

The attached minutes are subject to correction and approval

The Marquette County Board of Commissioners held their Regular Meeting on Tuesday, February 20, 2007, at 6:00 P.M., in Room 231 of the Henry A. Skewis Annex, 234 West Baraga Avenue, Marquette, Michigan.

Chairperson Corkin called the meeting to order. Present: Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Struck, Comm. Wallace, and Comm. Corkin. Absent: None.

A Salute to the Flag was given followed by the Pledge of Allegiance.

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that the minutes of the County Board of Commissioners Regular meeting held on Tuesday, February 6, 2007 be approved.

Chairperson Corkin opened the meeting for public comment.

Gordon Seeley, Engineer/Operations Manager, Delphi, was present and introduced himself to Commissioners. Mr. Seeley stated that everything is going well at the Delphi site this test season. He explained that Delphi has 13 engineers and technicians working at the site. They have had approximately 400 visitor days consisting of engineers, technicians, and customers so far this year. Delphi hopes to have more visitors before the end of the year. He further explained that several customers and potential customers have come on site and complimented Delphi on the services and ice quality. Mr. Seeley stated that this credit goes to Mike Wills Excavating. He thanked the County Board for their support of Delphi.

There being no further public comment, Chairperson Corkin closed this portion of the meeting.

It was moved by Comm. Arsenault, seconded by Comm. Struck, and carried by voice 8 Ayes to 1 Abstention (Comm. Joseph) that Claims and Accounts for the period February 10, 2007 through February 16, 2007 in the amount of \$476,982.51, including expenditure check No. 80918 in the amount of \$5.98 made payable to Joseph's (Affidavit of Disclosure follows), and bi-weekly payroll for the period ending February 10, 2007 in the amount of \$571,209.32 be approved.

*AFFIDAVIT OF DISCLOSURE*

PURSUANT TO MCL 15.323(2)(a)

COUNTY OF MARQUETTE )  
 )SS  
STATE OF MICHIGAN )

Nick Joseph, a Marquette County Commissioner, being duly sworn, hereby submits this Affidavit pursuant to the provisions of MCL 15.323(2)(a):

1. The Final Disbursement List submitted for approval at this February 20, 2007, meeting of the County Board of Commissioners includes Check No. 80918, dated February 16, 2007, payable to Joseph's in the amount of \$5.98, in payment for District Court Jury Fees;
2. I hereby disclose that I have a personal financial interest in Joseph's Foodland, Inc., d/b/a Joseph's Super Valu, which is as follows:

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Sole Shareholder

- 3. I hereby certify that any direct benefit I personally will receive from this payment to Joseph's will be less than \$250.00, and will be less than 5% of the total payment of \$5.98.

Dated this 20<sup>th</sup> day of February, 2007

/S/

\_\_\_\_\_  
 Nick Joseph

It was moved by Comm. Wallace, seconded by Comm. Joseph, and unanimously carried by voice vote that the agenda be approved as presented.

**PUBLIC HEARINGS**

The County Board considered public hearings for the benefit of the Bell Memorial Hospital:

- 7a) Project Plan of the Economic Development Corporation.

Chairperson Corkin opened the public hearing. He stated the public hearing is being held in conjunction with the review and proposed approval of the County Commissioners of the Project Plan of the Economic Development Corporation of the County of Marquette, Michigan for the benefit of Bell Memorial Hospital.

The Project Plan includes information relating to the Hospital's acquisition, construction and equipping of: (1) a new 25-bed critical access hospital facility and related equipment, fixtures, appurtenances, and improvements to be located at 900 Old Farm Road, which is approximately one quarter mile north of the intersection of U.S. Highway 41 West and Lakeshore Drive in the City of Ishpeming, Marquette County, Michigan; and (2) a medical office and clinic building, together with related equipment, fixtures, appurtenances and improvements, which will be located adjacent to the new hospital. The Hospital will be the initial owner, operator or manager of the facilities. It is anticipated that no zoning changes will be required.

Maps, plats a copy of the proposed Project Plan are available for public inspection at Lake Superior Community Partnership/EDC or the County of Marquette, 501 S. Front Street, Marquette, Michigan, 49855. All aspects of the proposed Project Plan will be open for discussion at this public hearing.

Chairperson Corkin opened the Public Hearing for public comment. None was forthcoming. Chairperson Corkin closed the public hearing regarding the EDC of Marquette County, Michigan Project Plan (Bell Memorial Hospital Project).

- 7b) Issuance of the Economic Development Corporation's Limited Obligation Revenue Bonds.

Chairperson Corkin opened the public hearing. He explained that the public hearing is being held in connection with the possible issuance by the Economic Development Corporation of the County of Marquette, Michigan, of its Limited Obligation Revenue Bonds, Series 2007 (Bell Memorial Hospital Project). The bonds are proposed to be issued in the aggregate principal amount of not to exceed Thirty Six Million (\$36,000,000.00) Dollars. The proceeds of the Bonds will be used to make a loan to the Hospital for one or more of the purposes set forth below.

The proceeds of the loan to the Hospital will be used, together with other available funds: (1) To finance the acquisition, construction and equipping of a new 25-bed critical access hospital facility and related equipment, fixtures, appurtenances and improvements to be located at 900 Old Farm Road, which is approximately one quarter mile north of the intersection of U.S. Highway 41 West and Lakeshore Drive in the City of Ishpeming, Marquette County, Michigan; (2) to finance the acquisition, construction and equipping of a medical office and clinic building, together with related equipment, fixtures, appurtenances and improvements, which will be located adjacent to the new hospital; and (3) to pay the costs and expenses related to the issuance

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of the Bonds. The Hospital will be the initial owner, operator or manager of the facilities to be financed with the proceeds of the Bonds.

The Bonds will be limited obligations of the EDC payable only from loan repayments to be made to the EDC by the Hospital in certain funds and accounts established by or pursuant to the agreement under which the Bonds will be issued. The Bonds will not be a general obligation of the EDC or the County of Marquette, Michigan and will not be a debt of the State of Michigan or any political subdivision of the State of Michigan. The EDC has no taxing power and the issuance of the Bonds will not obligate Marquette County, the State of Michigan, or any political subdivision of the State to levy or pledge any form of taxation for the Bonds or to make any appropriation for the payment of the Bonds.

Chairperson Corkin asked for public comment. None was forthcoming. Chairperson Corkin closed the Public Hearing on the issuance of the Economic Development Corporation’s Limited Obligation Revenue Bonds for the Benefit of Bell Memorial Hospital.

Steve Powers, County Administrator, explained a Resolution must be adopted by the County Board determining that a Project Plan (Bell Memorial Hospital Project) constitutes a public purpose, granting approval of the Project Plan and granting applicable elected representative approval in connection with the issuance of the Economic Development Corporation of the County of Marquette, Michigan adjustable rate demand limited obligation revenue bonds, series 2007 (Bell Memorial Hospital Project) in the amount of \$36,000,000.

It was moved by Comm. Pellow, seconded by Comm. Wallace, and carried by voice vote 8 Ayes to 1 Abstention (Comm. Joseph) that the County Board adopt the following Resolution determining that a Project Plan (Bell Memorial Hospital Project) constitutes a public purpose, granting approval of the Project Plan and granting applicable elected representative approval in connection with the issuance of the Economic Development Corporation of the County of Marquette, Michigan adjustable rate demand limited obligation revenue bonds, series 2007 (Bell Memorial Hospital Project).

RESOLUTION NO. \_\_\_\_\_

RESOLUTION DETERMINING THAT A PROJECT PLAN (BELL MEMORIAL HOSPITAL PROJECT) CONSTITUTES A PUBLIC PURPOSE, GRANTING APPROVAL OF THE PROJECT PLAN AND GRANTING APPLICABLE ELECTED REPRESENTATIVE APPROVAL IN CONNECTION WITH THE ISSUANCE OF THE ECONOMIC DEVELOPMENT CORPORATION OF THE COUNTY OF MARQUETTE, MICHIGAN ADJUSTABLE RATE DEMAND LIMITED OBLIGATION REVENUE BONDS, SERIES 2007 (BELL MEMORIAL HOSPITAL PROJECT).

WHEREAS, the Economic Development Corporation of the County of Marquette, Michigan (the “EDC”) is a public body corporate organized and existing under and pursuant to the Constitution and the laws of the State of Michigan and is authorized by Act No. 338 of the Michigan Public Acts of 1974, as amended (the “Act”) to make loans to finance projects (as that term is defined in the Act) to any person, firm or corporation, in order to assist and retain local industries and commercial enterprises and to strengthen and revitalize the economy of the County of Marquette (the “County”) and the State of Michigan;

WHEREAS, the EDC is authorized under the Act to issue its revenue bonds to finance projects in order to accomplish its purposes set forth in the Act;

WHEREAS, Bell Memorial Hospital, a Michigan nonprofit corporation (the “Hospital”), is an acute care, critical access hospital located in Marquette County, Michigan;

WHEREAS, the Hospital desires to undertake new construction of (i) a 25-bed critical access hospital facility and related equipment, fixtures, appurtenances and improvements to be located approximately one-

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quarter mile north of the intersection of US Highway 41 West and Lakeshore Drive in the City of Ishpeming, Michigan, and (ii) a medical office and clinic building, and related equipment, fixtures, appurtenances and improvements, which will be located adjacent to the new hospital (collectively, the “Project”);

WHEREAS, the Hospital desires that the EDC make a loan to the Hospital not to exceed \$36,000,000, the funds for which will be provided by the issuance and sale of the EDC’s Adjustable Rate Demand Limited Obligation Revenue Bonds, Series 2007 (Bell Memorial Hospital Project) (the “Bonds”);

WHEREAS, debt service on the Bonds will be paid from payments received by the EDC under a loan agreement between the EDC and the Hospital and shall never constitute a general obligation of the EDC or the County within the meaning of any constitutional, statutory or charter provision or limitation;

WHEREAS, in connection with the Project, the Hospital has submitted to the EDC a “Project Plan” as described in the Act (the “Project Plan”), which is currently on file with this Board of Commissioners, and prior to issuing the Bonds, the EDC desires the County’s approval of the Project Plan as required by the Act;

WHEREAS, this Board of Commissioners has this day conducted a public hearing with respect to the Project Plan after publication of notice in *The Mining Journal* on or before February 6, 2007, and after posting in 10 conspicuous places in the “project district area,” as defined by the Act;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) requires that prior to their issuance, the Bonds must be approved by the “applicable elected representative” as defined therein, which approval must be given by this Board of Commissioners; and

WHEREAS, this Board of Commissioners has this day conducted a public hearing with respect to the approval by this Board of Commissioners of the issuance of the Bonds after publication of notice in *The Mining Journal* on or before February 6, 2007;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Marquette, Michigan:

SECTION 1. That this Board of Commissioners determines that the Project Plan constitutes a “public purpose” as provided in the Act.

SECTION 2. That this Board of Commissioners approves the Project Plan; and further finds that (i) the Project Plan meets the requirements of Section 8 of the Act, (ii) the persons who will be active in the management of the Project for no less than 1 year after the approval of the Project Plan have sufficient ability and experience to manage the Project Plan properly, (iii) the proposed method of financing of the Project is feasible and the EDC has the ability to arrange the financing, and (iv) the Project is reasonable and necessary to carry out the purposes of the Act.

SECTION 3. That this Board of Commissioners, as the “applicable elected representative” of the County for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, hereby approves the issuance of the Bonds by the EDC in the maximum principal amount not to exceed \$36,000,000. It is anticipated, based on information provided by the Hospital, that the proceeds of the Bonds will be made available to the Hospital for the purposes of financing the costs of the Project and paying the costs of issuance of the Bonds.

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SECTION 4. That the County Commissioners, the County Administrator, County Treasurer, County Finance Manager and the Clerk of the Board of County Commissioners are each separately authorized to take any and all actions and to execute such financing statements, assignments, certificates and other instruments that may be necessary or appropriate, in the opinion of Daniel Mead, Esq., as counsel to the EDC, and Peck, Shaffer & Williams LLP, as bond counsel, in order to effect the issuance of the Bonds, the financing of the Project and the intent of this resolution.

SECTION 5. It is found and determined that all formal actions of this Board of Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board of Commissioners, and that all deliberations of this Board of Commissioners and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law and the rules of this Board of Commissioners in accordance therewith.

Adopted this 20<sup>th</sup> day of February, 2007  
Gerald O. Corkin, Chairperson  
Marquette County Board of Commissioners

**INFORMATIONAL ITEMS**

There were no informational items for approval.

**ACTION ITEMS**

10a) The County Board considered a Committee of the Whole Recommendation to lease Building 420 to Marinette Yachts. Marinette Yachts builds custom made boats and has several projects underway. The Company is owned by Mr. John Althouse. Building 420 is located within the ALP and will remain under County ownership. Total square footage of the facility is approximately 4,860 sq. ft. The building is provided as-is, where-is, except as noted.

The County will provide a new garage door approximately 14 feet high by 16 feet wide prior to occupancy. The estimated cost for this door is \$9,000 - \$15,000. The County can seek reimbursement for the full cost of such garage door should the tenant vacate the building prior to the expiration of the lease. With the exception that should the Tenant relocate into another County owned facility, the County will not have the right to seek reimbursement.

Lease Terms and Provisions are as follows:

- \$400 Security Deposit required upon lease execution.
- Five (5) year lease term commencing April 1, 2007.
- Years one (1) and two (2) will be at a lease rate of \$405 per month or \$4,860 annually.
- Years three (3) and four (4) will have a lease rate of \$607.50 per month or \$7,290 annually.
- Year five (5) will be \$810 per month or \$9,720 annually.
- All utilities, building maintenance, snowplowing, lawncare and janitorial services will be the responsibility of Marinette Yachts.

Comm. Joseph suggested Marinette Yachts fund the garage door upfront. Scott Erbish, Sawyer Operations Manager, was present and stated that he has contacted Mr. Althouse and consideration is being given to that proposal, however no decision has been made. He stated that firm quotes for the door are being obtained. No decision will be made until then. Mr. Erbish suggested the Board wait to approve the recommendation until a decision is made by Marinette Yachts.

It was moved by Comm. Wallace, seconded by Comm. Joseph, and unanimously carried by voice vote that the County Board postpone consideration of the recommendation to lease Building 420 to Marinette Yachts until the March 7, 2007 Board Meeting when a decision has been made regarding the garage door.

10b) The County Board considered a Letter of Support for the rebuilding of the Silver Lake Dam. Chairperson Corkin introduced Shawn Puzen, Environmental Consultant, U.P. Power Company, to present an overview regarding the status of rebuilding the Silver Lake Dam. Mr. Puzen distributed a Silver Lake Reservoir Rebuild Consultation Document Summary. He explained that as UPPCO has indicated from the event in 2003, the decision to rebuild Silver Lake will be based primarily on economics and making the correct decision for UPPCO customers. He further explained that after reviewing several designs, and working with the Federal Regulatory Commission (FERC), they have come up with what they believe to be a proposed design that provides the adequate safety for Silver Lake. They have compared the cost to rebuild to the cost of abandoning the project. UPPCO has taken the additional step to work and look towards not only reducing the cost of the construction, but also look to make the project more economical as a whole by changing some of the license conditions. He explained that includes Silver Lake and also Hoist and McClure Reservoirs. In summary, what has been issued to the public is a consultation document (summary distributed to Commissioners). A public hearing was held, the comment period was closed on February 16<sup>th</sup>. The intent of UPPCO by this amendment is to try and keep the reservoir elevation at the Hoist Reservoir fairly consistent during the summer months, June, July, and August.

Mr. Puzen and Commissioners engaged in a brief discussion regarding the rebuilding of the Silver Lake Dam. They had questions regarding abandonment, what it means for the Tourist Park Project in the City of Marquette, and the timeframe for a final decision.

Mr. Puzen explained that they are trying to pursue construction in 2008. UPPCO has a preliminary design only. The preliminary design needs more detailed design and also requires FERC approval of the design. He is hoping to have some indication that the amendment will be successful by May of this year.

Chairperson Corkin emphasized that safety is the issue. The County does not want a reoccurrence of what happened in 2003.

Mr. Puzen explained that one of the things FERC has done is to require UPPCO to convene a Board of Consultants which are international experts to look at the design for this. UPPCO hires members of that and so does FERC. The initial design that UPPCO presented in 2004/2005, was reviewed by the Board of Consultants and they made some additional recommendations. That design was an attempt to meet the current license conditions. As a result, that design became prohibitively expensive, and so UPPCO took another look at redesigning it with the lower spillway and so forth. That design UPPCO believes adequately and safely passes the probable maximum flood as required by FERC.

Chairperson Corkin read the following proposed Letter of Support for the Upper Peninsula Power Company's (UPPCO) requested amendment to several conditions of its existing license for the Dead River Hydroelectric Project (including Silver Lake Reservoir).

*T.J. LoVullo, FERC, 888 First Street N.E., Washington D.C. 20426*

*Steve Casey, MDEQ, 42 5<sup>th</sup> Avenue, Gwinn, Michigan 49841*

*Jessica Mistak, MDNR, 488 Cherry Creek Road, Marquette, Michigan 49855*

*Dear Messrs. LoVullo, Casey, and Ms. Mistak:*

*The Marquette County Board of Commissioners supports the Upper Peninsula Power Company's (UPPCO) requested amendment to several conditions of its existing license for the Dead River Hydroelectric Project (including Silver Lake Reservoir). The amendments are necessary to ensure that rebuilding Silver Lake is more economical than abandoning it. Other amendments to the license are being pursued because, according to*

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*current hydrologic modeling, license-minimum water levels at the reservoirs and license-minimum float requirements cannot be met much of the time with the water available in the Dead River Watershed.*

*A rebuilt Silver Lake Reservoir would provide recreation, tourism, and renewable energy benefits. The reservoir would release cool temperature water that greatly enhances downstream fish habitat. Public policy is moving in the direction of renewable energy sources. Rebuilding a part of the Dead River hydroelectric system would enhance the Upper Peninsula's power supply, a supply that was found to be inadequate after the Dead River Flood.*

*The Board requests objectives, balanced, and timely review of the requested amendments.*

*Sincerely,  
Gerald O. Corkin, Chair  
Marquette County Board of Commissioners*

*Cc: Amy Berglund, U.S. Senator Carl Levin  
Sherry Davie, U.S. Senator Debbie Stabenow  
Tom Baldini, U.S. Representative Bart Stupak  
Mike Prusi, State Senator  
Steve Lindberg, State Representative  
Matt Johnson, Governor's U.P. Director  
Beryl LaPin, Chaption Township Supervisor  
Wayne Johnson, Negaunee Township Supervisor  
Ray Adamini, Marquette Township Supervisor  
Jim Nankervis, Ishpeming Township Supervisor  
Tom Tourville, City of Marquette Mayor*

It was moved by Comm. Cihak, seconded by Comm. Pellow, and unanimously carried by voice vote that the County Board support the rebuilding of the Silver Lake Dam and direct Staff to send the above letter of support.

Chairperson Corkin opened the meeting for public comment.

Vikki Kulju, Telkite, introduced Hitesh Patel and Subrat Patniak, Telkite investors. Mr. Patel and Mr. Patniak explained that they were in town checking on their investment at Sawyer. They stated the projects at Sawyer are challenging, they are working hard and will keep working hard bringing more partners into the project.

Comm. Struck announced that he received their press release regarding Bankers Life and Casualty at Sawyer. He explained that smaller businesses along with the bigger businesses are important. He appreciates Telkite bringing them in.

Gregg Perttula, Interim CEO and Chief Financial Officer, Bell Memorial Hospital, thanked the County Board on behalf of the Bell Memorial Hospital Board for their support of the replacement Hospital Project.

There being no further public comment, Chairperson Corkin closed this portion of the meeting.

**COMMISSIONERS COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS**

Chairperson Corkin announced that on Thursday, March 22, 2007, at the UPCAP Office in Escanaba a meeting will be held regarding Regional Jails. He invited any Commissioner to attend and stated it will be an excellent meeting.

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There being no further business to come before the County Board of Commissioners, the meeting adjourned at approximately 6:30 P.M.

Respectfully Submitted,

Connie M. Branam  
Marquette County Clerk