

MINUTES

Detroit Employment Solutions Corporation
(DESC) Board Meeting
Tuesday, August 20, 2013

Time: 8:30 a.m. – 10:30 a.m.
Location: 455 West Fort Street, Detroit, MI
Facilitating: Cal Sharp, Chairman

Directors Present: Cal Sharp, George Swan III, Art Dudley, Larry Steward, Alice Thompson, Veronica Madrigal, Al Nelson, Kenyetta Bridges, David Carroll
Directors Absent: Saunteel Jenkins, John Harris
Staff Present: Pamela Moore, Jose Reyes, Robert Shimkoski, Alessia Baker-Giles, Kristin Bailey, Beckye Eloby-Edwards, Robin Johnston, L'Tanya Clegg, Stephanie Nixon, Lynn Scully, Joyce Barnes, Joycelyn Malcolmcarr,
Guests Present: Doug Cotter, Richard Acosta (Grant Associates); Kelly Cumberworth, Harry Kalogerakos, David Jones (Allen Brothers, PLLC)

PROCEEDINGS

The Meeting of the Detroit Employment Solutions Corporation (DESC) Board was called to order at 8:35 a.m. by Mr. Cal Sharp, Chair. Chair Sharp asked for introductions around the room. A motion was made by Director Veronica Madrigal to approve the agenda of August 20, 2013 and minutes of August 1, 2013, July 30, 2013 and June 18, 2013 (with the a change in spelling of Director Steward's name in the July 30, 2013 meeting minutes), supported by Director Art Dudley. Motion Carried Unanimously.

DESC PRESIDENT/CEO REPORT

Ms. Pamela Moore, President/CEO at DESC, thanked staff for all of their work in preparing the binders for today's meeting and delivering to members. Ms. Moore shared that the agency's attorneys from Allen Brothers PLLC were in attendance to answer any questions regarding the leases scheduled for approval during this meeting. She provided a review of her CEO Report, including the following items:

- Operating Budget - Ms. Moore explained \$7MM dollars were rolled over from last year which takes the 2013 operating budget up to about \$45MM. The higher carry-in amount is due to lower cost for youth program expenditures, expenses charged to private funds and slow summer employment start up.
- Staffing is at 36 full-time employees, still evaluating health care services in an effort to reduce cost and improve coverage and looking at services with American Society of Employers (ASE) to determine if the services provided last year would be affordable.
- Leases - Ms. Moore reviewed all leases except the Northwest Activities Center lease which will not be reviewed today due to the urgency to vacate DESC's location at 455 W. Fort Street. Staff is currently focusing on 9301 Michigan, which is SER Metro and the Samaritan Center. The entire procurement process for all leases is included in board packets.
- There will be the need for a September meeting to review additional leases.
- Butzel Long continues to pursue the 501(c)3 application, still no resolve.
- The Bylaws are currently being reviewed by the attorneys.
- Detroit Registered Apprentice Program (D-RAP) held a webinar on June 27, 2013 with over 100 participants across the country and received great feedback from USDOL.

Equal Opportunity Employer/Program
Funded by The Michigan Department of Licensing & Regulatory Affairs
Workforce Development Agency
Auxiliary Aids and Services Available Upon Request to Individuals With Disabilities

Dave Bing, Mayor

- Performance - out of 17 Workforce Investment Act Measures DESC has met 4 and exceeded 13. PATH Program (formerly JET) requires a 50% work participation rate for the customer, we are at 62%. Staff requested a 90-day extension for the contracts scheduled to end on September 30, 2013 since DESC will reduce the number of providers from 9 to 5 during the next procurement cycle resulting in an overall cost reduction with decreased overhead and administrative costs. The extension would allow DHS 90 days to send notices to customers regarding service provider changes, eliminating customer inconvenience and/or confusion.
- The Year-Round-Youth program, Career Awareness and Readiness Equals Success (CARES) – DESC is going into five EAA High Schools in the fall and three high schools that are now at Osborn. A grant received from Aspen Institute is underway. Working with Excellent Schools Detroit as backbone organizations, DESC will focus on collective impact models and create a data system to address disconnected youth re-engaging in services and programs that will lead them to positive education and career outcomes.

ONE STOP REPORT

Mr. Richard Acosta from Grant Associates provided an update on the One Stop Center. He reviewed several accomplishments including the increase of its partner network and inclusion of more economic development institutions. He also noted that they are increasing their scope of services, expanding its use of Sales Force, and collaborating more closely with veterans. Director Al Nelson shared that Grant Associates is doing a great job but noted that he is still hearing from people that calls are not being returned. Director Nelson explained that it is very important that individuals receive a return call. Director Swan noted that he attended an event recently and was disappointed that entities were talking of what they could do for this area and DESC was not mentioned at that meeting. He stated that if DESC wants to be the premium provider, it must be represented at these types of meetings. Ms. Moore agreed and noted that DESC must do more outreach. Director Madrigal suggested that DESC should not shy away from employers. It must link and coordinate strong focus on case management. Director Madrigal agreed with Mr. Jose Reyes (Chief Operating Officer at DESC) that DESC must know what employers need. Director Nelson agreed that DESC should be the link but should avoid overextending itself to please everyone.

REVIEW/APPROVAL OF LEASES

Chair Sharp explained that three leases are up for approval which have been approved by the Audit and Finance Committee. The board packet included an executive summary of three leases for review/approval: 440 East Congress, Samaritan Center and SER Metro. Chair Sharp stated that these summaries were created by staff and Allen Brothers and should address any issues that were previously raised by the Board. Director Swan asked the attorneys from Allen Brothers to ensure that the Board is abiding by all the rules as it applies to the Open Meetings Act as far as review and approval of the leases. Attorney David Jones explained that for contract negotiations, the Board would need to go into closed session but not if the Board is only reviewing recommendations of the leases. Director Nelson expressed concern about changes with lease length terms and stated that DESC's attorneys should make it known why the changes are being made as well as the legal significance relating to those changes. A motion was made by Director Swan to approve the three aforementioned leases (440 East Congress, Samaritan Center and SER Metro) on the terms summarized on the summary page dated August 20, 2013, supported by Director Kenyetta Bridges. Motion Carried Unanimously.

BOILER PLATE CHANGES

Chair Sharp asked members to review the attached memo from Allen Brothers regarding recommended changes to the sub-recipient boilerplate, explaining this language would apply to all DESC sub-recipients. Discussion continued regarding the deletion of the word "material" in the boilerplate. Attorney Kelly Cumberworth from Allen Brothers recommended that the word be deleted. Allen Brothers believed this is the best way (without a definition of the term) to protect DESC. Director Nelson shared that the Board should receive a more global explanation of the term and its impact within the context of the boilerplate language. Ms. Moore explained that each contract is negotiated individually, which would require approval of the contract when anything differs from this boilerplate. A motion was made by Director Swan to approve the boilerplate changes with the knowledge that any changes from this approved boilerplate must come before the Board, supported by Director Larry Steward. Motion Carried Unanimously. A motion was made by Director Swan to approve the Professional Services Boilerplate, supported by Director Steward. Motion Carried Unanimously.

ONE STOP CONTRACT

Chair Sharp explained that the One Stop Contract was reviewed at the last meeting but is aware that some transparency issues came up. He noted that the executive summary should address those concerns. Ms. Moore reviewed the executive summary and allowed time for any questions. Ms. Moore recommended moving forward with the second six-months once approved.

A motion was made by Director Swan to approve the One Stop Contract, supported by Director Thompson. Motion Carried Unanimously.

VENDOR CONTRACTS

Payroll, security and website vendor contracts were scheduled for review/approval. Mr. Robin Johnston, Communications Manager at DESC, provided a review of the website contract's scope of work and explained that the Board is being asked to approve the amount of \$164,200.00, the total amount of the contract. A motion was made by Director Steward to approve the Website Contract, supported by Director Nelson. Motion Carried Unanimously. Ms. Joyce Barnes, DESC Facilities Manager, explained that most of the new sites will provide some security but DESC will need to have additional guards at some of the sites. Discussion ensued regarding the need for security at 440 E. Congress. Ms. Barnes stated the dollar amounts shown will decrease substantially once the moves are complete. Ms. Alessia Baker-Giles, Director of Finance at DESC, explained that Payroll 1, the incumbent provider, was the vendor selected to provide payroll services for the Summer Youth Programs and will handle all areas of payroll for these programs. A motion was made by Director Swan to approve all of the vendor contracts, supported by Director Nelson. Motion Carried Unanimously.

PROCUREMENT POLICY MODIFICATION

Chair Sharp asked Mr. Robert Shimkoski, Planning Manager at DESC, to review the Procurement Policy. Mr. Shimkoski explained that at the last Corporation Board meeting, staff was asked to create a document that listed all of the steps required for approval during the procurement process. A motion was made by Director Art Dudley to approve the modified Procurement Policy, supported by Director Larry Steward. Motion Carried Unanimously.

Mr. Shimkoski stated the second part of the policy is the RFP Appeal Process. Ms. Moore explained currently that the first step in the appeals process goes to the Planning Unit, and then to the President/CEO. Ms. Moore noted that there should be another step beyond her and that appeals should go before the Board if someone has

a grievance regarding the procurement process. After a brief discussion, Chair Sharp recommended tabling the discussion regarding the appeals process until the next meeting.

ANNUAL MEETING

Division of Class Directors

Chair Sharp reviewed the membership and expiring terms. Director Swan made a motion to approve the Directors under Slate A and Slate B as presented with the modification of changing the position of John Harris to Slate A and Director Dudley to Slate B, supported by Director Dudley. Motion Carried Unanimously.

Board Nomination and Election / Board Nomination and Election

Chair Sharp explained the Bylaws specify a Chairperson but not a Vice Chair nor a Financial/Treasurer function. Chair Sharp recommended the Bylaws be modified to include a Vice Chair and recommended Director George Swan for the role. He recommended Director David Carroll, Chair of the Audit and Finance Committee, for the role of Treasurer. Chair Sharp stated the two new positions along with the position of Chair which he holds and Director Veronica Madrigal as Secretary make up the Executive Committee. The two new positions until the Bylaws have been modified will be identified as Directors at Large. A motion was made by Director Nelson to approve the officer positions and modifications to the Bylaws, supported by Director Alice Thompson. Motion Carried Unanimously.

The Board then approved the appointment of Directors to the following committees: Executive Committee, Audit and Finance Committee, Compensation Committee, Strategic Planning Committee, and Program Services Committee. Chair Sharp stated that all sub-committees have been functioning well and recommends all should continue as assigned. A motion was made by Director Nelson to approve maintaining all sub-committees as assigned, supported by Director Alice Thompson. Motion Carried Unanimously.

Resolutions

Chair Sharp reviewed the designation of corporate officers for the execution of contracts and instruments, explaining currently this would be himself and Ms. Moore. Chair Sharp recommended Vice Chair George Swan and Director David Carroll, Treasurer, be added to this list.

Chair Sharp recommended changing the designation of the registered office and agent to 440 East Congress, Detroit, MI 48226. A motion was made by Director Swan to approve the Resolutions, supported by Director Steward. Motion Carried Unanimously.

Annual Report, Filing and Information Items

Director Swan stated that this agenda item is more informational and pertains to completing the calendar for this program year as we need meeting dates for February, March and June.

ADJOURNMENT

With no further business to come before the Board, a motion was made by Director Thompson to adjourn the meeting at 10:30 a.m, supported by Director Nelson. Motion Carried Unanimously.

Prepared by: L'Tanya Clegg