



BOARD OF DIRECTORS

September 11, 2020 at 8:00am

Virtual Zoom Meeting

Meeting Minutes

I. ATTENDANCE:

Members Present:

Tom Barbarini, Tim Calhoun, David Colp, Rick Dyer, Steve Jackson, John Janick, Bob Kara, Dr. Trevor Kubatzke, Lance Lyons, Kathy Miller, Christopher Randall, George Saleeby, and Dan Wyant

Members Absent:

Ted Baird, Vail Harding, Anna Murphy, Tom Stanek, Jeff Swears, and Arlandar Washington

Chief Elected Officials (CEOB) Present:

Don Hanson, Dr. Robert Harrison, Roseann Marchetti, Randall Peat, and Mamie Yarbrough

CEOB's Absent:

Michael Grice

Staff Present:

Orrin Bailey, Lily Brewer, Josh Cosner, Jenn Deamud, Jake Gustafson, Todd Gustafson, Zach Morris, Paula Polaskey, Al Pscholka, Kim Thompson, Mollie Waller, and Erin Wright

Guest:

Arnie Redsicker, Praegressus

II. PUBLIC COMMENT

Dr. Bob Harrison asked for a moment in silence for all those who lost their lives on September 11, 2001. A moment of silence was held.

III. CHAIRMAN'S REPORT

Approval of September 11, 2020 Board of Directors Agenda

Randy Peat moved to approve the agenda of the September 11, 2020 Kinexus Group (KG) Board of Directors (BoD) meeting. Lance Lyons supported the motion and it carried unanimously.

Approval of June 5, 2020 Board of Directors Meeting Minutes

Tim Calhoun moved to approve the minutes of the June 5, 2020 KG BoD meeting. Randy Peat supported the motion and it carried unanimously.

Nomination Committee

Randall Peat, on behalf of Committee Chair, Anna Murphy reported that the Nomination Committee met virtually via Zoom on September 2, 2020. Mr. Peat moved to approve the following slate of officers for 2020-2021; Christopher Randall as Chairperson, George Saleeby as Vice Chairperson, David Colp as Secretary, and Rick Dyer as Treasurer of the Kinexus Board of Directors effective October 1, 2020 through September 30, 2021. Tim Calhoun supported the motion and it carried unanimously.

IV. KINEXUS GROUP CORPORATE (HEALTH)

Kinexus Group Executive Committee

Strategic Performance Review

Todd Gustafson gave an overview of the Strategic Planning timeline with the Board of Directors, leadership staff and Rick Popp, Consultant. The strategic dashboard will be presented for approval at the December 4th KG BoD meeting. Mr. Gustafson commented that Kinexus Group started out as a small program organization and quickly evolved into four subsidiaries serving employers, workforce, manufacturing, youth and economic development. Mr. Gustafson reported that after conversations with the KG BoD and leadership staff, the strategic imperatives (objectives/goals) were narrowed to four top focus areas; 1) Enable Vibrant Communities, Strengthen Michigan's Businesses, Prepare a Work-Ready Workforce, 2) Create a World Class Organization, 3) Diversification of Funding Sources, Attract and Retain Funding, and 4) Market KG and the Subsidiaries. Mr. Gustafson reviewed "The Kinexus Way" three core values; Be Bold...Seize Opportunity!, Be Inspirational...Energize Others!, Be Entrepreneurial...Drive Change! and introduced a fourth core value; Be Inclusive...Value Difference! to make people feel more inclusive. Mr. Gustafson also noted another way KG works is by being a Team of Teams which includes Shared Consciousness, Trust, Common Purpose, and Empowered Execution. Once adopted by the KG BoD, the next step is to create the timeline. Randy Peat moved to approve the Kinexus Group Strategy as presented. Lance Lyons supported the motion and it carried unanimously. Discussion followed.

Operations

Jake Gustafson reviewed the KG initiative in Cass County, putting a spotlight on economic development. Zach Morris reported that through the leadership of Cass County Commissioner Roseann Marchetti, KG established a partnership with Cass County to provide economic development services. Cass County requested an initial 60 day sprint to gather information from the business community of challenges and present the findings at the November Cass County EDC meeting. Next steps will be on how to begin implementing a complete economic development program.

Government Relations & Public Affairs

Federal Budget Stimulus - Al Pscholka reported that local and state governments are waiting to hear from the federal government regarding the Federal Budget Stimulus \$300B package. The Stimulus package was not passed in the Senate and has reached a stalemate. It is uncertain if a decision will be made before the election in November.

State Budget - Al Pscholka reported that Michigan Counties recently found out that their COVID monies are restricted. These monies are only for COVID related initiatives. The general fund was moved to 2021 creating a budget that is structurally unbalanced. On the good side of the budget, we were able to work with the Legislature and Governor's office to move forward \$1 million dollars from 2020 to 2021, allowing us to lower our appropriations ask to \$2.75 million in new money, for a total of \$3.75 million in 2021. That solution was met with widespread support in the Legislature, Department, and Administration.

Marketing & Communications

Al Pscholka highlighted over 50 KG news stories featured across the state. Noting that quarterly media roundtables are held to share information on labor market, jobs, employment and consumer spending. Media has requested for KG to do this on a monthly basis instead of quarterly. Mr. Pscholka also shares this information with legislators in small groups. He suggested sharing this information with the local counties. It is a good snapshot of what is going on in the marketplace.

Kinexus Group Investment Committee

Financial Reports

Orrin Bailey gave an update on the Kinexus Group available funding ending June 30, 2020 and the Formula

versus Non-Formula funding through June 30, 2022. Mr. Bailey thanked Tim Calhoun, KG BoD Treasurer and Chair of the Investment Committee for his leadership on the Investment Committee and wished him well in his retirement.

V. OPERATIONAL UNITS

Nation, State, Regional Economic Overview

Jake Gustafson gave the labor market update, reporting Berrien, Cass and Van Buren's unemployment rate is at 9.6%, Michigan is at 9.5% and 8.4% nationally. The recovery has been faster than anticipated, the pace of growth is positive, but at a slow rate. Mr. Gustafson reviewed the unemployment rates stating that BCVB is still three times higher than in a normal year.

Michigan Works! BCVB

Lily Brewer gave an update on Offender Success (OS), a statewide program that focuses on offenders transitioning into communities. KG OS serves eight counties in Region 8. Michigan Department of Corrections (MDOC) released OSs Employment Performance for year three. The KG OS had the highest job placement rate at 84% and highest retention rate at 73% and total job placements of 190 which exceeds the previous two years by 40. The state average for year three is 49% for job placement, 49% for job retention and cumulative year one through year three job placement rate at 55%. Baselines will be increased and adjusted for performance in year four. Ms. Brewer congratulated the OS team and encouraged employers to hire offenders.

Ms. Brewer reported that the Workforce Innovation & Opportunity Act (WIOA) requires Michigan Works! to develop and submit every four years a comprehensive local and regional to the State Of Michigan for approval. Included in the plans are key industry sectors, workforce evaluation procedures, One-Stop Service Center operations, funding and key partnerships relationships. George Saleeby moved to approve the WIOA Local & Regional Plan. Lance Lyons supported the motion and it carried unanimously. Todd Gustafson noted that this is also regional and connected to Southwest Michigan Works!. We work together so that we are both in alignment. The local plan is very specific to BCVB.

Ms. Brewer reported on the Cass County Services Expansion. The expansion will reduce cost in Cass County. The plan is to move from one location to three locations in Cass County. This will help serve more people and increase access in Cass County. The three locations include; Dowagiac Public Library, DHHS in Cassopolis and Southwestern Michigan College in Niles. George Saleeby moved to approve the Cass County Services Expansion. Randy Peat supported the motion and it carried unanimously.

Ms. Brewer provided information on the Future of Front liners. In September, Governor Gretchen Whitmer, along with leaders in education, business, labor and workforce development, launched the nation's first program offering tuition-free college to Michiganders who provided essential, frontline services during COVID-19 Stay Home, Stay Safe orders between April to June 2020. The funding is available to those in the medical field, manufacturing, nursing homes, grocery stores, sanitation, delivery, retail and more. Additional information will be provided to the BoD via email.

Youth Solutions

Mollie Waller reported on the top three priorities of the YS Strategic Plan for 2021-2026. First priority is to expand partnerships to serve an increasing number of youth and build a collective outcomes model. Second priority is to expand the continuum of service from sixth grade to 24 months post graduation. The third priority is to attract new private, public and philanthropic support with a trusted brand. Ms. Waller reviewed the Open-Entry, Open-Exit Model to Employment noting the purpose is to make sure all graduates have a plan in place and know what it means to have a post secondary education. JMG currently serves grades 9-12; however in the next five years, the plan is to expand to middle school and create a 24 month post graduation follow up period. Ms. Waller reviewed the diversity funding sources and build a trusted brand component noting that YS has an increased corporate, philanthropic, earned revenue, leveraged funding and

diversified public sector mix funding which is also building a trusted brand. The three components are all in alignment with the KG goals. Todd Gustafson commented that YS is fulfilling the KG Board promise, they are continuing to grow.

Market Van Buren (MVB)

Zach Morris gave an overview of the Michigan Economic Development Corporation (MEDC) Restart Grant Program released to Region 8. Van Buren County received 198 applications, which resulted in 132 being approved and awarded \$5K for a total community impact of \$660K. Cass County had 59 companies apply and 40 companies were awarded \$200,000. Mr. Morris gave a fund development update, noting that there are currently 28 investors in MVB. Diversified funding is from Van Buren County, private sectors and municipalities.

Manufacturing Growth Alliance (MGA)

Jenn Deamud reported that MGA has gained a lot of traction in three areas; fund development, building review and watching expenses. MGA has submitted two grants and one sponsorship totaling approximately \$385K. To date, \$53K revenue has been received. Ms. Deamud reviewed the focused activities on revenue generation including a launched paid training program, approaching sponsorship, formulating ideas for grants and membership strategy launching. Ms. Deamud commented on the importance of social media. Credibility and brand awareness is important for sponsorship and grants. Over 100 cities throughout Michigan have accessed the MGA website, which is a significant increase. Visitors are looking at what MGA is about, membership, training and workshops. Ms. Deamud reviewed the manufacturing trends and the needs of small manufacturers including access to talent, need to pivot and acceleration of automation and MGA's response to those needs such as advocacy, inclusive hiring practices, vocational village, webinars on PIVOT 2020 and partnerships with Automation Alley. Steve Jackson, Chairperson of the MGA Board of Directors noted that MGA is working on expanding the board of directors. He commended Ms. Deamud on the recruitment efforts of board members from around the state.

Change Agents Consulting (CAC)

Kim Thompson reported that Change Agents Consulting, Inc. was established approximately two years ago. Business has not grown as anticipated and this was further complicated by the COVID Pandemic. The financial loss has been kept to a minimum and comprises nearly 100% intracompany transfer costs. The Change Agents Consulting Board of Directors reviewed and discussed the performance of CAC and recommended to the Kinexus Group Board of Directors to dissolve the Change Agents Consulting, Inc. business entity and to liquidate Change Agents Consulting, Inc. assets and move these to the sole shareholder, Kinexus Group, effective June 30, 2020. Tim Calhoun moved the dissolution and liquidation of Change Agents Consulting, Inc., effective June 30, 2020. Rick Dyer supported the motion and it carried unanimously.

VI. PUBLIC COMMENTS

None.

VII. ADJOURNMENT

Recording Secretary

Date