



**BOARD OF DIRECTORS**

June 10, 2022 at 8:00am

499 W. Main Street, Benton Harbor and Virtual Zoom Meeting

**Meeting Minutes**

**I. ATTENDANCE:**

Members Present:

Tom Barbarini, Luke Barber, David Colp, Rick Dyer, Vail Harding, Steve Jackson, Bob Kara, Paul Konopacki, Lance Lyons, Anna Murphy, Christopher Randall, George Saleeby, Tom Stanek, Kathy Valdes, and Dan Wyant

Members Absent:

Barb Anderson, Brady Cohen, John Janick, Dr. Trevor Kubatzke, and Arlandar Washington

Chief Elected Officials (CEOB) Present:

Don Hanson, Roseann Marchetti, and Randall Peat

CEOB's Absent:

Michael Grice and Mamie Yarbrough

Staff Present:

Orrin Bailey, Caleb Colp, Jenn Deamud, Todd Gustafson, Zach Morris, Paula Polaskey, Al Pscholka, and Erin Wright

**II. PUBLIC COMMENT**

None.

**III. CHAIRMAN'S REPORT**

Approval of March 4, 2022 Board of Directors Meeting Minutes

Bob Kara moved to approve the minutes of the March 4, 2022 Kinexus Group (KG) Board of Directors meeting. Rick Dyer supported the motion and it was carried unanimously.

**IV. KINEXUS GROUP EXECUTIVE COMMITTEE**

Wagner-Peyser Resolution

T. Gustafson reported that the United States Department of Labor (USDOL) published a Notice of Proposed Rulemaking on Wagner-Peyser Staffing which would require States to use State merit staff to provide Wagner-Peyser Employment Services. This change will negatively impact both job seekers and employers in Michigan. The proposed model is currently provided by nearly 400 Michigan Works! staff and would be reduced to 100 State of Michigan staff and cost the Berrien Cass and Van Buren (BCVB) Workforce Development Board (WDB) more than \$400K and affect up to 40 staff positions. Mr. Gustafson noted a link will be emailed to the Board, and encouraged the Board to submit comments at the federal level to allow the Michigan Works! networks to continue the Employment Services delivery and support to job seekers and employers without disruption.

George Saleeby recommended a motion for the BCVB WDB to approve the Wagner Peyers resolution to urge Michigan Governor Gretchen Whitmer and the Michigan Congressional Delegation to support local control by the WDB and vigorously oppose this rule and notify the USDOL Secretary that it would negatively impact the Michigan One Stop WDB system and that the copy of the resolution be sent to the United States Employment and Training Administration /USDOL, Governor Gretchen Whitmer, United States Legislators and State Legislators. David Colp moved to approve the Wagner Peyser resolution. Randy Peat supported the motion and it was carried unanimously.

#### KG Health Dashboard

Todd Gustafson provided an overview of the KG Health Dashboard, noting the percentage of turnover. Challenges and information from exit interviews are being reviewed. The remaining trends are going in the right direction.

#### Government Relations & Public Affairs

Al Pscholka reviewed the labor market National trends noting that there are 11.4M jobs that are open but only 5.7M people are unemployed. Manufacturers and hospitality may have to automate if they are unable to find workers, noting that factory orders for robots have increased 40% from 2021 to 2022. Mr. Pscholka reported that the labor market in BCVB is stabilizing a bit. Manufacturers, healthcare, leisure and hospitality and agribusiness are still struggling. Labor force participation rates remain below 60% in Michigan and Southwest Michigan. Mr. Pscholka reported on Government Affairs from Washington DC and Lansing noting that Jobs for Michigan's Graduates (JMG) agreement is for \$4.74M, and there are additional dollars for infrastructure and broadband. Discussion followed.

#### Marketing & Communications

Al Pscholka reported that since June 10, 2021, KG organizations have been featured in 382 stories across the state and 143 news stories since March 2022.

### **KINEXUS GROUP INVESTMENT COMMITTEE**

#### PY2-23 Proposed Budget

Rick Dyer reported that the Investment Committee reviewed, discussed and endorsed the proposed PY 2022-2023 budget of \$21.92M, and 140 Full Time Equivalents (FTE) for fiscal year July 1, 2022 through June 30, 2023. Rick Dyer moved to approve the budget for PY 2022-2023 of \$21.92M and 140 FTEs for fiscal year July 1, 2022 through June 30, 2023. Randy Peat supported the motion and it was carried unanimously.

#### Financial Reports

Orrin Bailey reported on the summary financials, funding expenditures, formula, and non formula funding ending June 30, 2022.

## **V. KINEXUS GROUP SUBSIDIARIES**

#### Michigan Works! BCVB

Jenn Deamud presented the Workforce Innovation and Opportunity Act (WIOA) Local Plan for PY2022-2023. WIOA requires Michigan Works! to submit a mid-cycle review of the local and regional plans to the state for approval. Updates to the Local and Region Plans address current and future strategies and efficiencies to advance and modernize the current workforce system. Included in these plans are key industry sectors, workforce evaluation procedures, One-Stop Service Center operations, funding and key partnership relationships. Lance Lyons moved to approve the adoption of the WIOA Local and Regional Plan PY 2022-2023 and submit it to the State of Michigan Department of Labor and Economic (LEO) Growth on June 10, 2022. Steve Jackson supported the motion and it was carried unanimously.

Jenn Deamud presented the WDB Program Policy and the proposed changes to the support service limits and the definition of self-sufficiency. The proposed change of increasing the support service limit applied to only vehicle purchases. The increase of \$5K allows for the BCBV Local policy to come into alignment with the LEO-WD policy. Lance Lyons moved to approve and adopt the WDB Program Policy effective June 10, 2022. Vail Harding supported the motion and it was carried unanimously.

Al Pscholka reported on the partnership with the City of Benton Harbor. Summer jobs will be provided to 119 youth from Benton Harbor. The City of Benton Harbor will provide youth assignments at various City departments for six weeks at \$15/per hour. Hours per work week will be between 20-30 hours. Michigan Works! will provide wrap around services to the youth.

Market Van Buren (MVB)

Zach Morris announced that Wine Chips has been recruited from Huntington Beach, California to Paw Paw, Michigan. This new attraction will create 25 new jobs and \$1.175M of new investment. Mr. Morris reviewed Van Buren County 2021-2022 results; project announcements which include Welch’s, GLCC, TCB Food Processors, Wine Chips and American Cooler Technologies for an overall investment of \$37.5M, and eleven businesses participated in the Business Resilience Training. Cass County 2021-2022 results; project announcements which include Hydro, EQ United, CHT, and Jasper Plastics for an overall investment of \$143.7M. Mr. Morris reported that the Fund Development is at \$339K and investors increased from 35 to 41.

Manufacturing Growth Alliance (MGA)

Jenn Deamud reported that MGA is seeking a new Executive Director. The position was posted in May and the expectation is to have an Executive Director onboard in July. Ms. Deamud provided an update on Industry 4.0 (I4.0). In the first year, 500 manufacturers were served, and up to ten matching grants were issued to small businesses. The implementation project was so great that the state and MEDC decided to go regional. MGA received \$1.3M to support regions 1,3, 7, 9, Oakland and Wayne Counties. The grants are \$25K matching. Ms. Deamud noted that there are a significant number of small manufacturers still trying to figure out if I4.0 and why it is important and how to implement those programs. Discussion followed.

Youth Solutions (YS)

Jenn Deamud reported that YS is the only entity/organization that has a contract with all of the Michigan Works!. West Central is launching in the Fall of 2022 and Macomb/St. Clair will be launched in 2023-2024. Ms. Deamud announced that YS received the Strada Education Network Grant for \$350K for three years to serve 4,500 youth across the state, and received \$50K from Consumers Energy in support and expansion of the service delivery model, Select.

**VI. PUBLIC COMMENTS**

None.

**VII. ADJOURNMENT**

The meeting adjourned at 9:25 am

DocuSigned by:  
  
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Kenneth Board of Directors Chairman Date 10/7/22

DocuSigned by:  
  
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Paulina Polasek Recording Secretary Date 10/7/22