

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, February 2, 2012**

The meeting was called to order by the Honorable Mayor Leo J. Evans at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Leo J. Evans, Council Members, Walter A. "Pete" Baker, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: None

Also Present: City Manager James V. O'Toole, City Attorney Ralph B.K. Peterson, City Department Heads, media, and members of the public.

City Clerk Robert S. Richards gave the invocation and led Council in the Pledge of Allegiance.

Nelson moved, Beauchamp seconded, to approve Regular Meeting Minutes from January 19, 2012, as submitted.

Council Member Baker stated the 2012 Earth Day resolution in the minutes of January 19, 2012, Council Meeting did not reflect what was actually passed at the meeting. Council Member Baker stated, he did not recall seeing the resolution which had, in his opinion, too many political statements in the resolution. Council Member Beauchamp stated he did not vote in favor of the Earth Day resolution, he was aware of the resolution which was in the Council packets for approval.

Upon a call of the roll, the vote was as follows:

Ayes: Nelson, Beauchamp, Baribeau, Evans

Nays: Baker

MOTION CARRIED.

ADJUSTMENTS TO THE AGENDA

Nelson moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION - None

BRIEF PUBLIC COMMENT - None

UNFINISHED BUSINESS - None

PUBLIC HEARINGS - None

NEW BUSINESS

Scheduling of Public Hearing - Citizen Participation - 2012/13 Fiscal Year Budget Preparation.

Each year, City Council held public hearings to facilitate input from citizens for the City's next fiscal year budget. Administration requested Council set the second of five (5) public hearings for February 16, 2012.

NB-1 Baribeau moved, Baker seconded, **CARRIED UNANIMOUSLY**, to set the second of five (5) public hearings for February 16, 2012, to facilitate input from citizens for the City's next fiscal year budget.

Discussion – CDBG Revolving Loan Fund Program - Northern Initiatives Corporation

Northern Initiatives Corporation of Marquette, MI, requested City Council to approve a resolution of support naming their organization as the City of Escanaba's choice for designated Regional Fund Manager for the Upper Peninsula (Region 1) for the Community Development Block Grant (CDBG) Revolving Loan Fund Program. Northern Initiatives was the only eligible group in the Upper Peninsula to manage the CDBG funds.

Council Member Nelson stated Council reluctantly approved the 2010 regional agreement to consolidate, and turned over its \$650,000 in CDBG funds. Council Member Nelson further stated Northern Initiatives may be the only eligible group in the Upper Peninsula to manage the CDBG funds, but believed the State of Michigan jeopardized Escanaba's use of CDBG funds with the consolidation.

Dennis West, of Northern Initiatives, briefly reviewed his organization and their management of small business loans since 1994. Mr. West stated his organization would try to focus on Delta County businesses in obtaining CDBG loans.

NB-2 By Council Member Nelson, seconded by Council Member Baribeau:

RESOLUTION

WHEREAS, Northern Economic Initiatives Corporation ("Northern Initiatives") of Marquette, Michigan, is a certified Community Development Financial Institution (CDFI) which has provided small rural businesses in Michigan and Northeast Wisconsin with access to capital, information and markets since 1994, and;

WHEREAS, Northern Initiatives has demonstrated its expertise and commitment to this region by supporting entrepreneurs, businesses, manufacturing firms, banks, educational institutions and non-profit organizations, and;

WHEREAS, Northern Initiatives has experience in administering federal revolving loan programs through the USDA, the Department of Health and Human Services Office of Community Services and the United States Small Business Administration, and is familiar with the programs and requirements similar to those in the existing Community Development Block Grant (CDBG) Revolving Loan Fund programs in Michigan, and;

WHEREAS, the State of Michigan has determined to transfer the management of all existing CDBG Revolving Loan Fund programs in Michigan to qualifying non-profit lending institutions, with each such institution to serve as the Regional Fund Manager for one of the nine regions in the state established by the MSF, and;

WHEREAS, Northern Initiatives, as an eligible CDFI, is in the process of submitting an application to be designated the Regional Fund Manager for Region 1, consisting of the entire Upper Peninsula, and;

WHEREAS, such application requires endorsements from existing CDBG Revolving Loan Funds within Region 1, by means of a resolution passed at a public meeting of the governing board of the unit of local government for which the local Revolving Loan Fund is intended to serve, and;

WHEREAS, each such local unit of government may support only one applicant for its region, and;

WHEREAS, this board is the governing board for an existing CDBG Revolving Loan Fund within Region 1; namely City of Escanaba, and;

WHEREAS, City of Escanaba, supports the application of Northern Initiatives to be designated the Regional Fund Manager for the Upper Peninsula (Region 1).

NOW THEREFORE, IT IS RESOLVED, That City of Escanaba, at a public meeting of its governing board on this date February 2, 2012, supports and endorses the application of Northern Initiatives to be designated the Regional Fund Manager for Region 1.

Upon a call of the roll, the vote was as follows:

Ayes: Nelson, Baribeau, Beauchamp, Baker, Evans

Nays: None

RESOLUTION DECLARED ADOPTED.

Update – Power Generation/Plant Operation Options/Power Purchase – Electric Department.

Manager O'Toole updated the City Council and public on the status of the sale of

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Power Plant. He advised a Joint Meeting of Council and Electrical Advisory Committee was scheduled for February 8, 2012.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES - None

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

GENERAL PUBLIC COMMENT - None

ANNOUNCEMENTS

- Members of the public were advised Governor Rick Snyder would be at Bay College Heirman Center taking questions at a Town Hall Meeting on Friday, February 3, 2012;
- Members of the public were encouraged to share their City Budget concerns at Council Budget Public Hearing on February 16, 2012.

Hearing no further public comment, the Council adjourned at 7:22 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans, Mayor