



BOARD OF DIRECTORS

September 3, 2021 at 8:00am

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

Meeting Minutes

I. ATTENDANCE:

Members Present:

Brady Cohen, Rick Dyer, Steve Jackson, Lance Lyons, Christopher Randall, George Saleeby, and Tom Stanek

Members Virtual:

Tom Barbarini, David Colp, Vail Harding, Bob Kara, Dr. Trevor Kubatzke, Anna Murphy, and Arlandar Washington

Members Absent:

Barb Anderson, Luke Barber, John Janick, Paul Konopacki, Kathy Valdes, and Dan Wyant

Chief Elected Officials (CEOB) Present:

Michael Grice, Roseann Marchetti, Don Meeks, and Mamie Yarbrough

CEOBs Virtual:

Randall Peat

CEOB's Absent:

Don Hanson

Staff Present:

Orrin Bailey, Lily Brewer, Josh Cosner, Jenn Deamud, Todd Gustafson, Gillian Korfmacher, Mary Morphey, Zach Morris, Paula Polaskey, Al Pscholka, Mollie Waller, and Erin Wright

II. PUBLIC COMMENT

None.

III. CHAIRMAN'S REPORT

Approval of June 4, 2021 Board of Directors Meeting Minutes

George Saleeby moved to approve the minutes of the June 4, 2021 Kinexus Group (KG) Board of Directors meeting. Lance Lyons supported the motion and it was carried unanimously.

Welcome New Board Members - Todd introduced Brady Cohen

Todd Gustafson introduced Brady Cohen, General Manager at the Inn at Harbor Shores. Mr. Brady will represent the business sector for Berrien County.

Ad-Hoc Nominating Committee

Chris Randall reported that during the normal cycle, the annual Board of Directors meetings are held in October. An annual meeting will be held virtually in October to elect officers for 2021-2022. Todd Gustafson announced that the Ad-Hoc Nomination Committee includes; Anna Murphy, Chair, Randall Peat

IV. KINEXUS GROUP EXECUTIVE COMMITTEE

KG Health Dashboard

Todd Gustafson provided an overview of the KG Health Dashboard, including Manufacturing Growth Alliance (MGA), employee turnover, and the business model. Meetings were held with subsidiary Board Chairpersons and Treasurers to review the financials and the Administrative Service Agreement (ASA).

Human Resources

Erin Wright gave an overview of recruitment efforts and ways to measure turnover. Todd Gustafson indicated the current average turnover has been between 10-14%. Discussion followed.

Government Relations & Public Affairs

Al Pscholka gave an update on the State and Federal budget challenges noting that the Federal budget deficit is \$3.5T. Mr. Pscholka gave an update on the State budget, Earmarks and funding requests for MGA, Market Van Buren (MVB), Michigan Works! (MW), and Youth Solutions (YS). The Metropolitan Statistical Area (MSA) issue resolution to keep the Benton Harbor rule in place was a huge victory for Southwest Michigan. Governor Whitmer will be in Van Buren County on September 29 for an employer roundtable and to tour the Van Buren Tech Center. Mr. Pscholka provided an overview of the labor market data roundtables for State officials and media.

Marketing & Communications

Al Pscholka reported that since September 3, 2020, KG has been featured in 375 news stories across the state. Ms. Pscholka complimented and thanked Mary Morpheu for her hard work.

KINEXUS GROUP INVESTMENT COMMITTEE

Financial Reports

Rick Dyer reported that conversations were held with MGA, MVB, and YS regarding the ASA's. The ASA includes services that the parent company (Kinexus Group) offers to the subsidiaries. Mr. Dyer gave an overview of the summary financials, and funding and expenditures ending June 30, 2021. Orrin Bailey provided an update on the available funding ending June 30, 2021, and the formula vs. non formula available through June 30, 2021.

Todd Gustafson gave an overview of the 50 private and public sector money sources and the difference between formula and non formula. George Saleeby inquired about the facilities and ownership of properties. Discussion followed.

V. KINEXUS GROUP SUBSIDIARIES

Nation, State, Regional Economic Overview

Al Pscholka gave an update on the labor market and the BCVB talent shortages, noting that over the pandemic there has been a high demand from employers and people leaving the workforce for numerous reasons. Manufacturing and healthcare are both down 7%, agriculture is down 7% and leisure/hospitality is down 23%. The decline is due to COVID and the extension of UIA extended benefits. In previous years' there would be an uptick in summer employment, that did not occur in the summer of 2021. The unemployment rate in the U.S. is 5.7%, Michigan is at 5%, and the labor market is down 200K workers. Discussion followed.

Manufacturing Growth Alliance (MGA)

Jenn Deamud reported that MGA is making an impact in the manufacturing space through the Industry 4.0 Initiative (I4.0). There has been significant traction with I4.0, including 80 companies participating in the information sessions. MGA will launch the digital campaign to create greater awareness of I4.0 for the state, and the three regions; Southwest Michigan, Upper Peninsula, and Northeast Michigan. Ms. Deamud

reported on Edge Partners. Edge Partners is a research and marketing firm that will conduct primary and secondary research to understand the small and medium manufacturing space. Next steps include owning the small manufacturing stories, converting free to paid memberships, and expanding the MGA Board of Directors to have statewide presence. Ms. Deamud gave an update on manufacturing month noting the enhanced awareness of MGA services, including I4.0, telling the story of small manufacturers, and I4.0 resources and tools. Discussion followed.

Market Van Buren (MVB)

Zach Morris reported that MVB wants to ensure that Van Buren County businesses are protected from business disruptions and disasters. On September 9th MVB is offering free webinars on business resiliency training followed by workshops on October 19 and November 8th on supply chain disruptions, natural disasters, human resource crises, and cybersecurity. Mr. Morris reported that MGA has started a two year agreement to be the Economic Development Organization (EDO) of record for Cass County. Economic services to be provided include business engagement, grant development, industrial property development, and representation in governmental affairs. Mr. Morris reported that MVB currently has 37 investors, and is reaching the fund development goal of \$300K. Tom Stanek commented that MGA is excited to offer services to Cass County; it's a good partnership and sharing of resources opportunity. Todd Gustafson thanked Mr. Morris for making this partnership possible.

Youth Solutions (YS)

Mollie Waller reported that during the pandemic 45K youth were disconnected from services. Despite the pandemic, virtual schools served 3,510 students, maintained a 90% graduation rate for nine years in a row, and exceeded the Jobs for America's Graduates (JAG) 5 of 5 annual performance metrics, which includes; Graduation Rate, Employment and Postsecondary Success. YS consistently exceeds the metrics of the 5 of 5 and has earned the national recognition for achieving these metrics each of the past several years. It's a testament to the dedication of the JMG Specialists and Managers to not just meet but exceed these rigorous metrics. To achieve the goal of providing services to 10K youth annually by 2024, YS is partnering with 177 organizations, including affiliates, CBO's, employers, and post secondary. YS also has three new services to build out the continuum of services and two new middle school programs. New services include digital access to career resources for school districts, and customizable solutions. Other services include YS Select. Select pilot programs will be held in a few places throughout the state. Ms. Waller gave an overview of Inspiring Futures: Benton Harbor. The goal of Inspiring Futures is to have the right support, right partners, and right times to have long term career success for Benton Harbor area youth.

Michigan Works! BCVB

Jenn Deamud reported on the Going Pro Talent Fund, which supports the growth of local businesses by offsetting costs of hiring, incumbent training, and apprenticeships. The target for FY22 includes 50 companies applying, 80% of those companies being awarded, and 10 first time awardees. Ms. Deamud gave an overview of Offender Success (OS). OS has exceeded their baseline performance for the fourth year in a row. Job placement rate is 87.6%, job retention rate is 51.5%, and return to prison rate is 24.4%. Ms. Deamud gave an update on the Bridge Academy of Southwest Michigan (BASWM). School is in session as of August 30th. 69 participants have submitted their applications with a goal of 90 enrollments. Ongoing recruitment efforts are in place, including WSBT education segment, and social media outreach. Ms. Deamud shared the new BASWM logo and encouraged members to visit the BASWM website. The BASWM applied for the Charter School Program (CSP) grant, and was awarded \$1.25M. These funds will support the BASWM for the next two years.

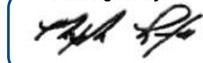
VI. PUBLIC COMMENTS

None.

VII. ADJOURNMENT

The meeting adjourned at 9:50am

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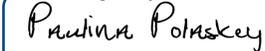
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Kinexus Board of Directors Chairman

Date

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Recording Secretary

Date