

ANNUAL MEETING - MINUTES

DATE: April 3, 2012

PLACE: Conference Room
Building #119
Kincheloe, MI 49788

MEMBERS PRESENT: Earl Kay, Chair
Patricia Benoit
Richard Brawley
Dan Dasho
Don McLean
Jim Quinnell
Dick Timmer

MEMBERS ABSENT: Leisa Mansfield
Larry Palma

EDC STAFF PRESENT: Kathy Noel
Paula Adams
Tami Beseau
John Trembl

OTHER PERSONS: Phil Wolf, Anderson Tackman & Company
Kristen Claus, SSM EDC

I. CALL TO ORDER - Meeting was called to order, by Chairman Kay, at 4:15 P. M., with a quorum of the membership 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 6, 2012, as presented. Motion carried.

III. PUBLIC COMMENTS - Kristen Claus provided information concerning an MEDC Entrepreneurial Services Bus Tour scheduled for April 24, 2012 at 4:30 PM at LSSU's Crow's Nest indicating our region is very fortunate to be designated as a stop for this prestigious event. The MEDC presentation is geared to an audience of approximately 40 persons consisting of early stage companies, community representatives, and anyone having an interest in the entrepreneurial process.

IV. EDC 2011 AUDIT - Finance Committee Chair Pat Benoit introduced Phil Wolf, Anderson Tackman and Company, for a presentation as to the EDC's 2011 Audit.

Mr. Wolf referred the group to the Independent Auditor's Opinion indicating the corporation again received an unqualified opinion which is the highest level.

Mr. Wolf indicated the graphs (page 1 & 2) depict information set forth through Audit pages 7 and 8, noting that the corporation: continues to see significant asset growth; while bank debt continues to decrease the corporation's legacy costs have increased resulting in a net increase in liabilities; concluding that the percentage of debt to assets has actually decreased.

Mr. Wolf indicated that graph (page 3) relates to page 20 of the Audit. Indicating that the corporation's airport and industrial park programs carry significant depreciation.

Mr. Wolf explained that corporation legacy costs, pension and other post employment benefits (OPEB), are shown as underfunded as a direct result of poor investment performance.

Mr. Wolf referred the group to the Report to those Charged with Governance explaining there are four types of audits: Financial, Fraud, Compliance and Performance Efficiency and Integrity. Mr. Wolf indicated that the 2011 EDC Audit is a financial audit.

Mr. Wolf concluded his presentation by advising that pursuant to the Transparency Act, all public units are required to accomplish a posting of data to a website. The EDC can post on its own website, or perhaps link to the County's website.

IV. 2011 EDC AUDIT (cont'd)

Director McLean inquired as to Audit Finding 11-1, page 23, "Preparation of the Financial Statements in Accordance with Generally Accepted Accounting Principles". Mr. Wolf explained that the corporation appropriately accounts for all corporation financial transactions. This finding relates to grant funds which do not flow through the corporation such as airport grants, and there are extended delays in the receipt of grant accounting data by MDOT/FAA. Mr. Wolf suggested that the corporation view any change in terms of a cost versus benefit examination, and that this finding is intended as a disclosure more so than a recommendation for change.

EDC Board Chair Kay and Finance Committee Chair Benoit thanked Mr. Wolf for his presentation.

MOTION by Director Benoit, supported by Director Brawley, approving the 2011 EDC Audit. Motion carried.

V. COMMITTEE REPORTS

B. Finance Committee - Committee Chair Benoit reported that the committee had met on March 20th:

1) MOTION by Director Benoit, supported by Director Quinnell, approving February vouchers #085 - #163, including payroll, totaling \$160,858.78. Motion carried.

2) MOTION by Director Benoit, supported by Director Quinnell, approving February financial statements. Motion carried.

3) MOTION by Director Benoit, supported by Director Quinnell, approving the report of the Finance Committee. Motion carried.

A. Executive Committee - Chairman Kay reported that the committee had not met during the month.

V. COMMITTEE REPORTS (cont'd)

C. Airport Committee - Committee Member Quinnell reported that the committee had met in regular session on March 21st and a workshop, with the airlines, was held on March 28th; summarizing matter discussed. MOTION by Director Quinnell, supported by Director Timmer, approving the Airport Committee report. Motion carried.

D. Brownfield Committee - no meeting

E. Staff Activity - Noel stated the Annual Development Report included in the agenda packets was provided in lieu of a monthly report, and that the Annual Report confirms the continued high level of effort and dedication by the EDC staff.

1) MOTION by Director Brawley, supported by Director Quinnell, authorizing a local match expenditure of \$1,263.00 for MDOT - Aeronautics Air Service Marketing Grant to CIU, totaling \$12,630.00. Motion carried.

2) MOTION by Director Timmer, supported by Director Benoit, approving EDC Resolution 2012 - #02, "Authorized Depositories". On a roll call vote, motion carried unanimously.

VI. NEW BUSINESS

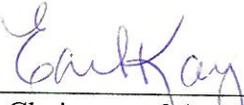
A. Nominating Committee - Committee Chair Benoit advised that the committee recommends re-election of the existing slate of officers. MOTION by Director Dasho, supported by Director Quinnell, approving the committee recommendation. Chairman Kay called three times for nominations from the floor, there were no other nominations. Motion carried.

B. Committee Appointments - Chairman Kay made appointments to the corporation's Executive, Finance, Airport and Brownfield Committees (copy attached).

C. 2012/2013 EDC Meeting Schedule - MOTION by Director Dasho, supported by Director Timmer approving the schedule as presented. Motion carried.

VII. OLD BUSINESS - Director Dasho provided an update on the status of his/ Cloverland's contact with Kinross Cellulosic Ethanol. The project is progressing and that that Valero officials are directly involved in discussions. The firm is currently involved in the selection of an EPC - Engineering Procurement Construction contractor. Cloverland will supply temporary power in August, and that timing for permanent power could run into 2014. Director Dasho also complimented on the appearance of the EDC conference room.

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 5:14 P.M.



Earl Kay, Chairman of the Board



Date Approved



Richard F. Brawley, Corporate Secretary

COMMITTEE APPOINTMENTS

EXECUTIVE COMMITTEE: Directors Benoit, Dasho & Quinnell - Kay

FINANCE COMMITTEE: Directors Benoit, Brawley & Quinnell - Kay

AIRPORT COMMITTEE: Directors Brawley, Mansfield & Quinnell - Kay

BROWNFIELD COMMITTEE: Directors Palma, McLean, Timmer - Kay