

DEBT MANAGEMENT

12/10/2014

304 E Grand River, Conference Room 4A, Howell, Michigan 48843

9:30 AM

AGENDA

- 1. CALL MEETING TO ORDER**
 - 2. APPROVAL OF MINUTES**
Meeting Minutes of September 24, 2014
 - 3. APPROVAL OF AGENDA**
 - 4. REPORTS**
 - 5. CALL TO THE PUBLIC**
 - 6. DISCUSSION**
Handy Township Agreement
 - 7. OTHER BUSINESS**
 - 8. ADJOURNMENT**
-

MEETING MINUTES

LIVINGSTON COUNTY

SEPTEMBER 24, 2014 - 9:30 AM

ADMINISTRATION BUILDING - CONFERENCE ROOM 4
304 E. Grand River Avenue, Howell, MI 48843

DEBT MANAGEMENT COMMITTEE

COMM. DAVID DOMAS

COMM. DENNIS DOLAN

COMM. RONALD VAN HOUTEN

TREASURER: JENNIFER NASH

CO. ADMIN: BELINDA PETERS

FIN. OFF: CINDY CATANACH

OTHERS: NATALIE HUNT
CAROL GRIFFITH

MIKE KEYHOE
BRIAN JONCKHEERE

JOE SEWARD
HANK VAUPEL
LAURA EISELE

1. **CALL TO ORDER:** Meeting called to order by Committee Chairman, **David Domas**, at 9:40 A.M.
2. **APPROVAL OF MINUTES:** A: MINUTES OF MEETING DATED: JULY 24, 2014
B: CLOSED SESSION MINUTES OF MEETING DATED: JULY 24, 2014

MOTION TO APPROVE THE MINUTES, AS PRESENTED.
MOVED BY: DOLAN / SECONDED BY: VAN HOUTEN
ALL IN FAVOR - MOTION PASSED

3. **APPROVAL OF AGENDA:**

MOTION TO APPROVE THE AGENDA, AS PRESENTED.
MOVED BY: DOLAN / SECONDED BY: VAN HOUTEN
ALL IN FAVOR - MOTION PASSED

4. **REPORTS:** Comm. Domas apologizes for the late distribution of the email sent to Mr. Hank Vaupel, and will make certain that the recipients of correspondence are updated to include Laura Eisele.
5. **CALL TO THE PUBLIC:** NONE.
6. **DISCUSSION:**

➤ **HANDY TOWNSHIP'S OFFER OF REPAYMENT OF CHARGEBACK TAXES:**

- The settlement agreement with Harris states that the township gained the property in exchange for dismissal of the lawsuit; no obligations are remaining with Mitch Harris. When the Township takes property, the special assessments are removed going back. It is understood to get a clear title the chargebacks need to be paid. A quick claim deed was recorded to est. township interest in property. The warranty deed is being held until this issue is resolved.

- Handy Township has an offer to purchase the property for \$3.2M on a one year land contract, or once due diligence is completed. They have reviewed several options including GAP financing with the land contract being collateral.
- The County's position remains that the borrowed money needs to be re-paid.
- Comm. Domas the chargebacks are due to the borrowed money. The borrowed money is separate from the extra cost incurred by the DPW.
- The delinquent taxes include 3.3M (1.8M, \$64,000, 1.492M for 2007-2013) owed on three parcels and are due at the counter now.
- Laura Eisele showed a spreadsheet of an estimated chargeback of what would be billed in January. A current amount owed was requested. Handy Township is trying to save the parcels from going through foreclosure. There is confusion on what is owed to the county. Ms. Eisele asked for clarification on the items included in the spreadsheet.
- The bottom line, the township has no ability to pay 3.3M, but do not want to miss out on the positives that could come from the potential sale and will benefit the Township as well as the County.
- Mike Keyhoe searched MCL211.87B for any suits involving the 1% interest rate and could not find any cases. He disputes the interpretation of the statute that the county "must" recover 1%, it says "full right of recourse" meaning you have the right, but it does not state that as an obligation.
 - Jennifer Nash explained that 1% has not been charged per month –
 - ❖ The chargeback calculation is 2007 & 2008: 0.5% per month; 2009: 0.43%; 2010: 0.51%; 2011 & 2012: 0.41%; 2013: 0.37%.
 - A payment as a taxpayer = \$1M interest / payment as a chargeback = \$440,000 interest. A taxpayer pays delinquent tax, gov't entities pay chargeback, and they have different statutes.
- Jennifer Nash will put together information for what the total chargeback would be and provide this to Handy Township.
- The total on Mitch Harris estimated chargeback is \$1.857M (under \$2M vs. \$3.3M, very rough estimate). There would still be future obligation for remaining bond payment.
- Comm. Dolan expressed difficulty in this decision and that the resolution will be within the realm of the law.
- Comm. Van Houten agrees with Comm. Dolan.

7. **OTHER BUSINESS:** None.

8. **ADJOURNMENT:**

MOTION TO ADJOURN AT 10:55 AM
MOVED BY: DOLAN / SECONDED BY: VAN HOUTEN
ALL IN FAVOR - MOTION PASSED

Respectfully Submitted

NATALIE HUNT
 RECORDING SECRETARY