works! Agency

440 E. CONGRESS Suite 400  
 DETROIT, MICHIGAN 48226  
 PHONE (313) 876-0674  
 FAX (313) 664-5505  
 TYY: 711

<b>MEETING:</b>	<b>DESC Corporate Board Meeting</b>	<b>DATE:</b>	<b>February 12, 2019</b>
<b>IN-PERSON ATTENDEES:</b>	<b>DESC Board/Committee Members:</b> Ric Preuss, Alice Thompson, Dannis Mitchell <b>DESC Staff:</b> Nicole Sherard-Freeman, Terri Weems, Michelle Rafferty, Stephanie Nixon, Chanelle Manus, Diana Prosi, Robert Shimkoski, Jason Lee, Lucia Seed, Elizabeth Hennessey <b>Guests/Presenters:</b> Paul Bryant – Plante Moran, Shawn Burch – SER Metro	<b>LOCATION:</b>	<b>440 E. Congress 3R, Corporate Board Room Detroit, MI 48226</b>
<b>VIA TELEPHONE:</b>	<b>DESC Board/Committee:</b> Don O’Connell, Lena Barkley, Chris Uhl <b>DESC Staff:</b> Alessia Baker-Giles	<b>CALLED TO ORDER:</b>	<b>9:48 AM</b>
<b>ABSENT:</b>	<b>Excused:</b> Cal Sharp, Michael Aaron, Toney Stewart, Jeff Donofrio, Maria Woodruff-Wright <b>Unexcused:</b>	<b>ADJOURNED:</b>	<b>10:31 AM</b>
<b>FACILITATOR:</b>	<b>Alice Thompson, Board Secretary</b>	<b>DATE MINUTES APPROVED/ADOPTED:</b>	

ITEM	DISCUSSION	OUTCOME/ACTION ITEM(S)
I. Welcome, Roll Call, and Updates	<p>Alice Thompson, Board Secretary and Program Services Committee Chair, called the meeting to order and welcomed everyone to the meeting.</p> <p>Alice Thompson, Board Secretary and Program Services Committee Chair, called for a moment of silence to honor the memory of the Honorable John Dingell.</p> <p style="text-align: center;">A moment of silence was held to honor the memory of the Honorable John Dingell.</p> <p>Alice Thompson, Board Secretary and Program Services Committee Chair, provided the following updates:</p> <ul style="list-style-type: none"> <li>• Cal Sharp has agreed to serve as chair of DESC Board for the next year or so.</li> <li>• Dannis Mitchell, Client &amp; Community Leader for Barton Malow, was formally appointed to the DESC’s Board of Directors.</li> </ul> <p>Alice Thompson, Board Secretary and Program Services Committee Chair, called for a roll call and a Motion to Approve the Agenda:</p> <p style="text-align: center;"><b>Motioned:</b> Ric Preuss  <b>Seconded:</b> Chris Uhl  <b>Motion Carried. Passed/Approved Unanimously.</b></p>	<p style="text-align: center;"><b>Motion Carried. Passed/Approved Unanimously.</b></p>



	<p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, called for a Motion to Approve the Minutes from the previous meeting, December 11, 2018.</b></p> <p style="text-align: center;"><b>Motioned:</b> Lena Barkley <b>Supported:</b> Ric Preuss</p> <p style="text-align: center;"><b>Motion Carried. Passed/Approved Unanimously.</b></p>	<b>Motion Carried. Passed/Approved Unanimously.</b>
<b>II. Chair Report</b>	<p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, gave a report:</b></p> <ul style="list-style-type: none"> <li>Ms. Thompson shared that while serving on the Board, it has been obvious that the progress and growth of the organization over the last two years has been conspicuous.</li> <li>She commended the expertise of the staff and is confident that the organization is in good hands.</li> <li>Ms. Thompson shared that she is amazed by Nicole Sherard-Freeman’s dynamic leadership and consistent innovation, and would like to know how the Board can get more involved and lend its support and expertise.</li> </ul>	
<b>III. President/CEO Board Report</b>	<p><b>Nicole Sherard-Freeman, DESC’s President/CEO gave her report:</b></p> <ul style="list-style-type: none"> <li>On the two coldest days, there were more than 100 jobseekers at Detroit At Work Career Centers looking for opportunity.</li> <li>Of the 11.9 million dollars required to run the Grow Detroit’s Young Talent program, the organization has 9.1 million dollars in solid commitments. Additionally, there is a very active plan in place to close the gap and secure employment experiences.</li> <li>She and Jason Lee, DESC’s Executive Director of GDYT, presented to Detroit City Council on February 5 and seemed to be favorably received.</li> <li>DESC is in the process of expanding industry-led training programs, to ensure that all five high-growth, high-demand industries are available for participants this year.</li> <li>Breithaupt career center plans are underway with weekend classes in hospitality, auto service, and robotics—three of the high-growth, high demand trainings available for adults.</li> <li>The technology tool that DESC will be integrating and adding will be Salesforce which will allow DESC to actively access data quickly and accurately. The solution will even be simple for customers who might not be as tech-savvy.</li> </ul> <p><b>Board Comment:</b> 30 percent drop in construction last year, seems to be even worse this first quarter. Twenty-five percent of our members reported unemployment or a slow start to the year. This is firsthand information.</p> <p>Discussion ensued about the state of the Metro-Detroit construction industry.</p>	
<b>IV. System Re-design Sector Partnerships Presentation</b>	<p><b>Michelle Rafferty, DESC’s COO, gave her presentation:</b></p> <ul style="list-style-type: none"> <li>The breakdown of outcomes achieved from July 2018 to September 2018 exceeded its goal of training 600 people in occupational skills. The amount trained was 102% of the goal.</li> <li>Through working with University of Michigan’s Poverty Solutions, DESC identified that 44.8% of partners met performance standards. This information will be used to make decisions about who to continue to have contracts with.</li> <li>DESC learned that training programs that had the strongest partnerships with employers, more than just referrals, had the strongest placement outcomes.</li> <li>The organization is seeking training providers to provide training and job placement services. Applications to apply for funding are on DESC’s website.</li> </ul>	



	<ul style="list-style-type: none"> <li>• Going forward, DESC is asking trainers for stronger evidence of a relationship with employers. The relationships could be documented through letters of commitment, etc.in order to get a better sense of what the commitment is to the program.</li> <li>• Peer cities are also going toward work-based training, so Detroit is in line with the new trend.</li> </ul> <p><b>Q:</b> Who would be considered a peer city?  <b>A:</b> Chicago, New York, Philadelphia, New Orleans</p> <p>Discussion Ensued about peer cities.</p>	
<p><b>V. Program Services Committee Update</b></p>	<p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, gave her report, turning it over to Stephanie Nixon, DESC’s CPO:</b></p> <ul style="list-style-type: none"> <li>• Ms. Nixon presented Connect Detroit’s contract to the Board, which if approved, would be their second renewal and third and final year of the current procurement cycle.</li> <li>• She shared that the contract would allow Connect Detroit to serve as the coordinating body for the hub and spoke model, as the hub for the upcoming GDYT Summer.</li> <li>• The contract would run from approximately March 1, 2019 to November 30, 2019 and would be approximately for \$1.4 M. This would cover programming and administrative costs, but not participant wages.</li> <li>• There will be at least 4,900 youth served this summer. Connect Detroit will provide work readiness training, job placement, and will coordinate payroll for the young people they serve.</li> <li>• Ms. Nixon added that the funding recommendation is in line with the budget.</li> </ul> <p><b>Alice Thompson, Board Secretary and Program Services Committee Chair,</b> added that this information went to the Program Services Committee and was discussed in a Special Meeting.</p> <p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, asked for a motion to approve contract as presented.</b></p> <p><b>Q:</b> Will Connect Detroit be responsible for financial literacy training?  <b>A:</b> Yes, Connect Detroit through its Community Board Organizations (CBO) partners will coordinate the financial training.</p> <p><b>Q:</b> Will the financial literacy component be reviewed to be up to a certain standard-level?  <b>A:</b> Yes, participants will complete a pretest and post assessment in order to determine whether or not the program makes an impact. They will be required to demonstrate their knowledge and practical application of the skillsets.</p> <p><b>Q:</b> Will program committee review the financial literacy documents?  <b>A:</b> We will treat that as a request and make it happen.</p> <p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, renewed her call for a motion to approve the contract if they saw fit.</b></p> <p style="text-align: center;"><b>Motioned:</b> Ric Preuss  <b>Supported:</b> Dannis Mitchell  <b>Motion Carried. Passed/Approved Unanimously.</b></p>	<p style="text-align: center;"><b>Motion Carried. Passed/Approved Unanimously.</b></p>



<p><b>VI. Audit and Finance Committee Update</b></p>	<p><b>Chris Uhl, Board Treasurer and Audit and Finance Committee Chair, gave his report:</b></p> <ul style="list-style-type: none"> <li>The primary focus of last meeting was to go over the audit, and if no updates from Terri Weems, DESC's CFO will go to Paul.</li> </ul> <p><b>Terri Weems, DESC's CFO added:</b></p> <ul style="list-style-type: none"> <li>The final DESC audit statements for both of DESC's audits were included in Board Packets for members and there was a clean audit opinion.</li> <li>There were two internal control deficiencies, one is a reduced deficiency that rolled over from the prior year, where there had been a significant increase of internal controls. The other deficiency was around payments to vendors and cybersecurity. DESC is always looking to increase its cybersecurity.</li> <li>DESC is growing significantly from its break-even net position and is currently up to approximately \$4M. The organization has been very responsive to financial consultant recommendations and has a strengthened financial position. Great result.</li> </ul> <p><b>Paul Bryant, Auditor from Plante Moran added:</b></p> <ul style="list-style-type: none"> <li>DESC's CFO summed the audit findings "tremendously."</li> <li>DESC as an agency is growing tremendously and has diversified revenue streams.</li> <li>The audit opinion is an unmodified (clean) opinion. The organization has done a good job of putting controls in place.</li> </ul> <p><b>Q:</b> Terri, can you talk about the restricted and non-restricted nature of grants?  <b>A:</b> Most of the grants that DESC receives are restricted with regard to their use. A significant amount of the dollars that we've grown are restricted. Typically, grants have uses associated with them. With respect to DESC's portfolio, reliance on federal funds has decreased from approximately 90 percent to 80 percent. Private grants have increased and restrictions are less than they have been in the past. DESC has a lot more flexibility with private grants.</p> <p><b>Paul Bryant, Auditor from Plante Moran added:</b>  On an unrelated non-financial note, Plante Moran recently hired an intern. She is a first-time intern from the GDYT program and participated in GDYT this summer. When she interviewed, she didn't mention that she was affiliated with the program but impressed the interviewer during their conversation. The intern attributed her confidence to the training that she received from GDYT. She is currently working in the tax/audit group and doing a "bang-up job."</p> <p><b>Q:</b> Can we tell the story?  <b>A:</b> Yes, we can tell the story everywhere.</p>	
<p><b>VII. Public Comment</b></p>	<p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, called for public comment.</b>  No one from the public commented.</p>	<p><b>No Public Comment.</b></p>
<p><b>VIII. Adjournment</b></p>	<p><b>Alice Thompson, Board Secretary and Program Services Committee Chair, asked for a motion to adjourn the meeting.</b></p> <p style="text-align: center;"><b>Motioned:</b> Ric Preuss  <b>Seconded:</b> Dannis Mitchell</p>	

	Motion Carried. Passed/Approved Unanimously.	Motion Carried. Passed/Approved Unanimously.
--	--	--

**DRAFT SUBMITTED BY:**

Printed Name: **Chanelle N. Manus**

Title: Board Governance/EO Analyst

Signature: /s/ Chanelle N. Manus

Date: February 14, 2019

DATE MINUTES APPROVED/ADOPTED: 05/03/2019 Initials: EH

**NEXT MEETING:** Tuesday, April 30, 2019 @ 9:30 AM

---

