

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
Executive Committee Meeting Minutes
April 26, 2011
8:30 a.m. – 12:00 p.m.
Michigan Economic Development Corporation Office
300 North Washington Square, Lansing, Michigan

Members Present:

Lizabeth Ardisana
Mary Lou Benecke
John W. Brown
Robert S. Collier
Stephen D'Arcy
Haifa Fakhouri
Thomas Lewand
Chris MacInnes
Jeff Metts
Jeffrey Noel
John Rakolta, Jr.
Christopher Rizik
Doug Rothwell
Marilyn Schlack
Dayne Walling

Members Absent:

David Armstrong
Stephen Forrest
Kirk Lewis
Greg Northrup

By Phone:

Ann Marie Sastry

MEDC Staff present:

Michael Finney, Amy Cell, Doug Smith, Elizabeth Parkinson,
Minesh Mody, Mark Morante, Jennifer Nelson, Kim Fedewa,
Jim McBryde, Amy Banninga, Carsten Hohnke, Sandra Bofaris

Call to Order

Doug Rothwell called the meeting to order at 8:35 a.m. The meeting was held at the MEDC office, 300 North Washington Square, Lansing, Michigan.

Public Comment

Mr. Rothwell asked if anyone in attendance would like to provide public comment. No one responded.

Administrative Business

Approval of the Minutes

Mr. Rothwell asked for any changes or additions to the February 22, 2011 meeting minutes. It was noted that the draft minutes had Haifa Fakhouri as both attending and absent.

A motion to approve the February 22, 2011 minutes, with the change, was made by Ms. Chris MacInnes and seconded by Dr. Haifa Fakhouri. The motion was unanimously approved.

Bank Authorization

Doug Rothwell informed the committee of the requested change amending resolution 2006-02 so that the signatories for fund and asset transactions will now be the president and Chief Executive Officer or designee, the Secretary, the Treasurer, and the Senior Vice President, Policy, Program and Legislative Affairs or the equivalent position with no less than two signatures required to execute transactions. Steve D'Arcy requested that the "or designee" be removed.

A motion to approve Amending Resolution 2006-02 "Bank Authorization", with the change, was made by Mr. John Brown and seconded by Mr. Tom Lewand. The motion was approved unanimously.

Sub-committee Updates

Finance: Chris Rizik updated the executive committee on the Finance Sub-committee meeting of April 13th. The FY2011 Budget, Revised Budget Proposal, FY2011 Financials through February 2011 and Investments were discussed. Based on that meeting the sub-committee will focus on recasting the budget for the current fiscal year, look at rebalancing the investment portfolios, and prepare a strategy document to help with the next fiscal year planning. The sub-committee asked the Executive Committee to consider a revised budget of \$51.301 million; with \$38 million in corporate funds (down from \$54 million) and also reflects minor adjustments to the State Appropriations. This revised budget will leave a projected Corporate fund reserve of approximately \$20 million at the end of the fiscal year.

A motion to approve the Adoption of a Revised 2011 Budget as made by Ms. Chris MacInnes and seconded by Mr. Tom Lewand. The motion was unanimously approved.

Compensation and Personnel: Mr. Jeffrey Noel updated the executive committee on the April 13th sub-committee meeting (by conference call). He reported that the Compensation and Personnel Sub-committee believes the MEDC should have a transparent mechanism, with a regular benchmarking process, to determine the standard by which the MEDC should set compensation for all MEDC positions. Mr. Noel asked for approval to engage in a competitive bid process to retain a consulting firm to review the operating plan of the MEDC, and to work with the firm on developing a compensation philosophy and strategy for the MEDC..

A motion to approve the Approval to Engage in a Competitive Bid Process Resolution was made by Ms. Chris MacInnes and seconded by Mr. Stephen D'Arcy. The motion was unanimously approved.

Governance and Audit: Stephen D'Arcy noted that the first sub-committee meeting was held via conference call and was informative. Minesh Mody arranged for Mr. D'Arcy to subsequently meet with Mark Freeman,

from the Auditor General's office. Mr. Freeman was happy to have the interest and was helpful with providing information. Mr. D'Arcy stated that going forward the Sub-committee will review the signature level authority for individuals within the organization, and will also give a more comprehensive report at the June Executive Committee meeting.

CEO Report

MEDC Executive Committee CEO Update: Mike Finney gave the executive committee an overall update on the MEDC discussing MEDC Funding, Executive Order Restructuring, The New MEDC Focus, Major MEDC Programs, and the Governor's Budget Proposal.

Strategic Plan

Carsten Hohnke presented the MEDC Strategic Plan to the committee by first reviewing the plan evolution by comparing the focus areas approved in December 2010 to the focus areas proposed at this meeting, as was requested by the Executive Committee. After a group discussion, it was requested that a section be added of how the specific focus ties back into our goals on the 2011 Strategic Plan Corporate Overview. Doug Rothwell also added that when measuring our goals we should be thinking about what we do influence versus what do we own. Greg Northrup suggested that we move forward and adopt the strategic plan as proposed.

A motion to approve the Strategic Planning Sub-committee Resolution was made by Ms. John Brown and seconded by Mr. Tom Lewand. The motion was unanimously approved.

Pure Michigan

Elizabeth Parkinson introduced the new, draft clip of our Pure Michigan ad. The committee was very complimentary of the work.

The meeting adjourned at 12:00 p.m.

Jennifer R.V. Nelson, Secretary
February 22, 2011