



BOARD OF DIRECTORS

December 3, 2021 at 8:00am

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

Meeting Minutes

I. ATTENDANCE:

Members Present:

Luke Barber, David Colp, Rick Dyer, Bob Kara, Lance Lyons, Christopher Randall, George Saleeby, and Tom Stanek

Members Virtual:

Barb Anderson, Tom Barbarini, Brady Cohen, Vail Harding, Paul Konopacki, Dr. Trevor Kubatzke, Anna Murphy, Kathy Valdes, and Arlandar Washington

Members Absent:

Steve Jackson, John Janick, and Dan Wyant

Chief Elected Officials (CEOB) Present:

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

CEOBs Virtual:

Don Hanson, and Randall Peat

CEOB's Absent:

None.

Staff Present:

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

II. PUBLIC COMMENT

None.

III. CHAIRMAN'S REPORT

Approval of September 3, 2021 and October 22, 2021 Board of Directors Meeting Minutes

Bob Kara moved to approve the minutes of the September 3, 2021 and October 22, 2021 Kinexus Group (KG) Board of Directors meeting. George Saleeby supported the motion and it was carried unanimously.

Welcome New Board Members

Todd Gustafson introduced Luke Barber, President of Barber Packaging, representing Van Buren County in the private sector.

2022 KG Board meeting calendar

Todd Gustafson shared the 2022 KG Board of Directors meeting calendar.

2020-2021 Audit Report

Rick Dyer introduced Michael Evrard, CPA of Yeo & Yeo. Mr. Dyer indicated that Mr. Evrard met with the Kinexus Investment Committee to review the audit. Mr. Evrard presented the 2020-2021 audit results and financial statements. The Investment Committee reviewed the audit and submitted it to the KG full board for review and approval. Rick Dyer moved to approve the 2020-2021 audit. Bob Kara supported the motion and it carried unanimously.

Annual Subsidiary Board Appointments

Chris Randall reported that according to the subsidiary (Youth Solutions (YS), Market Van Buren (MVB) and Manufacturing Growth Alliance (MGA) By-Laws, KG the sole member of each subsidiary shall annually elect all directors. The annual election will sync with the calendar year, with the term running from January 1, 2022 to December 31, 2022. Anna Murphy moved to approve the directors on the YS, MVB and MGA Board of Directors including new members; Karen Arondowski (MGA), Ellington Ellis (MGA), Carrie Troyer (MVB), Dave Manson (MVB), Griffin Graham (MVB), and Ryan Laylin (MVB) for the term of January 1, 2022 to December 31, 2022. Bob Kara supported the motion. 12 yeas, 0 nays and 5 abstaining.

IV. KINEXUS GROUP EXECUTIVE COMMITTEE

KG Health Dashboard

Todd Gustafson provided an overview of the KG Health Dashboard, indicating KG is on the right path.

Human Resources

Erin Wright reported on recruitment efforts, stating that KG has hired 13 new people in the last 3 months. Since March 2020, 43% of the KG staff are new to the organization. Discussion followed.

Government Relations & Public Affairs

Al Pscholka reported on December 2, the Government passed a continuing resolution to fund the government until February 2022. Additional issues include raising the debt ceiling, and money in the pipeline for the workforce that is sitting in the Senate as part of the 'build back better' initiative.

Al Pscholka reported that the state budget was passed on September 30th for \$70B, most of which is federal money, State funding for Youth Solutions for JMG went from \$3.75M to \$4.75M with some language clean ups as needed. Mr. Pscholka reviewed the Earmark requests such as \$900K for Broadband in Van Buren County, \$275K for Second State Companies and \$225K for Small Manufacturing Conference for MGA. Discussion followed.

Marketing & Communications

Al Pscholka gave an overview of the annual "This is Kinexus" report. The report includes KG purpose, success stories, economic data, accomplishments, the Board of Directors, locations and websites. Mr. Pscholka gave a shout out to Mary Morphey and Rachel Arnt for the creation of the annual report.

Al Pscholka reported that KG has been featured in 348 news stories across the state since December 2020 and 62 news stories since the board meeting in September 2021.

Labor Market Update

Al Pscholka reported on the "Great Resignation". There are many factors fueling the loss of 6M workers. 3.4M (57%) of those exits are due to baby boomers retiring and 1.9M (32%) of workers opened their own businesses. Data points to only 8% being recoverable labor. Michigan's quit rate is routinely higher than the nations. Mr. Pscholka noted that these trends are fundamental, and will persist. Southwest Michigan finds themselves getting smaller and older, making it difficult on employers. Discussion followed.

KINEXUS GROUP INVESTMENT COMMITTEE

Financial Reports

Rick Dyer gave an overview of the summary financials, and funding and expenditures ending September 30, 2021. Orrin Bailey provided an update on the available funding available through June 30, 2022, and the formula vs. non formula available through June 30, 2022.

V. KINEXUS GROUP SUBSIDIARIES

Manufacturing Growth Alliance (MGA)

Jenn Deamud reported that MGA has been very active in the Industry 4.0 Initiative (I4.0). MGA found that manufacturers and small businesses do not have time to participate in training. MGA launched a digital campaign to create awareness of I4.0 and are establishing videos to attract employers. Some employers are accessing I4.0 to be regionally and globally competitive. Ms. Deamud stated she transitioned from Executive Director of MGA to Chief Operating Officer (COO) of Kinexus Group. Ms. Deamud is in conversation with an individual to contract for six months to assist with MGA, primarily focusing on I4.0 and network members.

Market Van Buren (MVB)

Zach Morris gave an overview of the Rural Internet Expansion in Van Buren County. An Internet Task Force has been established with representation of county commissioners, Van Buren Intermediate School District and townships. Van Buren County municipal leaders along with Cass County administrators will participate in a call with the American Rescue Plan Act (ARPA) regarding funding and overall efforts. There is also a push to finish the mapping of Van Buren County including utilizing schools and letter mailing campaigns. Mr. Morris gave an update on the Cass County attraction wins, noting that EQ United/Days Corporation will invest \$5M in Mason Township and adding 120 new employees. In addition to Hydro Investing \$111M in the Village of Cassopolis and adding 70 new employees. Mr. Morris reported that MVB currently has 40 investors and has reached nearly \$350K of the fund development goal. Discussion followed.

Youth Solutions (YS)

Jenn Deamud reported on FY2023 appropriations. The state appropriations request is \$4.75M, same level of funding as in FY2022. Critically important for YS is for the state to increase the allocation. YS has delivered one of the goals of the strategic plan, which is to increase service lines to youth. YS launched the pilot programs of Select and Digital. Both of these services will expand the outreach to students.

Michigan Works! BCVB

Career Education Advisory Council (CEAC)

Lily Brewer reported that every two years the KG Board of Directors is required to appoint and approve the CEAC. The CEAC is designated by the Workforce Development Board and is intended to advise the board; identify demands in local communities and work collectively to develop education and training programs. Ms. Brewer presented the proposed CEAC roster, as approved by the Michigan Works! Committee which includes four new members; John Fonash, Jim Berry, Allie Knapp, and Jay Bauer. Bob Kara moved to approve the proposed CEAC Council as presented. Lance Lyons supported the motion and it carried unanimously.

Lily Brewer gave an overview of the Bridge Academy of Southwest Michigan (BASWM). The enrollment for the 2021 count day was at 72 students. Current enrollment is 91. Ms. Brewer reported that a Letter of Intent has been submitted to Pearson Construction for the renovation of the BASWM to bring it up to school code. Completion of the renovation is anticipated to be by the end of March 2022.

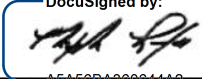
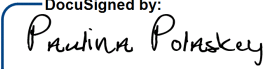
Lily Brewer reported that the Going Pro Talent Fund which supports the growth of local businesses by offsetting costs of hiring, training, and apprenticeships season has concluded. 67 applications were submitted (134% of target) and 27 of those were first time applicants.

VI. PUBLIC COMMENTS

Randy Peat commented on the KG Annual Report.

VII. ADJOURNMENT

The meeting adjourned at 9:51am

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Recording Secretary	Date