
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Executive Committee Minutes

March 4, 2020

3 pm to 5 pm

DTE Energy – One Energy Plaza

Detroit, MI 48226

Members Present:

Scott Newman Bale
Jeff Noel
Jeff Donofrio
Ryan Waddington
Mike McLauchlan
Fay Beydoun

Tom Lutz
Dave Meador
Phil Shaltz
Fritz Erickson
Beth Ardisana
April Clobes

Awenate Cobbina
Bobby Hopewell
Bill Pink
Kyle Caldwell
Krista Flynn

Members Absent:

Karen Weaver

Chris MacInnes

Robert McMahan

Staff Present:

Amiee Evans
Steve Bakkal
Lynne Feldpausch
Josh Hundt
Michele Wildman

Jeff Mason
Christin Armstrong
Greg Bird
John Groen
Michelle Grinnell

Amanda Bright McClanahan
Linda Ascitutto
Doug Kuiper
Jill Trepkoski

I. Call to order

Mr. Cobbina called the meeting to order at 3:02 p.m., a quorum was declared present. The meeting was held at DTE Energy, One Energy Plaza Detroit, MI 48226. Mr. Cobbina distributed a revised agenda to the Committee.

II. Public Comment

Mr. Cobbina invited public comment, there was none.

III. Chairman's Report

- a. Mr. Cobbina asked if there were any questions, changes, or corrections regarding the January 21, 2020 minutes. There were none. *Mr. Hopewell moved to approve the minutes of the January 21, 2020 meeting and Mr. Meador supported the motion, the motion passed unanimously.*
- b. Mr. Cobbina welcomed Nick Khouri on behalf of the City of Detroit. Nick Khouri provided brief remarks about the City of Detroit's priorities and his work within the Jobs and Economy division.

IV. Brookings Institute Presentation

Mr. Steve Bakkal welcomed the Brookings Institute to provide an overview of the findings and implications from a commissioned statewide analysis of job quality and opportunity. Mr. Marek

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Gootman presented the findings from their research. Following the presentation, the Committee requested additional time to learn more about the findings. Mr. Donofrio and Mr. Steve Bakkal committed to scheduling additional time for the Committee to discuss the findings with Brookings.

V. Overview of the Governor's Executive Budget Recommendation

Mr. Cobbina invited Ms. Amanda Bright McClanahan and Ms. Jill Trepkoski to provide an overview of the Governor's fiscal year 2021 budget recommendation as well as year to date spending for the organization.

VI. Resolution to Approve the Budget Time Schedule

Ms. Beth Ardisana on behalf of the Finance Subcommittee presented a budget time schedule for the annual operating budget for the fiscal year ending on September 30, 2021. *Mr. Caldwell moved to approve the schedule and Ms. Beydoun supported the Resolution. The Resolution passed unanimously.*

VII. Audit & Governance Subcommittee Report

Ms. Flynn reported that the financial audits for both the MEDC and the Michigan Strategic Fund have been completed and both audits were issued an unmodified opinion and had no findings related to internal control, compliance or other matters.

VIII. Legislative Update

Mr. Cobbina requested a legislative update from Mr. Greg Bird.

IX. CEO Update

Jeff Mason informed the board of his intent to retire from the position of Chief Executive Officer, effective April 3, 2020. He noted that he recently learned he had a second grandchild on the way and was eager to spend more time with his family. Mr. Cobbina accepted Mr. Mason's retirement and expressed his gratitude for Mr. Mason's leadership over the previous few years.

X. Resolution to Approve CEO

Mr. Cobbina advised that the Governor had made a recommendation for a Chief Executive Officer for consideration by the Executive Committee.

Mr. Pink indicated concern that he learned about the proposed leadership changes at the MEDC through the media prior to discussion of the item. He wanted the record to reflect his concerns, the release's indication that Mark Burton is being recommended on an interim basis, and that the Executive Committee will undertake a nationwide search process for a new Chief Executive Officer. Mr. Cobbina agreed that those items should be reflected in the minutes and apologized for the unexpected media leak.

The Committee briefly discussed whether it was appropriate to go into closed session to discuss the circumstances around the transition to, and the proposed appointment of, Mr. Burton as interim chief executive officer. The Committee was advised that closed session was not appropriate for the items being discussed as they did not meet one of the options for using closed session under the Open Meetings Act. The Committee remained in open session.

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Mr. Caldwell asked for clarification surrounding the mechanics of what the Committee was being asked to vote on in the meeting. Mr. Cobbina stated that the Executive Committee was voting to accept Mr. Mason's retirement and appoint an interim chief executive officer for the corporation while the Executive Committee undertook a nationwide search for a permanent chief executive officer.

Mr. Noel discussed the hiring process and confirmed that the Executive Committee holds the authority to appoint the Chief Executive Officer. At its request, the Executive Committee received a copy of the draft contract for Mark Burton for review. Mr. Erickson asked for clarification around the renewal terms of the proposed contract. It was confirmed that the draft agreement proposed an initial term of six month with an automatic renewal provision for three-month increments. It was also noted that the agreement included a 30-day notice of termination.

Mr. Waddington inquired about the process around conducting a national search, clarification around who has the authority to conduct the search, and the next steps with respect to the Executive Committee. Mr. Noel indicated that MEDC has an existing position description, however the Personnel & Compensation subcommittee would review all existing information and develop parameters for the search, with input from all members of the Executive Committee, and issue a Request for Proposals to identify a firm to actually conduct the search on behalf of the MEDC and the Executive Committee. He also indicated that the selected firm would contact each of the Executive Committee members for their input. Mr. Meador suggested modeling the process used by the Detroit Economic Growth Corporation when it conducted a nationwide search given the similarities between it and the MEDC.

The Executive Committee then engaged in a discussion regarding a media statement to be issued following the meeting, requesting Mr. Kuiper's assistance. Mr. Noel directed that the media statement congratulate Mr. Mason on his decision to retire and express the Executive Committee's appreciation for his service. He also asked that the statement confirm that Mr. Burton was being appointed on an interim basis while the Committee went through the search process. Ms. Beydoun asked that the media statement also state that Mr. Mason is working in a transitional role through the effective date of his retirement. Mr. Shaltz and Mr. Meador emphasized the need to be cognizant of the optics on the leadership transition and the impact that may have on recruiting candidates for the permanent position.

At this point, the Committee considered the Resolution to appoint Mr. Burton as interim chief executive officer, effective March 5, 2020, for an initial term of six months with automatic renewals in three-month increments. The proposed resolution included a provision authorizing the Chairperson to execute an Employment Agreement with Mr. Burton. There was additional discussion regarding the proposed Employment Agreement and whether it should be attached to the proposed resolution. *Mr. Erickson moved that the proposed resolution be modified to authorize the Chairperson to execute "the attached Employment Agreement" with Mr. Burton. The motion was seconded by Mr. Newman-Bale. The motion passed unanimously.*

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The Executive Committee again discussed around whether the appointment should be stated as “interim”. Mr. Cobbina indicated that the Governor’s legal office issued an opinion that the position could not be appointed on an interim basis because it would mean Mr. Burton would be unable to fill the ex officio seat or serve as President and Chairperson of the Michigan Strategic Fund board.

Mr. Newman-Bale sought to clarify the resolution previously adopted by the Committee to appoint Mr. Burton. He asked whether it was more appropriate to modify the proposed resolution to authorize the Chairperson to execute an Employment Agreement “that he, in his discretion, determines is substantially similar to the proposed draft reviewed by the Executive Committee.” *Mr. Erickson moved approval of a modified resolution. Mr. Newman-Bale seconded the motion. The motion passed unanimously.*

Mr. Caldwell asked whether it was necessary to rescind the first modified resolution. He was advised that would be necessary. *Mr. Noel moved to rescind the first modified resolution. Mr. Donofrio seconded the motion. The motion passed unanimously.*

The Executive Committee again reviewed the communication plan with Mr. Kuiper to ensure it included the key points discussed previously, including indicating that Ms. Bright-McClanahan was remaining with the MEDC as Chief Operating Officer.

- XI.** Mr. Cobbina asked if there was any additional discussion for the Executive Committee. Being none, he asked for the meeting to be adjourned. *Mr. Donofrio moved to adjourn. The motion was seconded by Mr. McLachlan. The motion passed unanimously. The meeting was adjourned at 6:05 p.m.*