

OFFICIAL PROCEEDINGS
KEWEENAW COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
November 1, 2016

A special meeting of the Keweenaw County Board of Commissioners was held on November 1, 2016 beginning at 6:30 p.m. at the Courthouse, Eagle River, MI and began with the pledge of allegiance.

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

The meeting was posted on the door of the Courthouse and on the county website.

This meeting was called to discuss options for the Keweenaw Mountain Lodge. A draft letter to Rural Development was distributed to the Board of Commissioners by civil counsel Charles Miller regarding the options that the Board was considering and one sentence caused concern for some board members and this special meeting was called in order to address this sentence.

The sentence causing concern was about Keweenaw County likely being the only one who would advance money to the Keweenaw Mountain Lodge to open in the spring of 2017. Keweenaw Mountain Lodge (KML) does not have enough money to make it through winter or funds to open next spring. Board members discussed the options of advancing the money to KML to be able to open in 2017 or to keep the doors closed.

Carl Johnson, CPA and consultant for KML presented some estimates of what it would cost the County to cover the expenses for KML through May 31, 2017 would be approximately \$150,000.

Debra Britz-Maier, GM for KML said that there are 10 weddings and 5 corporate events booked next year already. She stated that without any capital improvements, no marketing or attending bridal shows, KML will be dead in the water just like other years.

Here are some of the points that were mentioned:

- It was said at previous meetings by the Board that they would not spend any more County General Fund money for KML operations as the tax money collected by the County is for essential services and KML is not an essential service. The money will not be returned to us. We are still waiting on \$40,000 from years ago. We don't support other failing businesses
- If the Board does choose to advance KML money, will the County be first in line to receive payment back? Charles Miller has addressed this concern in the letter.
- Closing the doors will save money for the County but KML would most likely be vandalized, the golf course would be lost after one year and things would be in even further disrepair.
- Also, the economy of Keweenaw County and Copper Harbor would suffer greatly without the Lodge opening and hosting weddings and events throughout the summer.
- The County is just beginning to work with Rural Development and some were concerned about the value of KML if it is closed. A defunct business is not worth as much as an operating business if the sale option is accepted by Rural Development.
- The water system is on its last leg. If it gets shut down or if it freezes, it will be done for.
- Don Kauppi asked for 60 days to submit a proposal to Rural Development on behalf of Copper Harbor and KML to work for year round employment
- Could the County open up the parts of KML that are working? The cabins, golf, bar and events?
- Send a few bucks to Rural Development that shows KML is trying. Offer and compromise. Work with Pure Michigan and Michigan Tech. Show some goodwill and don't reload with the same losing tactics.

- Why would we lose \$26,000 to gain \$23,000 over the winter? Begin taking reservations on April 15th and pay a manager for six months instead of twelve
- Go to the House, Tourism & Recreational Committee for money at the State level
- The land across the road from KML could be sold to generate some cash flow
- What about fundraising? What about accepting donations from people on fridges/microwaves as patrons have offered?

Charles Miller asked the Board about other portions of the letter. The ballot proposal is something that the commissioners believe would not pass. If there were no other options, the Board would schedule a special election next May but knowing that it would be for not. The Board wanted Mr. Miller to acknowledge some of the new ideas in the letter also.

Motion by Chase supported by Rajala and unanimously carried to have Mr. Miller send the letter with the first sentence alluding to the County being the only one to advance money to KML to open in the spring of 2017 taken out. Motion was amended-Mr. Miller will make the changes to the letter and will get the letter to the Board for verbal approval before sending it to Rural Development.

Questions came up about the numbers presented. Already in November, it appears that KML will be borrowing from the County. If KML does not open, there isn't enough money to refund advance deposits. Motion by Chase supported by DeMarois and unanimously carried to have a separate account for all advance deposits to go into that cannot be touched for operations of KML. Carl Johnson will talk to the County Treasurer about this.

There was public comment throughout the entire meeting.

There being no further business motion by Chase to adjourn at 8:25 p.m. Meeting adjourned sine die.

Donald Piche, Chairman

Julie A. Carlson, Clerk