

36TH ANNUAL MEETING - MINUTES

DATE: April 2, 2013

PLACE: Conference Room
Building #119
Kincheloe, MI 49788

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

MEMBERS ABSENT: Leisa Mansfield

EDC STAFF PRESENT: Kathy Noel
Paula Adams
Tami Beseau

OTHER PERSONS: Phil Wolf, Anderson, Tackman & Company, PLC

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 Quinnell, supported by Director Timmer, approving the minutes of the Regular Meeting of March 5, 2013 as presented. Motion carried.

III. PUBLIC COMMENTS - None offered

IV. 2012 EDC AUDIT - Finance Committee Chair Benoit introduced Phil Wolf, Anderson, Tackman & Company, PLC. Mr. Wolf advised that the EDC again received an Unqualified Audit for the year 2012. Mr. Wolf provided historical graph presentations of some audit data, as well as a summary of audit findings, as follows:

- Independent Auditor's Report is structured differently this year.
- Management's Discussion and Analysis, was originally intended to provide an audit summary in laymen's terms, has become another detailed financial reporting mechanism.
- Statement of Net Position, which is also provided in graph form, page 1 shows growth. Assets show a decline for the year, as the EDC received less capital grant funding during 2012, as compared with 2011; but liabilities are also down, through repayment of the Central note. As a result, net assets are trending up, which is a good.
- A historical Revenue Comparison, is shown on page 2 of the graphs. Airport Fees showed a significant increase during 2012, as a result of increased fuel sales to the airlines.
- Revenue Sources & Uses, is the final graph, page 3, which shows that winter testing is the corporation's primary unencumbered revenue source.
- Notes to Financial Statements, begins on page 11 of the audit.
- Schedule of Funding Progress, page 20 details information on the corporation's legacy costs. Beginning in 2014, the balance sheet portion of the audit will reflect pension plan obligations - specifically the net unfunded AAL. The EDC is performing within the 80% pension plan funding that we recommend.

IV. 2012 EDC AUDIT (cont'd)

- Report on Internal Control over Financial Reporting and on Compliance and other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, are matters requiring ATCo report, as auditor.
- Schedule of Findings and Responses, pages 24 - 26
- Communication with those Charged with Governance, there are two new so-called GASB statements this year, the Statement of Net Position, which is included, as well as Statement of Outflow, which does not apply to EDC

Mr. Wolf then responded to Director's inquiries concerning Schedule of Findings and Responses, indicating that these are long standing EDC practices, which requiring disclosure by the auditor.

MOTION by Director Benoit, supported by Director McLean, approving the EDC 2012 Audit. Motion carried.

V. MONTHLY REPORTS -

A. Executive Committee - Chairman Kay reported on matters discussed during an Executive Committee meeting of March 25, 2013; and requested Director's comments regarding the President/Developer job description. MOTION by Director Timmer, supported by Director Quinnell, approving the report of the Executive Committee. Motion carried.

V. MONTHLY REPORTS (cont'd)

B. Finance Committee - Committee Chair Benoit reported on matters discussed during a Finance Committee meeting of March 19, 2013:

1. MOTION by Director Benoit, supported by Director Quinnell, approving February payable vouchers, #089 - #167, including February payroll, totaling \$176,560.24. Motion carried.

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

3. MOTION by Director Timmer, supported by Director McLean, approving the report of the Finance Committee. Motion carried.

C. Airport Committee - Committee member Quinnell reported on matters discussed during an Airport Committee meeting of March 18th and a Workshop session on March 27th:

1. MOTION by Director Quinnell, supported by Director Brawley, approving a Professional Services Contract, with Mead & Hunt, for construction administration of the terminal video project, at a cost not to exceed \$12,680.00, as negotiated/approved by MDOT. Motion carried.

2. MOTION by Director Quinnell, supported by Director Timmer, approving the report of the Airport Committee. Motion carried February 27, 2013. MOTION by Director Quinnell, supported by Director Mansfield, approving the report of the Airport Committee. Motion carried.

D. Joint Advisory Committee - No meeting

E. Brownfield Committee - No meeting

V. MONTHLY REPORTS (cont'd)

F. Staff Activity - Noel briefed on matters contained within the Annual Report as well as:

- An invitation to the EUP Workforce Development Board meeting, at 4:00 PM, on April 11th at the Holiday Inn Express, to hear a presentation by MEDC Jim Lautenschleger regarding "Business Solutions" training.
- Mascoma withdrew its initial public offering, after 1 ½ years no securities were issued or sold.

MOTION by Director Timmer, supported by Director Benoit, approving the staff report. Motion carried

VI. NEW BUSINESS -

A. Nominating Committee - Committee Chair Benoit reported the committee's nominated slate of officers:

Earl Kay, Chair
Pat Benoit, Vice Chair
Richard Brawley, Corporate Secretary
Kathy Noel, President
Paula Adams, Chief Operations & Finance Officer
Tami Beseau, Administrative Assistant

Chairman Kay called three (3) times for other nominations. There being none offered, MOTION by Director Dasho, supported by Director Quinnell, that a unanimous ballot be cast for the recommended slate of officers. Motion carried.

VI. NEW BUSINESS (cont'd)

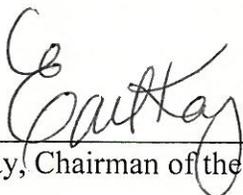
B. Committee Appointments - Chairman Kay appointed committees:

- Executive: Chair Kay and Directors Dasho, Benoit and Quinnell
- Finance: Committee Chair Benoit, Directors Brawley and Quinnell, and Chairman Kay ex-officio
- Airport: Committee Chair Brawley, Directors Quinnell and Mansfield, and Chairman Kay ex-officio
- Brownfield: Committee Chair McLean, Directors Timmer and Moore, and Chairman Kay ex-officio

C. 2013/2014 EDC Meeting Schedule - MOTION by Director Benoit, supported by Director Quinnell approving the meeting schedule as presented. Motion carried.

VII. OLD BUSINESS - None

VIII. ADJOURNMENT - MOTION by Director Benoit, supported by Director Dasho, that the meeting be adjourned. There being no further business before the group, Chairman Kay declared the meeting adjourned at 5:24 P. M.



Earl Kay, Chairman of the Board

05/07/13

Date Approved



Richard F. Brawley, Corporate Secretary