

DRAFT MINUTES

Detroit Employment Solutions Corporation (DESC) Board
Audit & Finance Committee Meeting
Monday, January 27, 2014

Time: 8:30 a.m. – 10:30 a.m.
Location: Teleconference
Room Location: 440 East Congress, 4th Floor Conference Room, Detroit
Facilitating: David Carroll, Chair

Directors Present: Jerry Kaminski, Alice Thompson, David Carroll
Directors Absent: Gwen McNeal
DESC Staff Present: Pamela Moore, Robert Shimkoski, Alessia Baker-Giles (via phone), Kristin Bailey, L’Tanya Clegg

PROCEEDINGS

The meeting of the Detroit Employment Solutions Corporation Board (DESC) Audit and Finance Committee was called to order at 8:50 a.m. by Mr. David Carroll, Chair.

Chair Carroll recommended adjusting the agenda in order to commence the meeting with a discussion about DESC’s fund development strategy, and then proceed with items requiring review/approval after a quorum has been established.

DISCUSSION: DESC FUND DEVELOPMENT STRATEGY

Ms. Pamela Moore, President/CEO at DESC, stated that DESC is currently classified as a private foundation, which makes it difficult to receive donations from some organizations. Discussion ensued about the differences between a public charity and a private foundation.

Director Thompson stated that due diligence by the agency’s attorneys at the time should have identified the key differences between a 501(c)3 public charity classification and a 501(c)3 private foundation designation and the impact of each designation on the agency. Ms. Moore noted that the Policy Board’s Executive Committee and the Corporation Board have discussed this classification matter with Butzel Long as well as Abraham and Gaffney in order to resolve this matter.

Director Thompson also emphasized the importance of connecting fund development strategy with the agency’s public relations efforts.

APPROVAL OF DRAFT AGENDA AND DRAFT MINUTES

After a quorum was established, a motion was made by Director Thompson to approve the Modified Draft Agenda of January 27 2014, supported by Director Kaminski. Motion Carried Unanimously. A motion was made by Director Thompson to approve the Draft Minutes of September 25, 2013, supported by Director Kaminski. Motion Carried Unanimously.

Ms. Moore recommended a few changes to the Draft Minutes of November 20, 2013: (1) In the “Review/Approvals” section (last sentence), the word “planning” should be replaced with “implementation”; (2) In “Review/Approvals”, under sub-heading “Three-Month PATH Extension Modifications”, the first sentence should read as follows: “DESC was able to extend the procurement on PATH for the nine service providers while DHS made the necessary system changes”; (3) In “Review/Approvals”, under sub-heading “Three-Month PATH Extension Modifications”, the second sentence stating “Due to the reorganization” should be replaced with “Due to the new procurement”. A

motion was made by Director Thompson to approve the minutes of November 20, 2013 with necessary modifications as stated, supported by Director Kaminski. Motion Carried Unanimously.

REVIEW/APPROVAL:
Funding Recommendations: Curriculum Training Instructor RFP

Mr. Robert Shimkoski, Director of Planning at DESC, explained that an RFP was released for a curriculum trainer for the Career Awareness and Readiness Equals Success (CARES) program. Currently, the CARES program is executed by DESC's youth service providers. The Curriculum Training Instructor RFP is to provide training to the youth service providers who will go into the schools and provide training to students. The program provides 120 hours of training. Ms. Moore explained that the CARES program is DESC's partnership with Education Achievement Authority (EAA) high schools. This training program allows students to earn a Work Readiness Credential. There was brief discussion about only one applicant submitting a proposal for the RFP. Mr. Shimkoski noted that the submitted proposal was excellent with the only issue being the amount that the provider is requesting for providing the services. Ms. Moore stated that the amount will be addressed during negotiations and the provider will have to show why they feel the amount requested is needed as opposed to the allotted amount stated in the RFP.

Chair Carroll asked whether staff will be meeting with the provider to determine if they are a good fit to administer the program. Mr. Shimkoski answered in the affirmative, stating that the provider, Commonwealth Corporation, has administered this program in other communities and were highly recommended by one of DESC's consultants that is familiar with this organization and their work with this curriculum. Ms. Moore explained that if the provider is approved, the next step is to meet with the provider, begin negotiations and discuss how the program would be implemented.

A motion was made by Director Thompson to approve the staff's recommendation of Commonwealth Corporation to provide Curriculum Training Instructor services, supported by Director Kaminski. Motion Carried Unanimously.

DISCUSSION: DESC FINANCE REPORT

Ms. Alessia Baker-Giles, Director of Finance at DESC, reviewed the budget and explained that approximately five years ago, the annual budget was around \$90-100MM, and now is around \$43MM with the \$5MM that DESC carried over from last year. The new funding for 2015 is \$37MM. The carry-over from last year is helping the organization make it through this current fiscal year.

Ms. Baker-Giles reviewed the line items and emphasized the need to bring in private dollars. Ms. Baker-Giles also explained that some of the administrative overages could be attributed to moves from 707 W. Milwaukee and 455 W. Fort since certain costs were not budgeted for. Ms. Baker-Giles explained that some line items adjustments would have to be made in order to account for the overages.

Chair Carroll asked whether there were any foreseeable issues Ms. Baker-Giles would like the committee to be aware of. Ms. Baker-Giles explained that the only issue is the administrative costs that were previously mentioned. Besides that issue, she explained that the budget is on track.

ADJOURNMENT

With no further business to come before the Audit and Finance Committee, the meeting was adjourned at 10:10 a.m.

Prepared by: L'Tanya Clegg