
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Executive Committee Minutes

June 15, 2016

8 a.m. to 12 p.m.

Shanty Creek Resorts – Bellaire, MI

Members Present:

Lizabeth Ardisana	John Brown	Greg Northrup
Chris Rizik	Karen Weaver	Tom Moran
Chris MacInnes	Doug Rothwell	Jeff Metts
Scott Newman-Bale	Fritz Erickson	Robert Collier

Member Present via Phone:

Gerald Poisson	Dave Washburn	Jeff Noel
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Members Absent:

David Armstrong	Dave Meador	Anmar Sarafa
David Sowerby	John O'Reilly, Jr.	

Staff Present:

Steve Arwood	Jennifer Nelson	Lynne Feldpausch
Greg Tedder	Tino Breithaupt	Emily Guerrant
Amanda Bright-McClanahan	Dave Lorenz	Amiee Evans
Christin Armstrong		

I. Call to order

Mr. Rothwell called the meeting to order at 7:59 am. The meeting was held at Shanty Creek Resorts, 5780 Shanty Creek Rd. Bellaire, Michigan.

II. Public Comment

Mr. Rothwell invited public comment, there was none.

III. Chairman's Report

Mr. Rothwell asked if there were any questions, changes, or corrections regarding the March meeting minutes. *There being none, Ms. MacInnes moved to approve the minutes of the March meeting. Mr. Northrup supported the motion. The motion passed unanimously.*

Mr. Rothwell recommended per the performance of the organization that the Board consider an increase to the base salary of the CEO by 3%. Mr. Brown, Ms. MacInnes, and Mr. Moran supported the motion. The resolution was passed unanimously.

Mr. Rothwell welcomed Ms. Weaver to the Board. Ms. Weaver provided brief welcoming remarks.

IV. CEO Update

Steve Arwood provided an update on the organizational performance to date and requested that the Board review the attached Scorecard. He noted that the organization

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would continue to focus on the three pillars: business investment, community vitality, and image as the core focus. Mr. Arwood noted that the American Center for Mobility would continue to be a major focus of the organization throughout fiscal years 2016 and 2017. He welcomed members of his staff to provide an update on activities to date and a look into planned activities for fiscal year 2017.

- a. Jennifer Nelson and Tino Breithaupt provided an update on business investment activities. Mr. Breithaupt noted that business investment would continue to align along four key activities: national and global business development, international trade and procurement programs, business development projects, and entrepreneurship and innovation. He noted that staff was realigned to focus on national business attraction and three staff members would be separated by territory to begin efforts. Ms. Nelson reported on the Pure Michigan Business Connect activities and noted that work would continue on match making summits, global business development collaboration, and strategic partnerships. She also noted that the international trade program will continue work within the STEP grant program, trade missions, and work with our foreign offices. Ms. Nelson noted that a key relationship to all of the business development activities is the connection of talent resources. Business investment will continue to provide expertise and connections to talent resources for companies. She reported that the entrepreneurship and innovation activities will continue to focus on assisting with the funding gap in early stage company formation, the first capital fund, and the proof of concept fund. Finally, Ms. Nelson reported that we will continue to execute against the recommendations of the Protect and Grow initiative.
- b. Greg Tedder provided an update on community vitality activities. Mr. Tedder reported that the collaboration with the Michigan State Housing Development Authority on the Collaborative Community Development team continues to progress. This collaboration has allowed the state to have a stronger community presence within the state. The three areas within the Collaborative Community Development team are: the Community Assistance Team, technical assistance, and administration. These areas help deliver the Community Revitalization Program, Community Development Block Grants, Brownfield Tax Increment Financing, and SmartZones. He noted another successful program within the team is the Public Spaces Community Places statewide crowdfunding campaigns. These campaigns allow communities to raise funds to revitalize or create public spaces and the MEDC will match those funds up to \$50,000. Additionally, Mr. Tedder discussed the Rising Tide activities which focus on 10 economically challenged communities and providing them the tools they need to build a successful framework. Assistance in these 10 communities is ongoing. He also noted that to assist in the framework within other communities around the state, the MEDC is enhancing the Redevelopment Ready Communities (RRC) program. This program assists communities in plans, processes, and policies, planning and economic development to prepare for a development. Multiple communities around the state are currently engaged. Finally, Mr. Tedder noted that moving forward the Community Development team will focus on building strategic partnerships, coordinate training with partners, and continue to work to make our communities ready for their future.
- c. Emily Guerrant and Dave Lorenz provide an update on the business marketing and Pure Michigan campaigns. Ms. Guerrant provided an update on the business

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attraction campaign and its goals to continue to fill the pipeline of activity and create a discernible point of difference in targeted industries. She also updated on the Pure Michigan Business Connect Campaign with the goal of attracting purchasers and connecting them with the appropriate suppliers. The next campaign she updated on was the We Run on Brainpower campaign focused on positioning Michigan as the automotive epicenter for ideas, innovation, and technology in order to attract top talent within the state. The Pure Michigan Talent Connect Campaign has a focus more broadly on motivating talent to post to the Mitalent.org website and HR professional to post positions. The last campaign she updated was the Skilled Trades campaign to position skilled trades as an attainable, marketable, and rewarding career. Finally, Ms. Guerrant noted that the efforts of retail marketing have been successful with over 100 retail signs ordered or installed, over 20 groundbreakings have been attended, along with many other activities.

Dave Lorenz provided an update on the Pure Michigan campaign. He noted that 2016 is the 10th anniversary of the campaign. Within the last 10 years a lot of traction has taken place. According to a 2015 Longwoods Study, the Campaign has a \$7.67 return on investment. The campaign is moving towards more passion marketing, focused on platforms instead of locations. For example, the summer campaign will focus on beach and water sports with a tagline of "Lake Effect". Mr. Lorenz noted that one main focus is the America's Great Come Back City, Detroit. The ad and campaign was launched earlier this spring. Finally, he noted that the www.Michigan.org website was being rebuilt to be more of a customer friendly platform.

- d. Lynne Feldpausch and Amanda Bright-McClanahan provided an update on administrative and budget functions. Ms. Feldpausch provided a review on the current corporate compensation structure. She introduced the idea of a variable pay model as an option for the organization to consider. Her recommendation included a standard cost of living in lieu of merit and a tiered variable pay plan for corporate staff based on organizational and divisional performance in key metrics.

Mr. Metts commented and the Board supported, that he would like to corporate employees to continue to have an individual metric as well as divisional and organizational metrics.

Mr. Collier noted that the Personnel and Compensation Committee would take the comments and thoughts of the Board into consideration to develop a more robust recommendation.

Amanda Bright-McClanahan presented an update in regards to the financial situation. She noted that efforts continue to stabilize revenue and build a solid financial foundation. She showed year to date revenue and expenditure trends of the organization. Finally, she provided an update on the timeline of events for the approval of the fiscal year 2017 budget.

V. Subcommittee Reports

- a. Finance Report – Mr. Rizik provided brief remarks regarding the work that has been done within the organization to continue to stabilize the budget. He

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- b. noted that he will work with Ms. Bright-McClanahan and the Finance Subcommittee to present a budget during the July meeting.
- c. Audit & Governance Report – On behalf of Committee Chair, Mr. Armstrong, Ms. Bright-McClanahan provided an update that MEDC continues to work through multiple audits. There is an effort within the organization currently to examine the policies and procedures and identify any areas of risk.
- d. Personnel & Compensation Report – Mr. Collier, on behalf of Subcommittee Chair Mr. Noel, reaffirmed the commitment to bring back a complete recommendation for Board review at the July meeting in regards to corporate compensation structure.

Mr. Collier introduced a Resolution that would eliminate any assumed caps on the number of FTE's the Corporation may employ for a fiscal year and to authorize the Corporation to hire such additional FTE's as may be necessary and appropriate, as determined by the CEO as long as there is sufficient funding to support sure hires. Director MacInnes supported the Resolution. The Resolution passed unanimously.

- VI. The meeting was adjourned at 12:01 p.m.