



BOARD OF DIRECTORS

March 5, 2021 at 8:00am

Virtual Zoom Meeting

Meeting Minutes

I. ATTENDANCE:

Members Present:

Barb Anderson, Tom Barbarini, Rick Dyer, Vail Harding, Steve Jackson, Bob Kara, Paul Konopacki, Dr. Trevor Kubatzke, Lance Lyons, Anna Murphy, Christopher Randall, George Saleeby, Tom Stanek, Kathy Valdes, and Arlandar Washington

Members Absent:

Dr. Ted Baird, David Colp, and John Janick

Chief Elected Officials (CEOB) Present:

Michael Grice, Don Hanson, Roseann Marchetti, and Randall Peat

CEOB's Absent:

Don Meeks, and Mamie Yarbrough

Staff Present:

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

Guest:

Mark Rizik, Corporate Council Miller Johnson

II. PUBLIC COMMENT

None.

III. CHAIRMAN'S REPORT

Approval of December 4, 2020 Board of Directors Meeting Minutes

Randy Peat moved to approve the minutes of the December 4, 2020 Kinexus Group (KG) Board of Directors meeting. Lance Lyons supported the motion and the motion carried. Don Meeks abstained.

Introduction of New Board Members

Todd Gustafson and Chris Randall introduced and welcomed new members to the Board of Directors. New members include Paul Konopacki, Vice President Finance, CFO Spectrum Health Lakeland representing Berrien County. Kathy Valdes, Director, Berrien County Department of Health & Human Services representing Berrien County. Don Meeks, Berrien County Commissioner, representing the CEOs for Berrien County, and Barb Anderson, Chairperson of Youth Solutions.

Todd Gustafson reported the Ad Hoc Corporate Governance Committee has been focused on the evolution of KG, the multiple entities, and governance structure. Mr. Gustafson introduced Mark Rizik, Corporate Council of Miller Johnson. The Corporate Governance committee worked with Mr. Rizik, to develop the Corporate Governance Guiding Principles. Mr. Rizik emphasized three key areas; 1) Board(s) Operating Standards Guiding Principles, leadership and membership succession plan, and conflict of interest policies, 2) Board appointments emphasizing inclusion and diversity of membership representation, and 3) Intra conglomerate organizational board operations, system thinking. Discussion followed.

Anna Murphy moved to approve the Kinexus Group Corporate Governance Guiding Principles effective March 5, 2021. Lance Lyons supported the motion and it was carried unanimously. Discussion followed. Todd Gustafson noted that the Corporate Governance Guiding Principles will be presented to the subsidiary Board of Directors.

IV. KINEXUS GROUP EXECUTIVE COMMITTEE

KG Health Dashboard

Todd Gustafson provided an overview of the KG Health Dashboard highlighting the four strategic imperatives and the A3s. Each subsidiary has their own dashboard that feeds into the overall KG Health Dashboard. Mr. Gustafson noted the Manufacturing Growth Alliance (MGA) is in the red, but is making significant progress.

Government Relations & Public Affairs

Todd Gustafson reported on the State and Federal budget and stimulus plans, noting the State of Michigan has a supplemental budget of \$5.6B for businesses. Jobs for Michigan's Graduates were included in the Governor's recommendation and approved for \$3.75M. Mr. Gustafson noted that KG has been conducting legislative updates with local senators and representatives. The local senators and representatives use the information to update the workforce talent committee.

Marketing & Communications

Todd Gustafson introduced Mary Morphey, Manager of Corporate Communications and thanked the Marketing team of Ms. Morphey and Gretchen Arnt to tell the KG story. Ms. Morphey reported that KG organizations were featured in 67 news stories across the state since December 2020. Ms. Morphey highlighted additional projects including enhancing the marketing digital strategies, revamping websites and conducting media and legislative roundtables.

KINEXUS GROUP INVESTMENT COMMITTEE

Financial Reports

Orrin Bailey provided an overview of the KG available funding ending December 31, 2020 and the Formula versus Non-Formula through December 31, 2020. Discussion followed.

V. KINEXUS GROUP SUBSIDIARIES

Nation, State, Regional Economic Overview

Jake Gustafson gave an overview of the labor market update as of March 2021. Job reports indicate the trending average unemployment rate for Berrien, Cass and Van Buren is 5.2%, noting that the regional unemployment rates are returning. The unemployment rates are lower; however, the labor force is dwindling. Population loss is one of the big three; aging population, less educated population, and population loss.

Lily Brewer gave an update on the Going Pro funding available to employers. The Business Team assisted 56 companies with the application process. Of the 56 companies, 20% were first time companies applying for Going Pro funds. Ms. Brewer reported that 100% of the companies KG submitted were awarded funds in the 2021 cycle for a total of \$2M. Of the 56 companies, 39 were manufacturers, five healthcare and six in hospitality/construction, and six in other sectors. MW BCVB was one of four MWs with a 100% success rate and highest number of companies awarded.

Lily Brewer gave an overview of the Youth Initiatives including the Michigan Department of Transportation (MDOT) Youth Development and Mentorship program and the Guided Real-World Orientation and Work Training at the Hospital (GROWTH) Internship program.

Chris Randall reported that a special board meeting may be held to find a sustainable partner for the Bridge Academy.

Youth Solutions (YS)

Kristin Harrington reviewed the top three priorities of the strategic plan; 1. Go All-in on Partnerships, 2. Accelerate post-grad pathways to employment, and 3. Diversity funding and build a trusted brand. Ms. Harrington announced YSs' new purpose statement; "Inspiring and connecting youth to achieve a future beyond imagination". Ms. Harrington reviewed YSs' challenges, specifically, youth disconnection, noting that youth are not engaged in education or employment. Youth disconnection is currently at 37% statewide and 49% in Wayne County. Pre-COVID, rates were 11.7% and 27% respectively. Ms. Harrington reviewed YS continuum of services noting that as part of the strategic plan, YS plan is to scale services from 3K youth annually to 10K plus by 2026. Traditionally, YS serves 9th grade to post graduation; however, the goal is to expand services from 6th grade to 24 months after graduation. To provide additional supplemental services, digital college and job support for Juniors and Seniors has been implemented.

Market Van Buren (MVB)

Zach Morris reported that the MVB and Michigan Economic Development Corporation (MEDC) have signed a partnership agreement in an effort to help create and retain jobs in Van Buren County as well as build economic development opportunities across the region. Mr. Morris has been working on the Cass County expansion, meeting with the Brownfield Redevelopment Authority and the County Land Bank. Discussion followed. Mr. Morris provided an update on MVB Fund Development noting there are currently 38 investors and 71% of the fund development goal has been met.

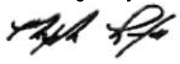
Manufacturing Growth Alliance (MGA)

Jenn Deamud reported MGA is evaluating the needs of small manufacturers in Southwest Michigan, noting that new priorities have surfaced and some priorities are shifting due to the pandemic. Qualitative and quantitative insights were reviewed for board and small manufacturers and second state manufacturers. Ms. Deamud gave an overview of Michigan's Industry 4.0 Initiative (I4.0) launched by MEDC to increase efficiencies in manufacturing. MEDC has a goal to support 50% of manufacturers in Michigan. Two key players include Automation Alley and Michigan Manufacturing Technology Center (MMTC). MEDC launched \$2M to move this initiative forward. MGA submitted two proposals for Southwest Michigan Industry 4.0 Advancement and Upper Peninsula, Northeast Michigan Industry 4.0 Advancement. Recipients of grants are to be awarded in March to launch in April. Ms. Deamud reviewed the membership strategy noting that memberships are crucial to MGA since rebranding in 2020. Discussion followed.

VI. PUBLIC COMMENTS

None.

VII. ADJOURNMENT

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Kinexus Board of Directors Chairman
6/22/2021
Date

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Recording Secretary
6/21/2021
Date