

MINUTES

Detroit Employment Solutions Corporation (DESC) Board Audit & Finance Committee Meeting Wednesday, June 29, 2016

Time: 1:00 p.m. – 2:30 p.m.
Location: 440 East Congress St., Conference Room 3R, Detroit, Michigan 48226
Facilitator: David Carroll, Chairman

Committee Members Present: David Carroll, Ric Preuss, Alice Thompson, Mark Redman and Paul Trulik
Committee Members Absent: Laura Hughes and Kevin Howley
DESC Staff Present: Jose Reyes, Alessia Baker-Giles, Rashid Barkaji, Stephanie Nixon, Cassandra Ricks, Lynnette Robinson, Kristin Bailey, L'Tanya Clegg and Cristal Perry
Others Present: Jim Perry, Downriver Community Conference (DCC), Patricia Henisse, DCC, Lisa Kurtzhals, DCC, Ronald W., Alicia Hatcher, Caleb Conley, Reginald Davis

Welcome and Introductions

The Meeting of the Detroit Employment Solutions Corporation (DESC) Board Audit and Finance Committee was called to order at 1:01 p.m. by Mr. David Carroll, Chair. A motion was made by Director Alice Thompson to approve the Draft Agenda of June 29, 2016, supported by Chair Carroll. Motion Carried Unanimously. A motion was made by Director Thompson to approve the minutes of May 25, 2016, supported by Member Paul Trulik. Motion Carried Unanimously.

Finance Report Update

Monthly Grant Analysis Update

Ms. Alessia Baker-Giles, Director of Finance, DESC, reported that the only item highlighted on the monthly grant analysis report is the Grow Detroit's Young Talent grant. She provided an update regarding fundraising for this initiative. A group discussion subsequently took place regarding DESC's administration of GDYT funding and payroll.

Balance Sheet Overview

Ms. Baker-Giles reported that the balance sheet has not changed since the April report. The biggest change is the non-restricted assets, which is now \$217.35 from the vending machine.

Review/Approval

Funding Recommendations

Ms. Baker-Giles explained that additional detail has been incorporated into the funding recommendation template in order to provide more fiscal-related information for the committee members. She also stated that all four proposals presented for today's meeting were included in the FY 2017 budget that was approved by this committee and are all within the budget amount.

In-School Youth Services

Ms. Nixon provided an overview of the overall youth program, explaining that the in-school program is funded under WIOA. Director Thompson made a motion to approve the two recommendations for the In-School Youth Program as recommended by staff (Neighborhood Service Organization (NSO) and YMCA of Metropolitan Detroit), supported by Member Mark Redman. Motion Carried Unanimously.

Out-of-School Youth Services

Ms. Chauncey Samuel, Procurement Specialist, DESC, explained that the RFP stated that DESC would award three to possibly eight contractors for this service for a total of \$1.8 million with the maximum award of \$600,000 for each vendor. Ms. Nixon stated that Wayne County Community College District is a new vendor and the other two are incumbents. She also provided a brief overview of the out-of-school youth program. Director Thompson made a motion for approval of the three vendors for out-of-school youth as recommended by staff (NSO, SER Metro Detroit,

and Wayne County Community College District), supported by Member Redman. Motion Carried Unanimously.

Wagner Peyser/Employment Services

Ms. Nixon explained that Wagner Peyser is funding that supports employment services provided to adults that visit the One-Stop centers. Ms. Samuel explained that this particular RFP was designed to award one contractor in the amount ranging from \$500,000 to \$700,000 maximum. She noted that there was only one submittal, Downriver Community Conference (DCC), and the group subsequently held a brief discussion about DCC. In addition, Chair Carroll inquired about the fact that only one entity decided to bid on this RFP. Mr. Reyes responded that these services require a merit-based entity that is tied to a governmental agency, so it is a limited field. Member Trulik made a motion to approve the Wagner Peyser/Employment Services funding recommendation as recommended by staff, supported by Director Thompson. Motion Carried Unanimously.

Data Circuits Internet Access and Voice Services

Chair Carroll recused himself from the discussion and vote on this item because one of the bidding companies is owned by his employer. Chair Carroll left the room prior to the start of the discussion.

Ms. Samuel provided an overview of the RFP and the two selected vendors, Comcast Business and Rocket Fiber. Member Trulik inquired about DESC's interest in partnering with two vendors instead of with one exclusively. Mr. Rashid Barkaji, IT Manager, DESC, explained that both of the vendors that submitted RFPs were going to use Comcast to connect all of the One-Stops. DESC's decision to work with Comcast Business would be cost-efficient and allow for better management of services. Further discussion took place about the costs of this particular service. In addition, the group briefly discussed risk management when selecting more than one vendor to provide a service. Member Redman made a motion to approve the staff's recommendation for Data Circuits Internet Access and Voice Services as proposed, supported by Director Thompson. Motion Carried Unanimously.

Chair Carroll subsequently re-entered the room.

DESC Fiscal Policy Staff Time Distribution

Ms. Lynnette Robinson, Accounting Manager, DESC, provided an overview of the DESC staff time distribution sheet. Ms. Kristin Bailey, Compliance Manager, DESC, replied that most of the policy's contents mirror information from Ms. Robinson's email to staff on this subject matter. Ms. Baker-Giles also noted that managers are responsible for thoroughly reviewing their staff's time distribution sheets prior to signing and submitting them. Director Thompson made a motion to approve the Staff Time Distribution Policy, supported by Member Redman. Motion Carried Unanimously.

Discussion Items Fiscal Policies Review Process

The group discussed the Corporation Board's previous request for the inclusion of a financial consultant in the review process of the agency's fiscal policies. The committee stated that this discussion should be brought before the Corporation Board at an upcoming meeting for further discussion.

Procurement Policy/Contracts Approval Process

Mr. Reyes stated that an outstanding matter with the procurement policy is a revision to the procurement approval process. Ms. Bailey noted the importance of having an approved procurement policy and procurement conflict of interest policy in place based on the latest State policy issuance. In addition, she noted that the Audit and Finance Committee and the Board could approve the procurement policy and the procurement conflict of interest policy and subsequently decide on the details of the revised Board approval process at a later point.

Director Thompson recommended that all questions about the procurement policy should be brought to the Board for further discussion.

FY 2017 Budget Follow-up Review

Ms. Baker-Giles provided an overview of the revised budget format regarding grants that have a start date of October 1, 2016. Chair Carroll recommended presenting the budget summary at an upcoming Corporation Board meeting for Board review and feedback.

Public Comment

Ms. Alicia Hatcher, Abeyance Trucking, stated that she is in the transportation business and her target market is disabled individuals as well as returning citizens. She stated that she has submitted information regarding her company and its services to DESC for review.

Mr. Reginald Davis inquired about technological support for DESC and its locations. He also asked about DESC's outreach to city residents so that information about DESC's services is sufficiently circulated throughout the city's communities. Mr. Reyes stated that DESC is working with the City of Detroit as well as community partners in order to ensure that people are aware of the availability of these services.

Adjournment

With no further business to come before the Audit and Finance Committee, a motion to adjourn the June 29, 2016 meeting was made by Director Thompson, supported by Member Mark Redman. Motion Carried Unanimously.

The meeting adjourned at 2:30 p.m.

Prepared by: Cristal Perry