

PUBLIC HEARING
KEWEENAW COUNTY BOARD OF COMMISSIONERS
COMMUNITY DEVELOPMENT BLOCK GRANT
KEWEENAW MOUNTAIN LODGE BEST USE STUDY
AUGUST 19, 2015

A public hearing was held by the Keweenaw County Board of Commissioners on August 19, 2015 at 7:00 p.m. at the Courthouse in Eagle River, MI. The purpose of the public hearing was to hear public comment on the proposed application for a CDBG grant. Keweenaw County proposes to use \$20,000 CDBG funds to fund a Keweenaw Mountain Lodge Planning Grant, along with \$5,000 from Keweenaw County and \$25,000 from the Economic Development Administration (EDA).

Commissioners present: Randy Eckloff, Bob DeMarois, Don Piche, Ray Chase, Del Rajala.

Approximately ten people were present for the public hearing.

The following public comments were heard:

*Kim Stoker, Executive Director from WUPPDR began by saying how the study would be funded (see above) and also by saying what would be included. A commercial appraisal would be included in this grant for the entire Lodge and the golf course. Kim talked to local appraisers that did not want to be involved in this type of appraisal. Kim found a company in Traverse City that could do it but it will have to go out to bid. This study will not be a feasibility study but more of a reuse study looking at other options for the Lodge including but not limited to private concessions running the operations. The study will look into the last ten years of financials and the study could take up to a year to complete.

*There were questions regarding what would happen if the appraisal comes in at an amount less than what the County owes on the loans and bonds. If this occurs, this would be a starting point to go back to Rural Development and to the Economic Development Administration to renegotiate the amounts.

*There is a company that did the beach appraisal in Eagle River that should be contacted about appraising the Lodge.

*Steigerwaldt Land Services out of Tomahawk, WI should also be contacted as an option for an appraisal.

*The feasibility study that was completed last time for the loan was flawed and it wasn't realistic.

*If the appraisal comes back and it's at a breakeven point for what the County owes, what happens then? Are we going to sell it to breakeven? Would the County taxpayers lose the Keweenaw Mountain Lodge?

*Many of the decisions made recently are a knee jerk reaction including taking over the oversight of the Lodge and getting rid of the manager. Would a vote on a millage be considered so the taxpayers could have a say?

*The taxpayers should be able to vote on it.

*Has it been verified that there is a deed restriction on KML which makes it remain open to the public no matter what? Yes, that was verified.

*The appraisal is going to come in below the loan/bond amount and we need to find the best way to turn it around. Spin it off into a 501c3 corporation and hire professional managers to run it, taking it off of the County's back.

*KML needs a business plan by professionals on how to make it successful. The gap between what is owed and what the KML is actually worth will be large, the County needs a good business plan.

*We have been dooped with the first feasibility study which led to the loans and bonds and that hasn't panned out. The study showed too much revenue which isn't true. Does Rural Development have any responsibility in making a bad decision and loaning KML the money? Are there lawyers out there who would go after Rural Development?

*The Small Business Development Center (SBDC) is now on board to help oversee the operations at KML and hopefully that will help when talking to Rural Development.

*There was one written comment that was received prior to the public hearing that will be turned into WUPPDR to submit with the application. This letter stated the following:

*Application has inaccuracies and is another way to feed outside consultants and vendors

*KML employees 33-37 people not 70+

*Keweenaw County businesses cannot currently fill positions, thus businesses need international help—no shortage of jobs in Keweenaw County

*County Commissioners are again wasting tax payers money on a planning study that has been done no less than 5 times. Total waste of money and a way to pass the buck on a labor shortage and trying to cure a terminal problem

*Why can't KML run on its own revenues as it did in 2011-2014? What will the losses in 2015 operations be and causes?

*Keweenaw County has a surplus of quality eateries, all quality operations are thriving this season. Businesses are turning away customers with no seats available. All are short on help....get out and see....

* Keweenaw County businesses have to adjust hours due to lack of help.

*Why is KML bleeding cash again? This is a direct result of BOC taking over operations and not knowing a thing about hospitality operations. Current financials will prove it. (wait till October financials are in). Quality

again has gone downhill being run by people with no hospitality experience. Get out and see for yourself and ask patrons of their experiences at KML in 2015 season.

*The County can help by acknowledging the facts

*Hospitality needs to be addressed in Keweenaw County

*Provide transportation to Harbor towns for employers to get hospitality workers, Housing, Training programs, Stop wasting taxpayers money on outside studies that get left on a shelf

*Best solution for KML is to let debtor take over operations and stop the BOC involvement in operation.

History again has proven BOC has no business in KML. A quality operator with experience is needed. Let concessioners run it.

Motion by Eckloff supported by Chase and unanimously carried to close the public hearing at 7:20 p.m.

OFFICIAL PROCEEDINGS
KEWEENAW COUNTY BOARD OF COMMISSIONERS
August 19, 2015

The regular monthly meeting of the Keweenaw County Board of Commissioners was held on August 19, 2015, immediately following the public hearing that began at 7:00 p.m. at the Courthouse, Eagle River, MI, this official meeting actually beginning at 7:20 p.m. The pledge was said at the 6:30 p.m. KML meeting prior.

Commissioners present: Randy Eckloff, Bob DeMarois, Don Piche, Ray Chase, Del Rajala.

The meeting was posted in the Courthouse on the bulletin board and the agenda for the meeting was posted on the door of the Courthouse.

Motion by DeMarois supported by Eckloff and unanimously carried to approve the agenda as presented.

Motion by Chase supported by DeMarois and unanimously carried to accept the minutes from the July 15, 2015 regular monthly board meeting as presented.

The Treasurer, Sheriff and Mine Inspector reports were received.

Time was allowed for public comment.

Motion by Chase supported by Eckloff to pay the approved and audited bills in the following amounts; General Fund=\$173,065.77 Construction Codes Fund=\$4,960.18 911 Fund=\$13,742.28 Law Library=\$621.35 Child Care Fund/Basic Grant=\$5,459.99 County Veterans Trust Fund=\$0 Medical Care Fund=\$1,501.20 Courthouse Improvement Fund=\$0. Board polled. Ayes: Eckloff, DeMarois, Chase, Rajala, Piche. Nays: None. Motion carried.

Motion by Eckloff supported by Chase and unanimously carried to table the contract with at&t until September as Rajala is waiting on a response from at&t.

Motion by Chase supported by Rajala and unanimously carried to table Shorewaves until September.

Motion by Chase supported by Eckloff and unanimously carried to table the tower inspections until September when Rajala can obtain more information and pricing.

Motion by Rajala supported by Chase and unanimously carried to table the Employee Policy update until September.

Motion by Chase supported by DeMarois to adopt the following resolution regarding the proposed Michigan Economic Development Corporation Community Development Block Grant application:

WHEREAS, Keweenaw County's Community Development Plan's intent is to encourage economic development and job creation; and

WHEREAS, Keweenaw County and the Keweenaw Mountain Lodge is in need of identification of best uses for the Mountain Lodge; and

WHEREAS, Keweenaw County formally requests \$20,000 Community Development Block Grant (CDBG) funding to enable the Keweenaw Mountain Lodge Best Use Study and formally commits to providing \$5,000 towards the project; and

WHEREAS, the Keweenaw Mountain Lodge Best Use Study is consistent with Keweenaw County's community development plan as described in Part 2 of the Application; and

WHEREAS, At least 51% of the beneficiaries of the Keweenaw Mountain Lodge Best Use Study will be low and moderate-income persons; and

WHEREAS, No project costs will be incurred prior to a formal grant award, completion of the environmental review procedures and formal, written authorization to incur costs provided by the CDBG Project Manager; NOW THEREFORE BE IT HEREBY RESOLVED by the Keweenaw County Board of Commissioners, at a regular meeting held on August 19, 2015 at 7:00 p.m. at the Keweenaw County Courthouse, 5095 4th Street, Eagle River, Michigan

That the Keweenaw County Board of Commissioners authorizes the Western Upper Peninsula Planning and Development Region Commission to submit the proposed Michigan Economic Development Corporation "Community Development Block Grant" application and authorizes Don Piche, Board Chairman, to sign any applicable application forms, including attachments, Grant Agreement, and Grant Payment Requests.

Board polled. Ayes: Eckloff, DeMarois, Chase, Rajala, Piche. Nays: None. Motion carried. (#15-3)

Motion by Eckloff supported by DeMarois to adopt the following resolution regarding the U.P. Area on Aging FY 2016 Annual Implementation Plan:

WHEREAS UPCAP, which serves as the U.P. Area Agency on Aging, is required to develop a 2016 Annual Implementation Plan that provides development and funding for programs to serve older adults in the Upper Peninsula; and

WHEREAS, during the 2016 Annual Implementation Plan development process, UPCAP conducted needs surveys, one public hearing, and received input from service providers, older adults, county officials, human services organizations, and other interested parties; and

WHEREAS, each U.P. county is represented by a county official on the UPCAP Board of Directors; and WHEREAS, the UPCAP Board of Directors has unanimously approved the proposed 2016 Annual Implementation Plan; and

WHEREAS, the AAA 2016 Annual Implementation Plan also requires review by individual county boards; THEREFORE, BE IT RESOLVED that the Keweenaw County Board of Commissioners has received and hereby supports the U.P. Area Agency on Aging 2016 Annual Implementation Plan. Board polled. Ayes: Eckloff, DeMarois, Chase, Rajala, Piche. Nays: None. Motion carried. (#15-4)

Motion by Eckloff supported by DeMarois to adopt the UPWARD Talent Council Resolution from Michigan Works! As follows:

WHEREAS the Congress of the United States enacted the Workforce Innovation and Opportunity Act (WIOA), replacing the Workforce Investment Act, and State of Michigan has the authority to designate the Michigan Works! Service Areas, under WIOA, in alignment with Prosperity Regions; and

WHEREAS the Western Upper Peninsula Alliance Board, the Six County Employment Alliance Board, and the Eastern Upper Peninsula Employment and Training Consortium Administrative Board are currently the respective Boards of the three separate, Upper Peninsula Michigan Works! Boards (of County Commissioners), created by Michigan Public Act 7 and Act 8; and

WHEREAS the three Boards, on June 3, 2015, on June 4, 2015 and on June 18, 2015; respectively, deliberated on Service Area Designation and passed unanimous motions in their separate meetings to unite into one, Upper Peninsula Michigan Works! Board (of County Commissioners); and

WHEREAS the three separate Upper Peninsula Michigan Works! Boards (of County Commissioners) desiring the unification of the Upper Peninsula Michigan Works! have:

1. Created the 15 County P.A. 7 Interlocal Agreement, and whose Members agreed in Boards' motions to request their own respective County Boards to adopt the Agreement; and
2. Presented here a copy of the proposed Interlocal Agreement, designating the UPWARD Talent Council as the 15 County Michigan Works! Board (of County Commissioners), with this Resolution; and

WHEREAS this Interlocal Agreement among all 15 Counties of the Upper Peninsula of Michigan requires approval by each County Board of Commissioners prior to submission to the Governor's Office and the Attorney General for approval; and

NOW, THEREFORE BE IT RESOLVED, that the Keweenaw County Board of Commissioners hereby approves the proposed Third Amended and Restated Interlocal Agreement to establish the UPWARD Talent Council and its functions and authorizes the Board Chairperson and County Clerk to sign the Interlocal Agreement. Board polled. Ayes: Eckloff, DeMarois, Chase, Rajala, Piche. Nays: None. Motion carried. (#15-5)

Motion by Eckloff supported by DeMarois to allow staff from the Equalization Department to be the Allouez Township assessor. Tom Novascone, Keweenaw County Equalization Director said that if the taxing unit cannot find an assessor, the County can assume that duty. The proposal will be for \$18,000 for 10 months, 1,600 parcels at \$11.25 a parcel. Allouez Township would pay the County for the assessing and then the County would pay Elizabeth Anderson. Mr. Novascone said that this is at no cost to the County and in fact the County will receive \$225 per month and that Elizabeth will reimburse the County for taxes, retirement or anything else that the County has to pay for this additional salary and that this will be all on her own time, not on County time. Allouez Township did interview candidates but the decision is up to the Board. The decision was not a unanimous Board decision. Ayes: Eckloff, DeMarois, Rajala. Nays: Chase, Piche. Motion carried.

Motion by Eckloff supported by Chase and unanimously carried to table a decision on the price of a tax roll for the County. The Equalization Department will gather more information for September.

Motion by Eckloff supported by Rajala and unanimously carried to concur with Houghton Township and the Keweenaw County Road Commission to not allow overnight camping on the beach in Eagle River. The three entities are the co-owners of certain lots on the beach.

Motion by Rajala supported by Eckloff and unanimously carried to approve the hiring of a District Court Probation Officer at Judge Wisti's request with a salary of \$3,000 per year.

Time was allowed for public comment.

Motion by Chase supported by Eckloff and unanimously carried to allow county employees to hold the office of a deputy in townships as long as it does not interfere with county work in county offices.

There being no further business motion by Chase to adjourn at 8:20 p.m. Meeting adjourned sine die.

Donald Piche, Chairman

Julie A. Carlson, Clerk