



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Executive Committee Meeting Minutes

September 17, 2013

11:00 p.m. – 1:30 p.m.

NextEnergy Center, Detroit, MI 48313

Members present:

David Armstrong
Mary Lou Benecke
John Brown
Stephen D'Arcy
Paul Hillegonds
Chris MacInnes
Jeff Noel

Greg Northrup
Jerry Poisson
Chris Rizik
Doug Rothwell
Anmar Sarafa
Marilyn Schlack
David Sowerby

Members present via phone:

Jeff Metts

Members absent:

Lizabeth Ardisana
Robert S. Collier
Stephen Forrest
John Rakolta
Dayne Walling

MEDC staff present: Michael Finney, Steve Hilfinger, Jennifer Nelson, Minesh Mody, Doug Smith, Leslie Hornung, Amy Cell, Lynne Feldpausch, Amy Banninga, Minesh Mody, Carsten Hohnke and Elaine Jaworsky.

Call to order

Mr. Rothwell called the meeting to order at approximately 11:00 a.m. The meeting was held at NextEnergy Center, Detroit, Michigan 48313.

Public comment


Mr. Rothwell asked if anyone in attendance would like to provide public comment. There was none.

Welcome

Ms. Jean Redfield, President and CEO of NextEnergy, welcomed the Committee and provided a brief background and noted the accomplishments of NextEnergy.

Chairman's report

A motion was made to approve the minutes from the July 23, 2013 meeting. *It was moved by Greg Northrup, and seconded by John Brown. Motion passed unanimously.*



Mr. Rothwell reviewed the SWOT analysis with the Committee. Ms. Banninga provided additional commentary as well as encouraged Committee Members to chair or serve on a taskforce.

CEO update

Mr. Finney presented the MEDC Executive Report to the Committee. He noted several upcoming events and stated that the Committee members interested in participating should contact Amy Banninga.

Mr. Finney reviewed the Community Ventures program and noted its success in placing structurally unemployed residents in employment. The model being used is different in that an employer is identified first, then the candidate is provided services to equip them for the job and placed in the position with continuing support for employment retention. The Committee asked if the progress is being documented, and if there will be a credible ROI formula developed. Mr. Finney responded that a professor from the University of Michigan is studying the program and will develop a report. Chris MacInnes suggested that the model could be extended to the tourism industry.

Mr. Finney discussed his trip to China stating that it is his third year traveling there and it was the best trip yet. Staff met with mostly with senior level governmental officials and was able to explain the bankruptcy situation in Detroit.

Ms. Banninga presented the proposed meeting dates for the 2014 MEDC Executive Committee and asked that Committee members let her know if they have conflicts as they will be approved at the next meeting. The Committee requested that the MEDC Annual Board meeting be held the same day as the March Executive Committee meeting.

Mr. Noel arrives.

Subcommittee updates

Finance Subcommittee

Mr. Rizik presented the proposed 2014 budget and noted that the budget fully utilizes the statutorily authorized 4% administrative fee allowable on MSF programs. Funds will be used to support some of the administrative costs that were previously funded in the MEDC corporate budget. The MEDC will utilize the corporate sinking fund to make building improvements necessary to fully house Lansing staff. *John Brown made a motion to approve the Resolution - Adoption of Fiscal Year 2014 Budget. It was supported by Chris MacInnes and passed unanimously.*

Mr. Hillegonds departs.

Strategy and Planning Subcommittee

Mr. Hohnke presented the proposed 2014 Balanced Scorecard and Strategic Initiatives Metric targets to the Committee. In most cases, targets were presented in terms of percentage change over 2013. 2014 numeric targets will be set based on the percentage change over final 2013 results. The wage targets will be set using a different method to recognize regional wage differentials. The wage target will be set using a percentage increase over average regional wages, as opposed to a state-wide average. The Committee discussed whether the MEDC's focus should be on volume of jobs or higher paying jobs. Mr. Finney explained that the MEDC is concerned with both quantity and quality of jobs, and evaluates projects considering a number of



factors. The Committee expressed concerns over the job posting matches metric. The Committee asked Ms. Cell to provide a plan for how the MEDC will improve the job matches metric. *Greg Northrup made a motion to approve the Resolution - Adoption of Fiscal Year 2014 Scorecard and Tactics. The motion was supported by Mary Lou Benecke and passed unanimously.*

The meeting adjourned at 12:39 p.m.