

BARAGA VILLAGE COUNCIL SPECIAL MEETING
Meeting called to order at 5:00 P.M.

August 3, 2023

President W. Dompier opened the meeting.

Present at Roll Call: Jeannine Mayo, Tony Cerroni, Tim Olsen, Sandy Johnson, Scott Koski and Wendell Dompier
Absent: Paul Stark

Also Present: LeAnn LeClaire, Village Manger
Diane Mayo, Village Clerk
Andrew Keranen, P.E., U.P. Engineers & Architects, Inc

The Special Meeting was held for the discussion of the Rural Development Grant for the Phase 3 Water System Improvements Project.

Andrew Keranen, U.P. Engineers, was present to discuss the proposed grant from Rural Development for the Phase 3 Water System. Due to being short on grant funds, Rural Development offered less than the amount requested by the Village of Baraga. The reduced offer was \$727,120.00 grant and \$1,272,880.00 in loan at the poverty interest rate of 2.125%. The Village of Baraga previously requested \$1,500,00.00 in grant money. Rural Development did state that the Violation Letter sent by the Village is weak. The Violation Letter acceptance is required to receive the low poverty interest rate of 2.125% from Rural Development. They will accept the Violation Letter and offer the low poverty interest rate if the offer is accepted by the Village of Baraga this week. L. LeClaire, Village Manager, stated if we did not accept it, we might not get as well of an offer next year. The reduced offer would increase the yearly debt service about \$33,000.00 per year for forty years. It would also increase the water usage to \$5.00 per month per user. That increase would start in 2024. The increase would be in quarterly increments of \$1.25 per user over the next year.

L. LeClaire did receive some good news. The Village received a MERS Grant for \$770,791.00 to help decrease the deficit in the MERS account.

Motion made by T. Olson seconded by A. Cerroni to accept the Rural Development Grant for \$727,120.00 and \$1,272,880.00 in loan at the rate of 2.125% for the Phase 3 Water System Improvement Project.

Ayes: All
Nays: None
Absent: P. Stark
Motion carried.

Motion made by S. Johnson seconded by S. Koski to adjourn.

Ayes: All
Nays: None
Absent: P. Stark
Motion carried.

Meeting adjourned at 5:25 P.M.

Submitted by Diane Mayo, Village Clerk