

DRAFT MINUTES

Detroit Employment Solutions Corporation (DESC)
Special Board Meeting
Friday, January 31, 2014

Time: 8:30 a.m. – 10:00 a.m.
Location: Teleconference
Room location: 440 East Congress, 4th Floor Conference Room, Detroit, MI
Facilitating: Cal Sharp, Chairman

Directors Present: Cal Sharp, George Swan III, Art Dudley, Kenyetta Bridges, David Carroll, Larry Steward, Veronica Madrigal, Alice Thompson, Saunteel Jenkins
Directors Absent: Al Nelson, John Harris
Staff Present: Pamela Moore, Jose Reyes, Robert Shimkoski, Stephanie Nixon, Kristin Bailey, L'Tanya Clegg, Joyce Barnes
Guests Present: Harry Kalogerakos (Allen Brothers, PLLC)

PROCEEDINGS

The Special Meeting of the Detroit Employment Solutions Corporation Board was called to order via teleconference at 8:34 a.m. by Mr. Cal Sharp, Chair. A motion was made by Director Larry Steward to approve the Draft Agenda of January 31, 2014, supported by Director George Swan. Motion Carried Unanimously.

REVIEW/APPROVAL OF:
Detroit Public Schools (DPS) Lease

Mr. Jose Reyes, Chief Operating Officer at DESC, provided a brief overview of the DPS Leases, explaining that DESC has secured the administrative offices, three One-Stop centers and has chosen two satellite offices which will give the organization a better footprint in the community. Mr. Reyes asked Ms. Joyce Barnes, Facilities Manager at DESC, to provide further information regarding the leases. Ms. Barnes explained that each site is approximately 7,000 square feet and will act as satellite offices for the One-Stop Service Centers. The rental amount will be \$103,250.00/\$8,604.17 per month per site and the only material difference in the two lease agreements is that the Asbury Park location will provide furnishings at no additional cost. With the addition of the two DPS locations, the total rent paid for all five of DESC's Service Center locations is \$1,539,525.00, down from \$3,052,079.00 paid for three locations in 2013.

Ms. Barnes explained that the scheduled date of occupancy is February 15, 2014 for a period of three years ending July 31, 2017, with two options to extend the term of the lease for an additional term of one-year each. The option to renew the lease with final lease terms has been pre-negotiated at 5% increase per year. All lease terms and conditions have been reviewed by DESC's attorneys. Chair Sharp asked Mr. Harry Kalogerakos, Attorney from Allen Brothers, PLLC, to provide commentary about the leases. Mr. Kalogerakos provided a summary of the details contained in his memo, which was distributed to Board members in the packets provided at the meeting. Director Alice Thompson asked whether the cost stated are already in the budget or will there be the need for an amendment to the budget. Mr. Reyes assured Director Thompson that the cost for all five sites were included in the initial budget. Discussion continued pertaining to additional costs that might be DESC's responsibility and whether members would receive a copy of the floor plan once the lease is signed. Ms. Barnes assured members that they would receive a copy of the plan. A motion was made by Director Swan to approve the Detroit Public Schools Lease, supported by Director Thompson. Motion Carried Unanimously.

Metro EZ Ride Business Plan Development

Ms. Stephanie Nixon, Director of Contract Administration at DESC, explained that the Metro EZ Ride Business Plan Development is a planning contract for Urban Business Consultants, Inc. to design a transit system to assist individuals in going to and from work and school. In the typical design, there will be safe hubs throughout the city that will act as safe places for pick-ups. Vans will be leased to help in this process until there is a more efficient transportation system. Ms. Nixon explained that this is a three-month contract, January through March 2014, adding that DESC procured the contract which is funded for \$55,000.00. Ms. Nixon shared that on March 30, 2014, a plan should be presented that will meet the needs of customers going to and from work. Ms. Nixon noted that this plan will be presented to the State of Michigan for funding. DESC will partner with various employers which will enable employers the opportunity to take advantage of these services. After a discussion about the contract, a motion was made by Director Thompson to approve Metro EZ Ride Planning Contract, supported by Councilwoman Saunteel Jenkins. Motion Carried Unanimously. Chair Sharp asked for an update on this process from Ms. Nixon on February 20th at the next DESC Board meeting and requested that it be added as an agenda item.

Demand-Driven Training Contract

Ms. Stephanie Nixon reviewed the Demand-Driven contract, which was awarded to Focus HOPE. This is an eleven-month contract (February 1, 2014 – December 31, 2014) due to the need to re-issue the RFP. The re-issuance necessitated a later start date, and DESC was also willing to allow the service provider the original eleven months offered to meet all performance requirements noted in the proposal. Eleven months were offered as opposed to twelve months due to the lateness of the second RFP release. Focus HOPE will provide remediation services prior to going into the technical side of the program. Focus HOPE will be providing training in Machining Essentials, a program designed to prepare individuals for entry-level positions in assembly, manufacturing and technical support in order to teach students to install and maintain PC hardware and operations systems as well as gain the skills to support PC users, communication and customer service skills. The plan is that Focus HOPE will train and place individuals through the end of this year. Director Kenyetta Bridges asked whether employers have been identified that might be looking to hire these individuals. Ms. Nixon shared that the agency has committed that 80% of those individuals trained will be placed. Ms. Nixon explained that this contract needs approval to allow Focus HOPE to offer the outlined services. A motion was made by Director Veronica Madrigal to approve the Demand-Driven Training contract to Focus HOPE, supported by Director Thompson. Motion Carried Unanimously.

PATH Contracts

Ms. Nixon reviewed the six PATH contracts scheduled for approval: SERCO/Midwest, Providence/Payne Pulliam, ACCESS, Resource Network, Development Ctr./Southwest Solutions, and Jackets for Jobs. She explained that five contractors are providing job search and job placement services for participants that are eligible for PATH Services and referred directly from the Department of Human Services (DHS). Ms. Nixon reminded members that DESC needed to extend the 2012-2013 contracts due to time needed to re-design the PATH delivery system, reducing the number of contractors from nine to five to save on administrative costs. These providers will serve five sectors across the City of Detroit with designated DHS offices in each sector. Ms. Nixon stated the contract period will cover the remaining nine month balance (January 1, 2014 – September 30, 2014) of the PATH contract year behind the three months needed at the beginning of the 2013-14 contract year to restructure the PATH service delivery system from nine to five providers. Ms. Nixon briefly reviewed the provider list. A motion was made by Director Swan to approve the PATH Contracts as presented, supported by Chair Sharp. Motion Carried Unanimously.

Director Swan asked if a brief update on the Aspen Institute could be placed on the next DESC Board meeting agenda for the February 20th meeting. A discussion ensued regarding DESC's participation in an upcoming Shinola recruitment event.

ADJOURNMENT

With no further business to come before the DESC Board, a motion was made by Director Thompson to adjourn the meeting at 9:45 a.m., supported by Director David Carroll. Motion Carried Unanimously.

Prepared by: L'Tanya Clegg