



A Michigan Works! Agency

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MEETING:	DESC Corporate Board Meeting	DATE:	February 27, 2018
ATTENDEES:	DESC Board Meeting: Cal Sharp, Alice Thompson, Jeff Donofrio, Maria Woodruff-Wright, Michael Aaron, Lena Barkley, Ric Preuss, Don O'Connell. DESC Staff: Nicole Sherard Freeman, Terri Weems, Stephanie Nixon, Robert Shimkoski, Michelle Rafferty, Jocelyn Malcolmcar; Rachel Zuckerman, Nick Piper Visitors: Frank Hope, John Allen	LOCATION:	440 E. Congress, Corporate Conference Room, 3R, Detroit, MI 48226
VIA TELEPHONE:		CALLED TO ORDER:	9:45 am
ABSENT:	Excused: Laura Hughes and Chris Uhl; Toney Stewart	ADJOURNED:	11:10 am
FACILITATOR:	Cal Sharp, DESC Board Vice Chair.	DATE MINUTES APPROVED/ADOPTED:	April 24, 2018

ITEM	DISCUSSION	OUTCOME /ACTION ITEM(S)
Call to Order, Welcome, Roll Call and Introductions.	Cal Sharp, DESC Board Vice Chair, called this meeting to order at 9:45 am, February 27, 2018. Board Members, DESC Staff, and visitors introduced themselves, and were welcomed and thanked for attending.	
Approval of Meeting Consent Agenda with Correction.	Cal Sharp, DESC Board Vice Chair Requested for Motion to approve the Meeting's Consent Agenda with correction. Motioned: Don O'Connell Seconded: Michael Aaron Motion Carried-Passed/Approved Unanimously	Approval of Meeting Consent Agenda with 1 correction: <ul style="list-style-type: none"> Maria Woodruff-Wright will give the Audit & Finance Committee Report Motion Carried/Passed Unanimously.
Approval of Meeting Minutes: December 18, 2017.	Cal Sharp, DESC Board Vice Chair Requested for Motion to approve December 18, 2017 Corporate Board minutes. Motioned: Jeff Donofrio Seconded: Alice Thompson Motion Carried-Passed/Approved Unanimously	Approval of December 18, 2017 Minutes. Motion Carried/Passed Unanimously.
Approval of Calendar Dates Revision	Call Sharp, DESC Board Vice Chair Requested for Motion to approve the revised DESC Board and Committees 2018 Calendar of Meetings.	Approval of 2018 Calendar of Meetings:



	<p style="text-align: center;"> Moteded: Jeff Donofrio Secodeded: Michael Aaron Motion Carried-Passed/Approved Unanimously </p> <p> Remarks from Board Members: This annual meeting year, let's discuss having a celebratory/marketing event for the public to highlight our accomplishments prior to annual meeting. The timeframe for the annual meeting is always the first quarter of the Program/Fiscal year. </p>	<p> -Program Service Revised Meeting Dates -December Executive Committee & Corporate Board date chosen </p> <p> Motion Carried/Passed Unanimously. </p>
<p>CEO Report</p>	<p> Nicole Sherard Freeman, DESC CEO & President, gave her report. </p> <ul style="list-style-type: none"> • <u>Calendar Highlights for 2017</u> for customer served and increase in occupational training through DetroitAtWork. <ul style="list-style-type: none"> ○ More than 30,000 customers were served at PATH and One Stop Offices. A good number that were serviced came in for the first time. More than 1000 clients were served in occupational training. ○ IT, Construction, Manufacturing, Healthcare, Retail, Hospitality & Entertainment (growing industries), saw a 143% increase in those placements. DESC assisted with 4200 placements through our system and our partners systems. What is not counted is those who find jobs on their own and do not notify the case managers after getting help from our resource centers. Over time, those who we served may have a longer ramp to be job ready. Our placement numbers may look lower than last years. It's not our real measure that reflects we are having an impact on our community. Looking at community impact and resident impact and how we are using taxpayer dollars allows us to see how we are reaching and serving those who need it, whether we count those placements or not. ○ Average wage for 2017 is up to \$13.06 [wage record from State of Michigan record], a 23% increase from prior year. To measure properly if residents are moving out of poverty, a look at employment rate, reaching those who have been disconnected and, average wage will give a better measurement. <p> Board Question: How many of the 1000 in occupational training ended up in placements? Response: Expected 80% but need to run those numbers. </p> <ul style="list-style-type: none"> • <u>Budget and Finance</u>. We will be attending a March 1 budget hearing with City of Detroit to discuss how we are blending our funding to double or triple our placement impact. Our Finance team is reconciling budget to actual expenses, in preparation for planning for the new fiscal year. • <u>Audit</u>. No compliance findings. There were some recommendations, which will be discussed later in this meeting by Plante & Moran. The Finance and Program Services team worked together to eliminate the findings and made a significant accomplishment. 	

	<ul style="list-style-type: none"> • <u>Detroit @ Work</u>. Diane Marx-Posi (Dee), MWDB Communications, has worked closely with Robin Johnston (DESC Communications Manager, on a branding and marketing strategy for DetroitAtWork. This strategy is to simplify the job seeking process for our community. <p>Board Question: Will there be other community agents joining this strategy? Response: Right now, it is DESC and our partners. The DetroitAtWork brand is respected among other community agents, so it is likely other community agents will join the strategy.</p> <ul style="list-style-type: none"> • <u>Draft Strategic Priorities</u>. We, in partnership with the Mayor and the MWDB, drafted 2018 DESC Strategic Priorities that will: <ol style="list-style-type: none"> 1. Successfully launch select new initiatives while expanding the operational and financial stability and capacity of existing programs and approaches. 2. Maximize training, employment, and career path opportunities for Detroiters by leveraging key revenue streams and investments. 3. Run a tight ship, fiscally and operationally. 4. Strengthen our assets and capabilities through “buy, build, or partner” strategies. 5. Co-lead a process to strengthen the capacity of Detroit’s Workforce system providers. <p>These priorities will help anchor us and direct us towards reaching the goal of employing 40,000 more Detroiters to gain financial stability and eliminate poverty. We would like the Board’s feedback on these priorities and key performance indicators.</p> <p>Board Question: By what date will you like our feedback? Response: By March 10, 2018.</p>	
<p>GDYT Update</p> <ul style="list-style-type: none"> • Introduction of GDYT Executive Director • GDYT 2017 Recap and 2018 Preview 	<ul style="list-style-type: none"> • Nicole Sherard Freeman, DESC CEO & President, introduced the new GDYT Executive Director, Mr. Jason Lee. Mr. Lee’s background comes from Focus Hope and DAPCEP. He’s excited to be with DESC. <p>Nicole Sherard-Freeman, DESC CEO & President, reported:</p> <ul style="list-style-type: none"> • We need to raise our GDYT budget to \$11 million to cover minimum wage increases, and significant program improvements: more emphasis on quality experience for youth; stronger partnerships. We are concentrating on having a more meaningful employee training program for our students. Our target is 8,000 placements. To date, over 9,000 students have applied for GDYT. • GDYT 2017 accomplishments are part of the Corporate Board package, some highlights are: 	

- Partners with Connect Detroit – vital to GDYT programming.
- 8,127 youth placed.
- Increase in industry-led training partners.
- Almost 300 youth retained for permanent employment after program ended.
- Raised close to \$1 million in DESC external funding goals, thanks to Ed Duggan and Ryan Freeman, encouraging us to reach our 2017 funding goals.

We thank the partners around the table for providing funding and employment opportunities for our youth.

University of Michigan Youth Policy Lab will be invited to a future meeting of Program Services Committee and perhaps the Board, to present GDYT accomplishments/data.

Stephanie Nixon, Chief Program Officer, gave her report.

GDYT 2017 Accomplishments

- DESC was directly responsible for career pathways internships, industry led training and affiliate partners.
- Detroit was directly responsible for lead agency partners, program providers and junior police and fire cadets.
- Most of the students (4,000) were placed in community-based training, there was an increase in industry led training and an increase in affiliate partners who trained 600 students (all Detroiters) in private industry jobs.

Pyndex/Pay Cards

- Funded by Skillman Foundation. Thanks for your continued support!
- Over 15,000 youth completed online applications.
- Youth paid by pay cards, no paper checks.
- Able to track real time data and historical data.

Career Pathways Internships

- 2 Career Fairs Offered in 2017.
- Over 900 participated.
- 700 were hired immediately.

Industry Led Training

- All five high growth sectors offered credential training.
- 288 permanent opportunities resulted.

	<p>GDYT students statistically scored higher in high school graduation, more consistent in school attendance and more GDYT students took the SAT. These outcomes are beyond just having a job that pays a wage.</p> <p>Jason Lee gave his report. In 2018, we propose:</p> <ul style="list-style-type: none"> • More meaningful training for students in summer employment. • Efficiency in systems and processes. • Improvements to system. • Follow-up on recommendations by University of Michigan Youth Policy Lab. • Launch the Career Specialist Pilot Program at 5 schools: Cody, Osbourne, Western, Ben Carson and Randolph. It will be a year-round engagement. 400 students will have not only summer youth employment but also year-round engagement with the Career Specialist for job preparation and readiness. This program is a component next to GDYT. 	
<p>Strategic Initiatives Update</p>	<p>Michelle Rafferty, DESC COO, gave her report.</p> <p><u>System Redesign</u></p> <ul style="list-style-type: none"> • Finalized Request for Information. The due date is tomorrow but will be extended. Only 15 responded from the over 70 requests sent out. • Request for Proposal for System Redesign for helping us with project management and facilitating the stakeholder engagement process and helping facilitate our decision making. We chose the consultants - Public Consulting Group. They have worked with other workforce agencies in the cities of Los Angeles, Philadelphia, and El Paso. <p>Michelle Rafferty introduced Nick Piper, as the DESC Director of Strategic Initiatives. Mr. Piper came from United Way - Center for Working Families. He will help oversee the \$10 million investment in training for jobs related to the Bridge Project and executive order and training fees at Randolph.</p> <p><u>Randolph.</u> Three new programs:</p> <ul style="list-style-type: none"> • Access for All (January start date) • Construction Basic Skills Program (February start date) • Construction Related Training (March start date) <p>68 adult students have been trained through Randolph to date.</p> <p>Board Question: What are the next steps for the 68 adult students after training? Response: Varies on program: It could be advanced training, apprenticeship or direct employment. Our goal is to get people to work as quickly as possible.</p> <p>Board Question: What are we doing to get to full capacity of 300?</p>	

	<p>Response: We have a flyer that will inform job seekers of our integrated services with just one phone call. DetroitAtWork is also a marketing strategy to meet the 300 goal. And we also charge our providers with recruitment to fill their classes.</p> <p>Board Question: Have you set goals and metrics of success around the goal of serving 300 students? Response: We have a timeline with targets and we will have scorecards for our providers.</p> <p>Board Question: Are you sharing the unified marketing piece with providers? Response: We meet bi-weekly with all our partners. We met with United Way also, and their Marketing people are now connected with our Communications Director.</p> <p>Board Question: Help me to understand how the flyer relates to the 3 programs? Response: The trainings are at Randolph. But we're starting YouthBuild, and wherever the person accesses, we can direct them to the best possible program that meets their needs. Every time we do a session, we have all providers onsite every time an assessment is needed.</p> <p>Jeff Donofrio displayed a new fob that will be delivered to partners to give to potential clients that has the contact number for DetroitAtWork.</p>	
<p>Audit & Finance Committee Update</p>	<p>Maria Woodruff-Wright, on behalf of the DESC Audit & Finance Committee, introduced Plante & Moran team members: Paul Bryant, Audit Partner and Christine Hunt, Senior Manager, who updated the Board on the final audit.</p> <ul style="list-style-type: none"> • New auditors this audit, and the DESC team was cooperative and provided all the detail we needed to conduct the audit. • DESC is still a 501(c)(3) nonprofit agency. Since the Mayor appoints the Board, the audit needed to be treated as a government entity for audit purposes. • DESC has a clean audit. • On Page 9 of the Financial Statement Audit, what's new is we backed out fixed assets and receivables we don't collect in 60 days. • We had a very good year this year, with foundation awards. We recognize revenue when we receive it. • On Page 7 of the Financial Statement Audit, the restricted money is the grant/foundation money. • There was one material weakness, regarding signing of checks. During the audit, there was one person who could issue and sign the check, but there was no impropriety found, and this has since been corrected by your new CFO. • On the Federal Awards Single Audit, we examined federal awards over a certain amount. We look at the funding source, that expenses were recorded properly 	

	<p>and spent accordingly and that internal controls were in place. We spent \$33 million in federal awards. The agency continues to do a good job.</p> <ul style="list-style-type: none"> • On Page 11, of the Federal Awards Single Audit, we tested 3 programs: Employment Services Cluster, Temporary Assistance for Needy Families Cluster and the Community Development Block Grant Entitlement Cluster. • On Page 14, we found material weakness with signing of timesheets, the Finance team is in the process of fixing timesheets by automating the recordkeeping of time. With only the finding of this one item, it was a good audit. 	
Program Services Committee Update	<p>Alice Thompson, DESC Programs Services Chair, gave her report.</p> <ul style="list-style-type: none"> • Met on Feb. 16, 2018 and approved 4 contract modifications. The modifications took the grants over threshold of what the amount the CEO cannot sign without Board authorization. So, these 4 contract modifications came to our Committee. • The DESC Program Services Chair offer praise for the GDYT report and the way it was organized. • On a scale of 1 to 5, with 5 being the highest, the average score employers gave the program was 4.3 percent. And employers would bring back 89.3 percent of the youth back for work. • Kudos to the DESC staff to improving continually. It comes across at every meeting. 	
For Motion: Budget Modifications: <ul style="list-style-type: none"> • Access • Focus Hope • Neighborhood Services Organization (NSO) • SERCO 	<p>Stephanie Nixon, Chief Program Officer, gave her report on the budget modifications.</p> <p>Cal Sharp, DESC Board Vice Chair Requested a Motion to approve the increase of \$48,000 in budget modifications for Access.</p> <p style="text-align: center;">Moted: Michael Aaron Seconded: Don O'Connell Motion Carried – Passed/Approved Unanimously</p> <p>Cal Sharp, DESC Board Vice Chair Requested a Motion to approve the increase of \$172,679 in budget modifications for Focus Hope.</p> <p style="text-align: center;">Moted: Michael Aaron Seconded: Jeff Donofrio Motion Carried – Passed/Approved Unanimously</p> <p>Cal Sharp, DESC Board Vice Chair Requested a Motion to approve the increase of \$139,034 in budget modifications for Neighborhood Services Organization.</p> <p style="text-align: center;">Moted: Michael Aaron Seconded: Jeff Donofrio Motion Carried – Passed/Approved Unanimously</p> <p>Cal Sharp, DESC Board Vice Chair Requested a Motion to approve the increase of \$328,400 in budget modifications for SERCO.</p>	<p>Approval of Contract Modifications:</p> <ul style="list-style-type: none"> • Access • Focus Hope • Neighborhood Services Organization • SERCO

	<p>Motioned: Alice Thompson Seconded: Michael Aaron Motion Carried – Passed/Approved Unanimously</p> <p>Board Question: Please bring an update on the demonstration grant on the prison reentry program. Response: Sam Marvin will be asked to bring an update report.</p> <p>Nicole Sherard-Freeman explained there were two FYI sheets in the package:</p> <ul style="list-style-type: none"> • Contract New Approval Process: Explains what happens in the transition year. • DESC PY 2017-18 Contract Summary: contracts CEO signed that didn't need Board approval, but as a report to the Board. <p>Board Response: Put it in the CEO report so it doesn't get lost.</p>	
Public Comments	<p>Each person who wishes to speak, needs to complete a comment card and has 3 minutes to speak. A member of the public voiced his concerns:</p> <ul style="list-style-type: none"> • For checks under \$250,000, is a check writer software used to monitor accounts? • Does the community get access to the reports presented to the Board? • Is the DESC budget hearing at the City on March 1, 2018? • Randolph issue: why isn't Randolph using what happens during the day at all high schools in the City. Program is ill conceived. • Access to All, seriously look at programs we are funding. Need to get the advice from those who are attending these programs. • Request from a guidance counselor on what to do with a student who was in skilled trades and is under 18 and needed to transition to another program. Bridges to Construction would be an excellent transition. • Thanks for listening. 	Member of the Public
Adjournment	<p>Cal Sharp, DESC Board Vice Chair Requested a Motion for Adjournment.</p> <p>Motioned: Jeff Donofrio Seconded: Lena Barkley Motion Carried – Passed/Approved Unanimously</p>	<p>Approval of Adjournment.</p> <p>Motion Carried/Passed Unanimously.</p>

DRAFT SUBMITTED BY:

Printed Name: Cheryl Hildreth

Title: Administrative Assistant

Signature: *Cheryl Hildreth*

Date: February 27, 2018

MINUTES APPROVED/ADOPTED: 04/24/2018 *LJR*

NEXT MEETING: April 24, 2018 at 9:45am – 11:00 am

