

The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, January 8, 2008, at 6:00 P.M., in Room 231 of the Henry A. Skewis Annex, 234 W. 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 Chairperson Corkin. Absent: None.

It was moved by Comm. Arsenault, seconded by Comm. Wallace, and unanimously carried by a voice vote that the minutes of the Committee of the Whole Meeting held on December 11, 2007 be approved.

Chairperson Corkin opened the meeting for public comment, none was forthcoming.

It was moved by Comm. Wallace, seconded by Comm. Arsenault, and unanimously carried by voice vote that the agenda be approved as follows: Delete Item 6) Lake Superior Community Partnership/EDC Updated Agreement. This item will be scheduled at a later date.

It was moved by Comm. Pellow, seconded by Comm. Joseph, and unanimously carried by voice vote that Claims and Accounts for the Period December 15, 2007 through December 31, 2007 in the amount of \$701,633.66; bi-weekly payroll for the period ending December 21, 2007 in the amount of \$587,105.28; and bi-weekly payroll for the period ending December 29, 2007 in the amount of \$642,519.66 be approved.

The Committee considered an Argonics IRP Loan and Lease Request. Bob Flood, owner of Argonics, Inc., has submitted a request for an IRP loan in the amount of \$350,000.00. Argonics, Inc. is looking to relocate from its Marquette location to Building 727 at Sawyer and will need the funding to assist in completing building renovations.

Since its inception, Argonics has grown into one of the industry's largest producers of polyurethane products. Argonics provides high performance urethane solutions with a team of qualified personnel and unique, state-of-the-art equipment.

The Company's growth has resulted in new jobs in Marquette County and consistent expansion at, and investment in, its current location. The Company currently employees 77 residents and has invested \$383,000.00 in 2005; \$578,000.00 in 2006; and \$573,000.00 in 2007 in the Company's growth.

In 2006, Argonics acquired Kryptane Systems, which was originally the parent company of Argonics. Now named the Kryptane Systems Division of Argonics, it produces smaller precision polyurethane products in contrast to Argonics' Michigan Division, which has a focus towards larger industrial products. The Kryptane Systems Division in located Louisville, Colorado.

As a result of the growth and success of the Company, Argonics began a site selection process approximately one year ago. At that time, it was determined that the City's location was not sufficient for the immediate and long-term growth strategy of the Company. The Colorado location was considered as an option, as were numerous Michigan locations. The Company has concluded that the layout of Building 727 and the available land for expansion will meet its long-term objective. Site comparisons were distributed. The Company will add an additional 14 jobs as a result of this move.

A binder that includes the IRP application, supporting financial documents, and a financial review prepared by Wells Fargo Bank is located in the Administrator's Office. Scott Erbisch, Sawyer Operations Manager, has personally reviewed Mr. Flood's credit score and it exceeds the minimum requirement of 600 for an IRP loan. Wells Fargo Bank is in possession of his personal financial statement. Its review noted that he does have more than adequate resources to provide a secure personal guarantee for thieloan.

Building 727 at Sawyer has been vacant for 11 years and, despite the County's excellent maintenance, requires substantial improvements prior to occupancy. The total project costs are estimated to be \$1.863 million. Approximately \$1.7 million are construction related costs. The lease terms were distributed.

A financial review summary was provided by Wells Fargo and is a historical review of the past three years tax returns and Compiled Financial Statements.

Steve Powers, County Administrator, stated that the County Board needs to approve both the Lease for Building 727 and the IRP loan to allow Argonics to remain in Marquette County. Mr. Powers introduced Bob Flood, owner of Argonics, Vikki Kulju, Telkite, who helped in the site selection process. He also introduced Lois Ellis and Scott Erbisch for questions regarding specifics within the County IRP loan and the Marquette County EDC loan. Mr. Powers further stated that the Company's success and growth has enabled the Company to look at other sites, including other sites outside of Marquette County. Through the efforts of the County, Telkite, and the EDC, the County has a proposal through lease and loan that will allow the company to remain and grow in Marquette County. Mr. Powers also explained that this proposal in addition to allowing a company to remain in Marquette County (a company that employs 77 employees), will also provide the County, specifically the Airport, with a positive cash flow during the recommended term of the lease.

Commissioners and Staff engaged in a brief discussion regarding the Argonics Project. Mr. Flood was also part of the discussion.

Scott Erbisch, Sawyer Operations Manager, explained a modification to the IRP loan. In a meeting this morning he was informed that the IRP loan would be in the amount of \$250,000.00. The maximum allowed. Should Argonics projected costs be greater than \$250,000.00 a new application can be submitted for additional IRP funding.

Staff recommends the Board approve the IRP Loan and the Lease. In doing so the Board will make a substantial investment into its property at Sawyer, which is much needed, improve the overall appearance as visitors vacate the airport terminal, stabilize the tenant base, retain 77 jobs in Marquette County, and add 15 more employees in Marquette County.

Commissioners commended Mr. Flood and Argonics. They stated it will be very good for the County. It is a top notch company.

It was moved by Comm. Bergdahl, seconded by Comm. Wallace, and carried by voice 8 Ayes to 1 Abstention (Comm. Arsenault) that the Committee of the Whole recommend the County Board: 1) Waive the maximum loan limit requirement of the IRP Loan Policy. Current IRP policy maximum loan amounts as written are \$200,000.00. In the past, loans have been made in higher amounts by waiving the listed maximum; 2) Approve the IRP loan request in the amount of \$250,000.00 IRP loan at Prime Rate (7.25%) plus .25% for Wells Fargo Handling and Administration Fee with a 10-year amortization totaling 7.50% interest. The monthly payment to be \$2,968.00; and 3) Require a secure personal guarantee from Mr. and Mrs. Bob Flood.

Minutes are Subject to Correction and Approval

It was moved by Comm. Pellow, seconded by Comm. Bergdahl, and carried by voice vote 8 Ayes to 1 Abstention (Comm. Arsenault) that the Committee of the Whole recommend the County Board enter into a Lease Agreement with Argonics, Inc. for Building 727 and the adjacent land, and authorize the Board Chair to execute the Lease and all related documents.

* * * * *

The Committee considered a Car Rental Agreement(s) Extension Request. Scott Erbisch, Sawyer Operations Manager, explained that the Concession Agreements with all four car rentals expired on December 31, 2007. New contract discussion/negotiations have been postponed awaiting current market data from other ground transportation providers.

Rates and charges information (via the American Association of Airport Executives [AAAE] Bi-monthly Newsletter) have been requested from similarly sized non-hub airports supplying car rental concessions. Additional airports will be contacted directly. The data collection process should be finalized in one to two months.

It was moved by Comm. Wallace, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board authorize the County Chairman to sign a six-month extension to the Car Rental Agreements. This extension will allow for the data collection and the time needed to meet with the car rental agencies. All other terms and conditions of the Agreement will remain.

* * * * *

The Committee considered Marquette County Board of Road Commissioners' Compensation. Steve Powers, County Administrator, explained that as the Board is aware, the Marquette County Board of Commissioners sets the compensation for the Marquette County Board of Road Commissioners. Three of the five Road Commission Board members receive internet service in their homes as part of their compensation, a benefit worth approximately \$20 per month. One commissioner does not have internet and one does not submit for internet reimbursement. The Road Commission would like to confirm that the Marquette County Board is aware of this benefit.

The Road Commission recommends that the internet service be formally approved as part of the compensation for the Board of Road Commissioners.

Steve Powers, County Administrator, explained that the internet service is something that has been in place. The Road Commission Manager is asking approval of this existing practice per statute. It is the opinion of Sue Vercoe, Finance Manager, and Cheryl Hill, Civil Counsel, that the internet service is indeed compensation. Harley Andrews, Civil Counsel, requested to review this issue. Mr. Powers emphasized that it is an existing practice, one that he also recommends being continued. According to Mr. Iwanicki it has provided efficiencies and improved communication with Road Commissioners.

Comm. Pellow feels that although it has been in place, she feels this is an opening for andora's box. She believes everyone can afford internet service.

Comm. Arsenault explained that the internet compensation is paid by the Road Commission Board through their revenues. It has nothing to do with the County Board paying the internet service.

Minutes are Subject to Correction and Approval

It was moved by Comm. Arsenault, seconded by Comm. Struck, and carried by voice vote 6 Ayes to 3 Nays (Comm. Bergdahl, Comm. Pellow, Comm. Wallace) that the Committee of the Whole recommend the County Board formally approve the internet service as part of the compensation for the Board of County Road Commissioners.

* * * * *

The Committee of the Whole considered 2008 Board of Commissioners Priorities.

It was moved by Comm. Wallace, seconded by Comm. Joseph and unanimously carried by voice vote that the following 2008 Board of Commissioner Priorities be approved as a guide for 2008 and placed on file:

1. Airport funding stabilization plan
2. Jail expansion
3. Ishpeming Service Center – full use and financial viability
4. Maintain a balanced budget
5. Continue Aging Services with more money dedicated to services
6. Promote and implement economic development projects
7. Work cooperatively with local units of government for efficiency and cost savings
8. Advocate for state to pay fair share for mandated services
9. Post Employment Benefits Funding Plan
10. Iron ore taxation – gather facts concerning published price

* * * * *

Chairperson Corkin opened the meeting for public comment. Bob Flood, Agonics, thanked the County Board for their approval of the IRP Loan and Lease Agreement. He commended Staff, Scott Erbisch, and Vikki Kulju. He stated this was a good move for Marquette County and Argonics.

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

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

Comm. Struck congratulated Comm. Corkin as Chairperson and Comm. Pellow as Vice-Chair.

There being no further business to come before the Committee of the Whole, the meeting adjourned at approximately 7:00 P.M.

Respectfully Submitted,

Connie M. Branam
Marquette County Clerk