

**ANNUAL MEETING - MINUTES**

DATE: April 7, 2009

PLACE: Building #119 - Conference Room  
Kincheloe, MI 49788

MEMBERS PRESENT: Earl Kay, Chair  
Patricia Benoit  
Richard Brawley  
Dan Dasho  
Larry Palma  
James Quinnell  
Richard Timmer

MEMBERS ABSENT: Paul Coutant  
Aaron Hopper

EDC STAFF PRESENT: Kathy Noel  
John Trembl  
Tami Beseau

OTHER PERSONS: Phillip Wolf, Anderson Tackman & Company  
Judy Hendrickson, MI WORKS!  
Don McLean, County Commissioner  
Jesse Knoll, County Commissioner

I. CALL TO ORDER - Meeting was called to order, by Chairman Kay, at 4:15 P.M., with a roll determining a quorum in attendance.

PLEDGE OF ALLEGIANCE

II. PRESENTATION OF MINUTES - MOTION by Director Timmer, supported by Director Benoit, approving the minutes of the Regular Meeting of March 3, 2009, as presented. Motion carried.

III. PUBLIC COMMENTS - Judy Hendrickson, MI WORKS!, advised that the agency is working with Sault Convention & Visitors Bureau to provide hospitality training for employees; will soon be offering a manufacturing training program, at LSSU, which will result in an associates degree.

IV. PRESENTATION OF 2008 AUDIT - Phillip Wolf, of Anderson Tackman & Company.

Mr. Wolf explained that financial audits now incorporate limited fraud procedures, risk assessments, and compliance audit.

Mr. Wolf referred the Directors to graphs, indicating the same provide a historical perspective of EDC finances:

Comparative Statement of Net Assets - Mr. Wolf remarked that a governmental entity, such as EDC, is not necessarily profit motivated, rather geared to provide goods and services. This graph shows that corporate assets are up and liabilities are declining, which is good.

Revenue Comparison - Mr. Wolf indicated that this graph shows that revenues are up and are stable, which is very important, most especially in the current economic climate.

Revenue Sources and Uses - Mr. Wolf reminded the group, that General Operational expenses are allocated to the EDC's major cost centers: Airport, Industrial Park and GM Project

Mr. Wolf referred the Directors to NOTE 10 - Postemployment Benefits Other Than Pensions, page 18, of the report, indicating this is a fairly new requirement, that governmental and public entities must record the liability. The EDC's Net OPEB obligation-end of the year (2008) amounts to \$27,392. Mr. Wolf recommended that the corporation fund this liability, otherwise it will continue to grow.

IV. PRESENTATION OF 2008 AUDIT - Phillip Wolf, of Anderson Tackman & Company (cont'd)

Mr. Wolf referred the Directors to the final portion of the audit entitled Communication with Those Charged with Governance, indicating this instrument was previously named Report to Management. Mr. Wolf indicated this instrument summarizes the corporation's condition, without all the financial details.

MOTION by Director Benoit, supported by Director Brawley, that the 2008 Audit be approved. Motion carried.

V. COMMITTEE REPORTS -

A. Executive Committee - Chairman Kay reported that the committee had met, on March 27<sup>th</sup>, and that there were a wide variety of matters discussed. MOTION by Director Quinnell, supported by Director Timmer, approving the Executive Committee report. Motion carried.

B. Finance Committee - Committee Chair Benoit advised that the group had met on March 17, 2009.

1. MOTION by Director Benoit, supported by Director Brawley, approving February Financial Statements and payable vouchers #038 - #155, totaling \$169,363.53. Motion carried.

2. MOTION by Director Benoit, supported by Director Brawley, approving the report of the Finance Committee. Motion carried.

C. Airport Committee - Committee Chair Brawley reported on matters discussed by the group on two occasions during the month: in regular session on March 19<sup>th</sup>, and in a workshop session, with the airlines, on March 25<sup>th</sup>.

1. MOTION by Director Brawley, supported by Director Quinnell, approving a Professional Services Agreement, with Mead & Hunt, for design services for hangar #155 rehabilitation, totaling \$199,025.00, as negotiated/approved by MDOT. Motion carried.

2. MOTION by Director Brawley, supported by Director Quinnell, approving the report of the Airport Committee. Motion carried.

V. COMMITTEE REPORTS (cont'd)

D. Brownfield Committee - no meeting. Chairman Kay directed that a meeting be scheduled to discuss potential of redevelopment of Bambi Motel, and Director Timmer suggested that the committee also meet with County Treasurer Marjorie Hank, to discuss the land bank concept.

E. Staff Activity - Noel briefed on items contained within her monthly report, as well as accompanying Status Update - Grants, dated 03/31/2009, commenting the corporation currently has four outstanding grants. Noel referred the Directors to the accompanying EDC Program Comparison, indicating this instrument is provided as an annual report, and incorporates financial information for 2007 and 2008. Noel concluded her report by referring the Directors to the GM Project Comparison, complimenting staff for the growth and successes the corporation has seen. MOTION by Director Benoit, supported by Director Timmer approving the staff report. Motion carried.

VI. NEW BUSINESS -

A. Nominating Committee - MOVED by Committee Chair Benoit, supported by Director Quinnell, nominating as follows:

Earl Kay - Board Chair  
Pat Benoit - Vice Chair and Corporate Treasurer  
Richard Brawley - Corporate Secretary  
Kathy Noel - President  
Paula Adams - Chief Finance and Operations Officer  
Tami Beseau - Administrative Assistant

Chairman Kay called three (3) times for nominations from the floor - there were none offered.

MOTION by Director Brawley, supported by Director Benoit, that the nominations be closed and an unanimous ballot cast as set forth. Motion carried.

VI. NEW BUSINESS (cont'd) -

B. Committee Appointments - Chairman Kay made the following standing committee appointments:

Executive - Chairman Kay and Directors Benoit, Quinnell & Coutant.  
Finance - Director Benoit, Chair and Directors Coutant & Brawley  
Airport - Director Brawley, Chair and Directors Quinnell & Hopper  
Brownfield - Director Benoit, Chair and Directors Timmer & Dasho

C. EDC Meeting Schedule - MOTION by Director Quinnell, supported by Director Brawley, that the meeting schedule be approved with one amendment - that the January 2010 meeting be scheduled for Monday January 11<sup>th</sup>. Motion carried.

D. Director Timmer advised that Bay Mills Community College is conducting a local bid opening for a physical therapy training building on April 13<sup>th</sup>. Building construction had an engineering estimate of \$800,000.00.

VII. OLD BUSINESS - Director Dasho indicated he has been working with a group proposing a renewable energy transmission line across the Upper Peninsula. Director Dasho suggested a discussion with the group, as to project implications for the EDC, and Frontier. This matter will be made a part of the agenda for the EDC Board Meeting, on June 2<sup>nd</sup>.

VIII. ADJOURNMENT - MOTION by Director Benoit, supported by Director Timmer, that the meeting be adjourned. There being no further business before the group, Chairman Kay declared the meeting adjourned at 5:17 P. M.

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Earl Kay, Chairman of the Board

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Date Approved

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Richard F. Brawley, Corporate Secretary