

Let Our Resources Work For You.



**Northwest Michigan
Council of Governments**

Workforce • Business • Community



Annual Report FY2013





Let Our Resources Work For You.



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Council of Governments**
Workforce • Business • Community

To the Communities of the Northwest Michigan Region,

We are pleased to present this Annual Report for our agency's activities during Fiscal Year 2013 (October 1, 2012 - September 30, 2013). As always, it was a vibrant year of change and progress here in this beautiful and special region we all share.

Every day in our work, we see the inter-connectedness of all our programs as they each add some particular value to our larger mission of improving quality of life in Northwest Michigan. Whether it is ...

helping disconnected youth grow a love for learning and an understanding of their potential, or
helping a person who has been laid off to find a new career path, or
helping an entrepreneur expand his business's markets and gain new capital, or
helping a community with its new trail project...

the rewards are evident when our communities become economically healthier.

Our primary focus is always on RESULTS! We are most interested in outcomes ... long term benefits to individuals, businesses and communities. We think you will see plenty of evidence of great results and outcomes as you read through this report.

As we look forward, we see some exciting, evolutionary changes for our organization in the coming year. You'll see a summary of that on the back of this document.

An Annual Report can never capture all the interesting and wonderful things that happened in the year. As you look over the numbers and facts inside, please keep in mind that inside each one is a person, a business, or a community that is motivated to be even better. We hope you will become a regular visitor to our website, where we highlight the very human stories that underlie the facts & figures of an annual report.

Sincerely,

Larry C. Inman, Chair
Northwest Michigan Council
of Governments Board

David R. Adams, Chair
Northwest Michigan
Workforce Development Board

Elaine Wood,
Chief Executive Officer





Northwest Michigan Council of Governments is governed by two boards of directors: the Council of Governments Board and the Workforce Development Board. Both groups direct the agency's efforts at workforce development, economic and business development, regional planning and community development.

Council of Governments Board, 2013

Mike Crawford, Antrim County	Chris Christensen, Charlevoix County	Larry Inman, Chair, Gr. Traverse County	Melinda Lautner, Leelanau County	Susan Rogers, Missaukee County
Donald Tanner, Benzie County	Jim Tamlyn, Emmet County	Stuart McKinnon, Kalkaska County	Richard Schmidt, Manistee County	Les Housler, Wexford County

Workforce Development Board, 2013

The Workforce Development Board of Northwest Michigan provides workforce and economic development leadership for the ten-county region. Consisting primarily of local business leaders, the Board collaboratively guides the talent development programs of the Northwest Michigan Council of Governments.

Dave Adams, Chair, Owner, Bear Lake Hardware, Manistee County	Dr. Charles Dillon, President, West Shore Community College	Dawn McLaughlin, Director, DHS, Grand Traverse, Leelanau, and Kalkaska Counties	Jerald Rives, President, Elk Lake Tool Co., Antrim County
Craig Anderson, Business Representative, United Plumbers & Steamfitters Local 85	Judy Ezop, Agricultural Field Services Manager, Workforce Development Agency	Leslie Nowlin, Quality Manager, Piranha Hose Products, Wexford County	Martha Ryan, Owner, Martha's Leelanau Table, Leelanau County
Eric Bachmann, District Manager, MI Rehab. Services	Gary Fedus, President, Mitchell Graphics, Emmet County	Ken Osborne, VP Manufacturing, Boride Engineered Abrasives, Grand Traverse County	Jim Smith, Industrial Electronics, Tool North, Grand Traverse County
Jim Barnard, Owner, Barnard Engineering, Antrim County	Art Jeannot, Owner, jdc Jeannot Development Company, Benzie County	Doug Parkes, Manistee ISD School Board	John Stephenson, Executive Director, NW Community Action Agency
Ken Bollman, President, Saber Tool Company, Wexford County	Nathan Kalchik, Project Manager, Kal Excavating, Leelanau County	Steve Perdue, Executive Director, GTP Industries, Grand Traverse County	John Toth, President, Central Labor Council
Tino Breithaupt, Regional Director, MI Regional Retention and Growth, MEDC	Gene Kaminski, VP Human Resources, McLaren Northern Michigan Hospital, Emmet County	Sue Peters, VP Human Resources, Munson Healthcare, Grand Traverse County	Ryan Vanderwal, President, Star City IBA, Inc and Premium Farm Solutions, Missaukee County
Gretchen Crum, VP Human Services, Boyne USA, Charlevoix County	Jane Korthase, HR Director, Grandvue Medical Care Facility, Charlevoix County	Christine Pettibone, HR Specialist, Kalkaska Screw Products, Kalkaska County	Betty Workman, Owner, Vacation Trailer Park & Vacation Trailer Sales, Benzie County
		David Pratt, Deputy Warden, Pugsley Correctional Facility	

As always, we are very grateful to the many individuals and partner organizations that help our work reach its greatest potential. Chambers of Commerce, Economic Development Organizations, K-12 schools and Career Tech Centers, colleges, local units of government, non-profits of all kinds, and many others are essential, highly valued, and much appreciated partners.



Northwest Michigan Works!, Inc. is led by the Workforce Development Board — a group of dedicated employers who provide strategic direction for workforce programming throughout the region. This year, 2013, they held a regional Talent Summit, which gathered together more than 200 partner representatives, including all local colleges, Intermediate School Districts, economic development organizations, and more than 100 local employers. The event built on the work conducted at the Governor's Economic Summit, identified challenges and opportunities, and targeted specific strategies that all agreed are priorities for the region. From this event, a comprehensive Strategic Agenda was developed. It will help to guide talent development initiatives through the year 2020, and give all partners a way to align their programs for maximum impact across the region. You can view the Strategic Agenda at nwm.org/strategic-agenda.



Governor Rick Snyder made a live virtual appearance to lead discussion and answer questions at the Talent Summit hosted in Traverse City by Northwest Michigan Council of Governments.



Northwest Michigan Works!, Inc. prides itself on the comprehensive services provided to employers and job seekers of all kinds. By working in partnership with other regional resources that provide education, economic and business development services, Northwest Michigan Works! provides leadership in meeting the needs of local employers and connecting job seekers to opportunities.

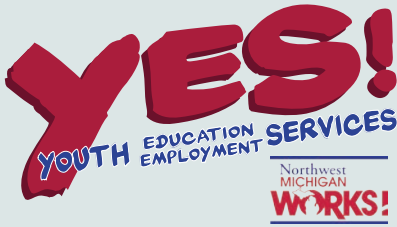
Workforce Investment Act (WIA)

Northwest Michigan Works! met or exceeded all 17 of its federally-required performance standards.

Dashboard

Below is the Dashboard for which Northwest Michigan Works is accountable to the State of Michigan.

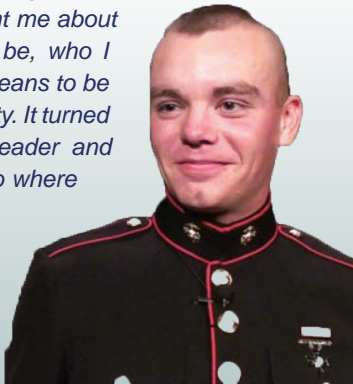
Metric	Target	Achieved
Jobs Filled	1,700	2,281
% Placements prepared for demand jobs	87.0%	90.0%
Visitors to Service Centers		
Individuals Served	18,000	20,151
Total Visits	54,000	73,387
Employers Served (Unduplicated)	1,500	1,178
Federal Performance Measures		
Workforce Investment Act	100%	100%
Welfare to Work	50%	50%
Customer Satisfaction		
Employers	85.0	90.8
Job Seekers	93.0	97.8



Workforce Investment Act - Youth Programs

- Served 230 economically disadvantaged youth ages 16-21
- 312 documented, specific employment-related goals were met
- 46 youth obtained their diploma or GED as a result of their service from Northwest Michigan Works!

"I give it all the credit in the world. [The Lighthouse School] taught me about what I could be, who I am, what it means to be in a community. It turned me in to a leader and brought me to where I am today."



Nathan Moyer graduated from the Beaver Island Lighthouse School in December of 2012 and enlisted in the U.S. Marine Corps. He was back home in northern Michigan on leave when the graduation ceremony was held for the Lighthouse School Class of Fall 2013. That gave Moyer a chance to attend the ceremony to show his support for the school and a new group of graduates.

"They taught me how to be professional and how to grow up. I just know I'm going to excel and do great because I've learned a lot here."



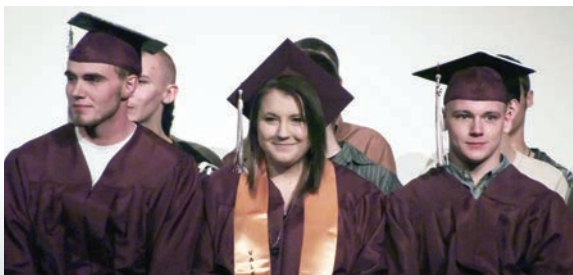
Cheyenne Bell came to Northwest Michigan Works! to take part in the Off Campus program which provided the opportunity to do volunteer work at the Center. Bell's hard work earned her a paid position through the Youth Employment and Training Program. Besides boosting her confidence Bell says the skills she learned at Michigan Works! will help her land jobs in the future.

Beaver Island Lighthouse School – residential alternative school

- 57 high school drop outs, ages 16-19, enrolled in our residential alternative school
- 6 received enough credits to finish their high school diploma
- Among all students, there was an average three-grade-level improvement in reading and/or math

Beaver Island Lighthouse School – Summer Work Experience Program

- Crew of 5 youth plus one staff supervisor
- Harvested 170 cords of firewood to heat the school in the winter
- Completed numerous campus building and grounds improvement projects
- 100% accident-free safety record



Beaver Island Lighthouse School Spring Graduation



Community Dinner hosted by students at the school



Beaver Head Light



Northwest Michigan Works! Out-performed State Averages

The Northwest region receives about 2% of the state's workforce development funds (Michigan Works). With that amount, the agency accomplished the following in the past year:

- Served 3.4% of all the Michigan Works customers in the state;
- Served 3.4% of all the employers served in the state by Michigan Works;
- Filled 3.6% of all the jobs filled by Michigan Works across the state;
- Had 2.8% of all the Michigan Works Center traffic in the state;
- Had a customer satisfaction rate of 97.8% compared to the state average of 96%;
- Had an employer satisfaction rate of 90.8% compared to the state average of 86.1%.



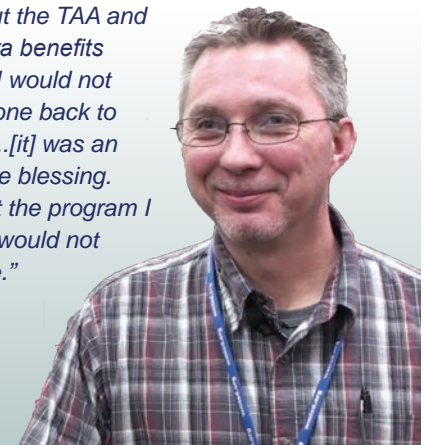
Trade Adjustment Assistance (TAA)

For people who lost their jobs due to foreign competition resulting in a business closing or mass lay-off.

Program Year 12-13	Total Enrolled	Received Training #	%	Avg. Weeks in Training
Northwest	401	159	39.7	98.9
Statewide	9,624	4,088	42.5	88.3

Program Year 12-13	Completed Training %	Employment Rate	Retention Rate	Avg. Earnings in 6 mo.
Northwest	91.36	91.1	98.0	\$13,534
Statewide	77.94	77.2	94.6	\$22,336

"Without the TAA and the extra benefits with it, I would not have gone back to school...[it] was an absolute blessing. Without the program I know I would not be here."



After Troy Goloversic was laid off from a factory job, he found out through Northwest Michigan Works! in Cadillac that he was eligible for Trade Adjustment Assistance that would pay for his college education. He graduated from the Welding program at Baker College and is now a paraprofessional at the Wexford/Missaukee Career Tech Center.

Skilled Trades Training Fund

Northwest Michigan Works! partnered with local colleges, Michigan Economic Development Corporation, local economic development organizations, and several private companies to train 220 incumbent workers. By upgrading the skills of their existing workforce, these companies will be able to expand and add more jobs. Training funds were provided by the Skilled Trades Training Fund (STTF), a new job training state fund that leverages local and state dollars to meet demand for skilled workers. STTF awards for the region totaled \$205,940 to train 242 people. These awards leveraged an additional \$976,462.

Career Connections

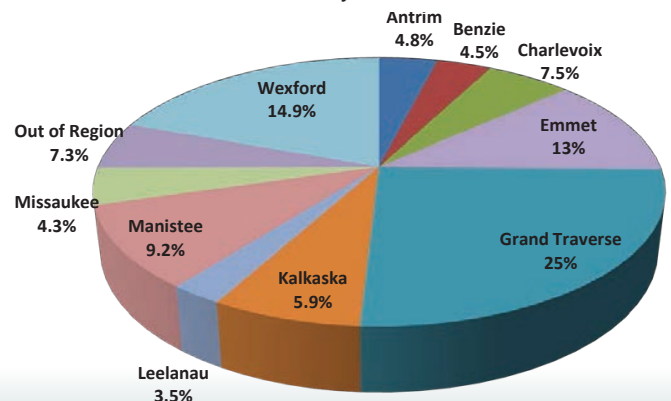


Northwest Michigan Works! began a new service in 2013 called Career Connections, in order to provide greater geographic access by taking some services "on the road" to smaller communities throughout the region. Career Connections workshops and networking sessions were offered at various locations, including Benzonia, Boyne City, Elk Rapids, Kalkaska, and Petoskey.

Northwest Michigan Works! Visit Analysis

July 1, 2012 - June 30, 2013

Resident county of customers





BUSINESS SERVICES

Hiring | Training | Connecting

Northwest Michigan Works! - Business Services

(7/1/12 – 6/30/13) serving 10 counties

- Served 1,178 businesses with their human resource and business development needs
- Provided direct assistance in filling 2,281 jobs
- Trained individual new employees on-the-job for 105 companies
- Conducted 7 employer forums to explore skill gaps, resulting in customized training programs to fill high demand jobs, with particular emphasis on the skilled trades
- Conducted 3 job fairs or similar events for specific companies or business sectors
- Took part in 194 promotional meetings for businesses, impacting an audience of 11,860

“In order to run these machines there’s a certain amount of knowledge you can’t do without,” said Joe Young, a machining training graduate. “By having this training it shows we do have that knowledge.”



Machining Basics Certifications were awarded to eleven students who completed a Just in Time training program offered by the Northwest Michigan Council of Governments, Northwest Michigan Works!, and NMC. The 124-hour program was developed with input from local employers and was designed to meet the immediate hiring needs of those employers.

Global Trade Alliance (10/1/12 – 9/30/13) serving 32 counties

- Goal: \$15.45 million in increased export sales
- Achieved: \$22.98 million in increased export sales
- 55 small grants to companies for export assistance totaling \$180,000
- Trade missions/events:
 - Calgary Gas & Oil Expo and Trade Mission
 - China Trade Mission and Auto Show
 - Global Trade Days (Brazil, Mexico, UAE, China, Canada)



GLOBAL TRADE ALLIANCE
of Northern Michigan

Small Business Development Center — SBDC (1/1/13 – 12/31/13) serving 10 counties

- Businesses served: 282
- Businesses started: 23
- Jobs created: 103
- Capital formation: \$8,262,579
- Increase in annual sales: \$4,436,871
- Contact Time: 2,118 hours



Procurement Technical Assistance Center — PTAC (8/1/12 – 7/31/13) serving 22 counties

- 111 businesses counseled (55 in Northwest region)
- 348 attendees at training events
- Government contracts awarded: \$143 million
- Jobs created: 717
- ROI: \$1 invested = \$401 in business contract work

Highlights:

- Developed a new “Small Business Set Aside Alert” bid notification service
- Created a new training on the Federal Acquisition Regulation (FAR)
- 3 businesses received their first-ever government contract





Community Development

- Identified 32 Growth & Investment Areas from the 10 county NWMCOG region, using a combination of local interviews and objective data.
- Conducted Commercial Corridor Inventories interviews with 36 local units of government in Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, and Wexford Counties, which identified 94 Commercial Corridors, and gathered associated policy and infrastructure capacity information.
- Conducted six corridor visualization workshops in Benzonia, Cadillac, Fife Lake, Kalkaska, Lake Leelanau, and Mancelona.
- Acted as the convener for the Michigan Economic Development Corporation's Community Development Collaborative (CDC) in Northwest Lower Michigan.
- Acted as the economic development planning arm for the US Dept. of Commerce- Economic Development Administration for Northwest Lower Michigan.
- Provided over \$50,000 in Community Growth Grants to communities in the region.



The Village of Ellsworth was one of the Community Growth Grant recipients. The grant will help the village support and market their farmers market, build awareness of the community, including downtown businesses, and strengthen ties between the agricultural and educational sectors.

Transportation

- Administered Rural Task Force (RTF) meetings to ensure public participation and enhance transparency amongst counties, villages/cities, and transit agencies, to program millions of dollars in transportation projects for the region's federal-aid eligible road network and 10 transit agencies.
- Administration of the RTF 2013 program which approved \$7.9 million dollars of Federal, State and local transportation funds to the 10 county area.
- Implemented the transportation Asset Management data collection effort which is scheduled annually throughout the summer months. On-site pavement condition data is collected and analyzed to help determine the appropriate dollar allocation when considering a "mix of fixes" on a particular segment of road on any of the region's 3,000 mile federal-aid road network.
- Worked on Grand Traverse Area and City of Cadillac Complete Streets policies.
- Began working with others to plan and implement a trail connection between Traverse City and Charlevoix.
- Launched three websites highlighting designated scenic byways along M-22 in Leelanau County, M-37 in Grand Traverse County, and M-119 in Emmet County. The websites provide a variety of online resources to tourists and local residents.





Education/Outreach

- Developed and distributed a guidebook, *Food Innovation Districts: An Economic Gardening Tool*, for local governments and community partners. The guidebook, a 2013 NADO Innovation Award recipient, provides information and planning tools to communities to help establish food innovation districts, which provide important opportunities for enhancing local and regional food systems, business opportunities, and community health.
- Conducted 3 on-site education workshops in 7 locations around the region. Workshop topics are discussed and ultimately decided on by the regional planning advisory committee, which is mostly comprised of county planning directors. Each workshop is directed toward elected and appointed local public officials whose land use decisions influence economic prosperity in their community.
- Developed and distributed community -specific environmental stewardship assessments for 10 localities, *Economic Advantages of Environmental Stewardship for Coastal Communities*. The assessments provide information and planning tools to communities to help establish environmental policies that jointly support business opportunities and community health.
- Received input and ideas from over 1200 citizens in surveys, events, and focus groups about strategies and actions to guide the region's future.

General Planning

- Developed recreation and park management plans for local and county governments in Antrim, Benzie, and Kalkaska Counties. These plans make communities eligible for state recreation grant dollars and aid in setting priorities for local recreation and public lands.
- Inventoried access points along Lake Michigan and began creating a waterway plan.
- Completed county housing inventories for Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau, and Wexford Counties. The reports detail the affordability, diversity, and other features of housing stock available in each county. The remaining 4 counties will be completed in 2014.
- Began the coordination of the Crystal Lake/Betsie River Watershed Management Plan.
- Assisted Elmwood Township on the development and delivery of a community perception survey.
- Inventoried and began cataloguing the 10-county region's public recreation assets. Work was done in partnership with the northeast region for the purposes of creating a comprehensive park/trail guide for all of northern Michigan.

Prisoner Reentry

The Prisoner Re-entry Program reduces crime and saves taxpayer money by implementing a seamless plan of services and supervision to help prison parolees who are returning to their home communities through transition services, reintegration and aftercare in the community.

- Fiscal year 2013
 - Served 293 parolees
 - Coordinated temporary and transitional housing for 124 parolees
 - Placed 58 parolees into employment, which was 64% of those who needed employment assistance
 - Assisted 187 parolees with basic needs as clothing, food, identification, and transportation
 - Provided mental health counseling and other group programming to 73 parolees
- Recidivism (return to prison rate) has been decreased from about one-half to less than one-third.
- The Return on Investment for this program is \$3.10 in the first year alone for every \$1 spent. This does not include additional years of prison incarceration avoided (beyond the first year), local public safety costs avoided, income taxes paid by working ex-offenders, increased rate of child support payments made.



Scott Kulanda received a Northwest Michigan Works! Award for his participation in the Prisoner Reentry program. He received pre- and post-release employment services from Michigan Works!, housing assistance and counseling from the Prisoner Reentry Program, and is now a productive and tax-paying citizen gainfully employed as a machinist.



**Northwest Michigan Council of Governments
Financial Summary of Operations
Fiscal Year Ending September 30, 2013**

The various funding sources operate on different fiscal years.

The amounts shown below are all prorated to fit the agency's fiscal year of October 1 – September 30.

The funding mix for this fiscal year was:

• Public - Federal	76%	• Public - Counties	.004%
• Public - State	12%	• Private	11.96%

<i>Talent Development</i>		
Workforce Investment Act (WIA) - Adults US Dept. of Labor, passed through MI Workforce Development Agency	\$ 1,030,635	
Workforce Investment Act (WIA) - Youth US Dept. of Labor, passed through MI Workforce Development Agency	634,470	
State Aid Per-Pupil Funding – Beaver Island Lighthouse School* Funds pass through Charlevoix Public Schools	227,745	
YouthBuild US Dept. of Labor - \$484,480; Petoskey/Harbor Springs Comm. Foundation - \$2,209	486,689	
Workforce Investment Act (WIA) – Dislocated Workers US Dept. of Labor, passed through MI Workforce Development Agency	1,392,430	
Workforce Investment Act (WIA) - Adult Education & Literacy US Dept. of Labor, passed through MI Workforce Development Agency	160,959	
State Aid Per-Pupil Funding – Adult Education* Funds pass through Traverse Bay Area Intermediate School District	369,902	
Workforce Investment Act (WIA) – One-stop centers operation US Dept. of Labor, passed through MI Workforce Development Agency	56,314	
Workforce Investment Act (WIA) – Administration US Dept. of Labor, passed through MI Dept. Of Labor & Economic Growth	339,648	
Trade Act US Dept. of Labor, passed through MI Workforce Development Agency	1,421,712	
Wagner-Peyser Act, Employment Service US Department of Labor, passed through MI Workforce Development Agency	628,746	
MI Economic Development Corp. – STEM Careers	20,000	
Temporary Assistance for Needy Families (TANF) – PATH Program US Dept. of Health & Human Services, passed through MI Department of Human Services and MI Workforce Development Agency	774,494	
MI General Fund – PATH Program	193,938	
Food Assistance Employment & Training US Dept. of Health & Human Services, passed through MI Department of Human Services and MI Workforce Development Agency	92,724	
Michigan WORKS! Service Centers Combination of funds from the above-listed grants	825,509	
GTI & Goodwill – pass-through to Mi. Rehabilitation Services	22,785	
Subtotal		\$ 8,678,700



Business & Economic Development		
Small Business Development Center (SBDC) US Dept. of Commerce, Small Business Administration, passes through Grand Valley State University – \$180,066; MEDC - \$55,808; Local match – \$44,566	\$ 280,440	
Procurement Technical Assistance Center (PTAC) US Dept. of Defense - \$289,276; Michigan Economic Development Corp. - \$160,600; Local match - \$28,548	478,424	
State Trade & Export Program (STEP) Small Business Admin. - \$276,301; Michigan Economic Development Corp. – \$49,712	326,013	
Economic Development Administration US Dept. of Commerce	93,005	
Member counties (match to EDA)	55,000	
Mi. Dept of Ag & Rural Development – Agriculture Skills Alliance	46,044	
Subtotal		\$ 1,278,926
Community Development		
MI Department of Transportation	\$ 223,238	
MI Dept. of Environmental Quality, Coastal Communities	8,201	
MI State Housing Development Authority	57,588	
US Dept. of Housing & Urban Development	350,621	
Community Housing Choices	2,662	
US Dept. of Agriculture	34,753	
Kellogg Foundation	195,274	
LIAA – Lake MI Water Trail Project	1,372	
TC-TALUS	28,506	
Fees for services – planning	134,176	
MI Prisoner Re-Entry Initiative MI Dept. of Corrections	701,977	
Subtotal		\$ 1,738,368
Fees for Service - Communications	\$ 51,717	\$ 51,717
Total		\$ 11,747,711

* These funds are not administered through NWMCOG's financial systems. They are administered through formal partnership agreements with other entities, for programs that are managed/operated by NWMCOG.

Expenditure notes:

- 100% of every grant is fully expended during its time period, except in some cases where planned carry-over is allowed and encouraged for purposes of smooth transitions from year to year.
- Each grant or program has its own operational budget, based on agency financial guidelines.
- Administrative costs are 10% for federal workforce development grants and generally 8% or less for other grants.



What's Ahead?

Much of what will be happening in our organization during 2014 will revolve around the Regional Prosperity Initiative, a statewide endeavor by Governor Snyder to “empower locals to drive economic prosperity.” This initiative recognizes that unique local and regional relationships, assets, character and actions lead the way to economic prosperity. The state is now providing a structure that supports and encourages collaboration for regional visioning and comprehensive, collaborative action. Michigan’s Regional Prosperity Initiative was signed into law as part of the FY2014 budget.

Perhaps the most exciting element of this Regional Prosperity Initiative is the formal recognition that “a comprehensive economic development strategy can only be realized when leaders in the business development, talent development and infrastructure development communities unite with the private sector in a common vision and strategy.” Many are now acknowledging what we in Northwest Michigan have long held: multiple components of community economic well-being are all integrally related, including community infrastructure, education, workforce training, adult education, natural resources, transportation, housing, health, recreation, arts and culture, business development, demographics, and many others. We firmly believe that economic progress depends upon all of us teaming up to create the conditions that contribute to success for those who work hard and achieve within our region.

Here in Northwest Michigan, we will see some exciting projects taking shape during Fiscal Year 2014 as a result of this initiative.

- Development of a comprehensive Regional Prosperity Plan.
- Creation of a Regional Prosperity Index, a broad and deep collection of all relevant regional data from multiple sources, all aggregated in one easy-to-use site.
- An agreed-upon list of economic development priorities and projects to make the region more globally competitive and conducive to business growth.
- The long-awaited seasonal population analysis, including the impact of both tourism and seasonal residents.
- Development of a comprehensive Live-Work-Play website that will feature multiple components related to quality of life, learning, recreating, and working in Northwest Michigan. It will also provide easy links to the many wonderful sites that promote our region’s communities and business sectors such as manufacturing.
- Another round of Community Growth Grants to support local projects which promote economic identity and growth.
- A movement to further solidify the public-private nature of our organization through a blending of our current two boards, an expansion of the avenues for broad-based community involvement, and possibly the rebranding of our organization for a simpler, more direct and unified identity.

We welcome your interest and involvement!

Quotes on this page are from the “Regional Reinvention” document issued by Governor Snyder’s Office in August 2013.