

**CHARTER TOWNSHIP OF VAN BUREN
LOCAL DEVELOPMENT FINANCE AUTHORITY
AGENDA**

Regular Meeting: November 10, 2015 – 2:00 p.m., Denton Room

CALL TO ORDER

ROLL CALL

Chairman Michael Dotson	_____	Chris Hayes	_____
Leonard Armstrong	_____	J. Doug Peters	_____
Shareen Barker	_____	Khalil Rahal	_____
Chuck Covington	_____	James Williams	_____
Danylo Dobriansky	_____	Supervisor Combs	_____
Recording Secretary Grishaber	_____		

APPROVAL OF AGENDA

APPROVAL OF MEETING MINUTES

1. Minutes, Special Meeting - July 21, 2015
2. Minutes, Special Meeting - August 18, 2015

CORRESPONDENCE

NEW BUSINESS

1. Acknowledgement of the Township Board's appointment of Khalil Rahal (08-18-15) to the LDFA Board.
2. Disposition of Property, Parcel No. 82-83-045-99-0004-702
3. Meeting Teleconferencing

UNFINISHED BUSINESS

1. Acknowledgement of the Township Board's appointment of Danylo Dobriansky (07-21-15) and the reappointment of Leonard Armstrong (09-15-15) to the LDFA Board.

NON-AGENDA ITEMS (General Discussion)

PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURNMENT

If you are unable to attend this meeting, please notify Secretary Grishaber at 734.699.8913

**CHARTER TOWNSHIP OF VAN BUREN
LOCAL DEVELOPMENT FINANCE AUTHORITY
DRAFT MINUTES**

Special Meeting: July 21, 2015 - Denton Room

Chairman Dotson called the meeting to order at 2:08 p.m.

ROLL CALL:

Present: Chairman Dotson, Barker, Covington, Hayes, Peters, Williams & Supervisor Combs.

Staff: Recording Secretary Grishaber

Absent/Excused: Armstrong

Audience Members: (7) people in audience.

APPROVAL OF AGENDA:

Motion Peters, Hayes seconded to approve the July 21, 2015 Agenda, with New Business items (1) and (2) to be postponed pending Township Board action. **Motion Carried.**

APPROVAL OF MINUTES:

Motion Peters, Combs seconded to approve the March 10, 2015 Meeting Minutes. **Motion Carried.**

CORRESPONDENCE: None

NEW BUSINESS:

- 1. Acknowledge Township Board's possible reappointment of Leonard Armstrong to the LDFA.**
- 2. Acknowledge Township Board's possible appointment of Danylo Dobriansky to the LDFA.**

As noted under Approval of the Agenda, consideration of the above two new business items has been postponed. Supervisor Combs indicated that Danylo Dobriansky is from Sovereign Partners, the firm that owns Grace Lake Corporate Center. An audience member expressed concern regarding some LDFA members' meeting attendance records. Chairman Dotson stated that he will personally have a discussion with such members and stress the impact of attendance on the Commission's ability to achieve a quorum.

3. Auditor's Report

The audit was distributed for the board members' review: Local Development Financing Authority of the Charter Township of Van Buren Wayne County, Michigan - Financial Report with Required Supplemental Information December 31, 2014. An extended discussion, which

included options regarding how the Township may consider in proceeding with the matter of Visteon, ensued. Peters asked several questions including, what was the value of the Visteon property and how was that figure derived.

UNFINISHED BUSINESS:

1. Discussion of Bond Sale - Progress Report

There was a lengthy discussion regarding Visteon's bankruptcy and the Township's ability to make required payments. Specifically, the shortfall is forecasted to occur in 2018. Peters inquired as to how many acres is included in Grace Lake Corporate Center. Supervisor Combs replied that the site spans approximately 36 acres, of which only 6 to 7 acres has been developed. If a closed session is scheduled with representatives from Clark Hill, a September date is targeted.

Supervisor Combs explained that the Township Board is implementing strategies to address possible future bond payment shortfalls. She explained, for example, that current tax revenues are insufficient to support the Township's annual budget and transfers from the Landfill Fund are necessary to provide adequate funding. However, the current revenue stream from the landfill will cease once the landfill closes, which without expansion, is expected to occur in 2026. Since the largest departmental budget is that of Public Safety (which accounts for more than half of the Township's annual expenditures), the Township will be seeking a dedicated millage in order to more fully fund the Department and relieve pressure on the General Fund.

Supervisor Combs announced that the Township has hired a new Planning and Economic Development Director, Ronald Akers, of Genoa Township in Livingston County, who will commence work in mid-August.

GENERAL DISCUSSION:

There was no additional discussion by board members.

AUDIENCE (non-agenda items):

An audience member stated that the March 3, 2004 meeting minutes are proof that the Township should have had a safety net to fall back on regarding the Visteon matter.

Another audience member expressed concerns that at a Planning Commission meeting, it was noted that a sign company had been contracted by Sovereign Partners to construct a monument sign and Sally Hodges (McKenna & Associates) indicated that progress had ceased, due to various obstacles. He further opined that the Township should be advertising the outlets that are available. Supervisor Combs stated that she was not aware of the situation and will investigate.

Audience members also inquired about the status of sealed bids for the sale of the LDFA's Ecorse Road property. Chairman Dotson asked if sealed bids will be available at the regular meeting scheduled in September and asked if the Supervisor could investigate and provide a status report. He also thanked the audience members for continuing to be the eyes and ears for the good of the Township.

ADJOURNMENT:

Motion Covington, seconded Peters to adjourn the meeting at 3:15 p.m. **Motion Carried.**

****DRAFT**** Minutes Respectfully Submitted by:

Tina Grishaber
Recording Secretary

**CHARTER TOWNSHIP OF VAN BUREN
LOCAL DEVELOPMENT FINANCE AUTHORITY
DRAFT MINUTES
Special Meeting: August 18, 2015 - Denton Room**

Chairman Dotson called the meeting to order at 2:15 p.m.

ROLL CALL:

Present: Chairman Dotson, Barker, Hayes, Peters, Williams, & Supervisor Combs,
Planning Director: Ron Akers
Staff: Recording Secretary Grishaber
Absent Excused: Armstrong, Covington & Dobriansky
Audience Members: (7) people in audience.

APPROVAL OF AGENDA:

Motion Peters, Hayes seconded to approve the July 21, 2015 agenda as amended: to include Public Comment under an added section of Non-Agenda Items. **Motion Carried.**

NEW BUSINESS:

Supervisor Combs introduced Jim Crowley, an attorney from Clark Hill and Nate Watson, a bond investment advisor from PFM Group. Mr. Crowley gave a brief history that the LDFA issued bonds in 2003 to do infrastructural improvement to the Visteon site and encourage that development. A portion of those bonds were refinanced in 2006 and are eligible for refinancing in 2015. Because of currently favorable interest rates, PFM has calculated that refinancing will yield approximately \$1 million in interest savings.

Mr. Crowley explained that both the LDFA and the Township have previously passed resolutions authorizing the refinancing of the bonds. Additionally, the Township had considered using General Fund monies to “buy back” a large portion of those bonds in order to lower the amount of bonds to be refinanced. Ultimately, however, the Township chose not to make that contribution.

Mr. Watson noted that the projected date for the LDFA’s inability to make scheduled payments was originally 2017 and that refinancing pushes the date out to 2018. The Township, who is backing the bonds, has a Standard & Poor’s rating of A+, which could be damaged by a payment shortfall. Because payments have been made as scheduled, the Township has been able to maintain the rating.

Mr. Crowley explained that the bonds that are issued by the government are tax exempt, but are issued with a set of rules. The LDFA has funds totaling approximately \$5.5 million. Upon analyzing what could be done with the funds, PFM made the determination that the funds are

to be used for debt service: there are no future developments scheduled and there are some small (budgeted) expenditures. Under federal law, the LDFA is allowed to keep funds on hand for debt service, but that amount cannot exceed one year of debt service payments plus one-twelfth of the following year's expected expenditures. So, PFM's analysis revealed that approximately \$1 million can be maintained by the LDFA but that the remaining approximate \$4.5 million should be used to pay down the bonds. By making the payment, \$12 million in bonds will be refinanced rather than the \$16 million that are available for refinancing.

Mr. Crowley indicated in summary, it is his professional opinion, that without any site development plans and in light of the IRS rules, paying down the bonds is required. He noted that the good news is that this scenario pushes out the projected shortfall from 2018 to 2019. Some discussion ensued with board and the consultants regarding cash flow projections and other documentation prepared by PFM. Mr. Watson explained that the recommended payment of \$4,516,000 serves to satisfy federal tax rules compliance and also, to reduce the overall deficit through the life of the bonds. He further stated that making the recommended payment is looked upon favorably by the investment community.

Mr. Peters asked why the Township chose not to make the down payment on the bonds and Supervisor Combs replied that the Board wanted to leave the money in the Landfill Fund to be used for future obligations. He expressed several concerns, including: that he would rather sell as many bonds today at the lower interest rates, then sell bonds in the future at higher interest rates; that in previous discussions, the LDFA Board was hoping the future development within the district would alleviate any projected shortfalls; that by paying out a large amount it would hurt the LDFA's ability to facilitate future development; and that by pushing off the shortfall another year that it could hurt the "ripeness of the Visteon case" in that the shortfalls are currently only projected and have not yet occurred. He also asked about the rate of return of the money held in the Landfill Fund, to which Supervisor Combs replied that she will check with the Treasurer's Office.

Mr. Peters asked if the payment is made, will it leave enough money for the Township's legal costs for Clark Hill. Currently, \$200,000 is budgeted each year for attorney fees, which should be adequate. Mr. Crowley noted that Mr. Kashef, a fellow Clark Hill attorney, is aware of the situation and they do not anticipate a problem. Mr. Peters requested to document (in these meeting minutes) that the LDFA Board does not foresee funding as a problem for the lawsuit against Visteon. Mr. Peters stated that someone, "needs to go back to the Township to ask them to start paying down the debt with that [Landfill Fund] money" due to the low rate of return that is expected to be earned on the refinanced bonds. In further discussion, Supervisor Combs noted that she was in favor of making a down payment, but that a majority of the Board voted otherwise. She also expressed her concern that the bonds need to be refinanced as soon as practical in light of Wayne County's financial situation. Mr. Peters asked how much money is in the Landfill Fund. Supervisor Combs stated that it currently stands at approximately \$5 million. She noted that she had recommended a bond down payment of \$4 million with \$2 million coming from the Landfill Fund and \$2 million from the General Fund. She further stated

that she doesn't believe that the Township Board will entertain any more suggestions to escalate debt payments.

An audience member expressed several concerns, including that in 2004 the conversation was, "what happens if Visteon goes bankrupt" and was told by another audience member that would never happen. He also noted that a committee member has asked repeatedly what would happen if there is a shortfall and that the same committee member has been asking these questions since 2004. He expressed other concerns about "safety nets" regarding the bond investments. More audience questions and discussion continued.

Mr. Peters inquired if the Township will be considering any new tax millage proposals in the future. He noted that in anticipation of avoiding a bond payment shortfall, that it may be necessary to put a millage question on a ballot as early as 2017. Supervisor Combs replied that yes, the Board is looking at all options and that the Township Board has authorized ballot language to request 6.5 mills to fund Public Safety, which will alleviate pressure on the General Fund. The Public Safety millage question will be put before voters in November 2015.

Motion Barker, Hayes seconded to authorize the contribution of \$4,516,000 to be paid toward the refinancing of a portion of the LDFA's 2006 tax incremental bonds. **Motion carried.**

NONAGENDA ITEMS & PUBLIC COMMENT:

An audience member stated his concerns that the LDFA Board currently has three vacant seats. He noted that it is important to have a quorum for each meeting considering the meetings are only scheduled for every other month.

Chairman Dotson commented that the committee must move forward on all items discussed. The Board is investigating the matter of meeting teleconferencing and will place the matter on the agenda for discussion at a future meeting.

ADJOURNMENT:

Motion Hayes, Peters seconded to adjournment at 3:15 p.m. **Motion Carried.**

****DRAFT**** Minutes Respectfully Submitted by:

Tina Grishaber
Recording Secretary

**LOCAL DEVELOPMENT FINANCING AUTHORITY
2016 REGULAR MEETING DATES**

Local Development Financing Authority Meetings are held on the 2nd Tuesday of every other month at 2:00 p.m. in the Denton Room at Van Buren Township Hall 46425 Tyler Rd., Van Buren Township, MI 48111

January 12, 2016

March 8, 2016

April 8, 2016

May 10, 2016

July 12, 2014

September 13, 2016

November 8 2016-No Meeting-Election Day

In compliance with the Americans with Disabilities Act, reasonable accommodations will be made available with advance notice.

For more information, please call: 734.699.8913



Charter Township of Van Buren

BOARD OF TRUSTEES

SUPERVISOR
Linda H. Combs

CLERK
Leon Wright

TREASURER
Sharry A. Budd

TRUSTEE
Phillip C. Hart

TRUSTEE
Jeffrey L. Jahr

TRUSTEE
Brenda J. McClanahan

TRUSTEE
Reggie Miller

Memorandum

Date: November 6, 2015

From: Director Akers

To: LDFA

Subject: Township Board's appointment of Khalil Rahal to the LDFA Board

Please be advised at the August 18, 2015 Township Board meeting the Township Board of Trustees appointed Khalil Rahal to the LDFA.



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TRUSTEE
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Memorandum

Date: November 6, 2015

From: Director Akers

To: LDFA

Subject: Disposition of Property, Parcel No. 82-83-045-99-0004-702

I will consult with the Township Attorney and provide a process of what the requirements are for the LDFA to sell this parcel. If the LDFA provides direction for me to move forward with this, I will take the necessary steps to ensure that this process is handled properly.



Charter Township of Van Buren

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Memorandum

Date: November 6, 2015

From: Director Akers

To: LDFA

Subject: Meeting Teleconferencing

Attached to this memo is a letter sent from the Michigan Townships Association to Augusta Township regarding this issue. Based on the letter it appears that while this is something the LDFA is able to do, there are specific guidelines that the MTA legal council is recommending to follow. If the LDFA provides direction to do so I will prepare a revision to the By-laws which will be brought before the LDFA at their next meeting. I look forward to the LDFA's comments on the matter.

BAUCKHAM, SPARKS, ROLFE, LOHRSTORFER & THALL, P.C.

ATTORNEYS AT LAW

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JAMES W. PORTER

ROXANNE C. SEEBER

John H. Bauckham
E-mail: Bauckham@bsrlt.com

May 22, 2002

RECEIVED

MAY 23 2002

M.T.A.

Evelyn M. David
Membership Information Director
Michigan Townships Association
512 Westshire Drive
Lansing, MI 48917

Re: Hold Meeting by Teleconferencing

Dear Ms. David:

The question has been raised by member townships as well as MTA staff on whether or not a township meeting or hearing can be held by electronic teleconferencing without all of the members being physically present at the place of the meeting or hearing. The answer to this question was responded to in the affirmative in situations not involving townships by both the Michigan Court of Appeals and the Michigan Attorney General concerning hearing officer proceedings under the Department of Social Services and Intermediate School District meetings, respectively.

In the Court of Appeals decision of Goode v Michigan Department of Social Services, 143 Mich App 756 (1985) the court was confronted with the validity of a contested case hearing before the Michigan Department of Social Services hearing officer wherein the Department of Social Services officially permitted teleconference hearings as distinguished from hearings in which all panel members were physically present at the location of the hearing. The Act under which the hearings were held specifically provided that they have to be held in accordance with the Michigan Open Meetings Act.

The court held that the purpose of the Open Meetings Act was to provide openness to the public of meetings and hearings. Proceeding through teleconference calls with speaker phones audible to all in the meeting room and with the ability of the public to attend at all locations involved in the teleconferencing fully complied with the Open Meetings Act. The court further stated:

"While we recognize that to actually see and observe all the witnesses and the hearing officer is desirable, we do not find it necessary."

This case was sought to be appealed to the Michigan Supreme Court which denied leave to appeal at 442 Mich 882.

The Michigan Attorney General in Opinion #6835 of February 13, 1995 was confronted with the question of whether an intermediate school district consisting of several constituent districts with representatives from each could hold its annual budget meeting by means of interactive television. The budget of such intermediate district was required to be approved by a majority of the school board representatives of constituent districts. The Attorney General concluded that a representative did not have to be physically present at the meeting but could be present through interactive television and comply with the Open Meetings Act. The Attorney General referred to the foregoing Goode case and concluded that interactive television was even more desirable than the teleconferencing medium sanctioned in the Goode case.

The Attorney General added that "the central site must be set up so that interaction among all the representatives of the constituent districts, whether they be on or off that site, and interested members of the public" is possible and provided for. This Attorney General's Opinion of 1995 appears to overrule his initial Opinion #5183 of 1977 which was issued prior to any court decision interpreting the OMA and prohibited teleconferencing for meetings.

The appellate court of Illinois in the case of Freedom Oil Company v Illinois Pollution Control Board, 275 ILL. App. 3rd 508; 655 NE2d 1184 (1995) cited the Michigan Goode case among others and held that a meeting in which two of a six member board were physically present at the meeting place and four were telephonically connected complied with the Illinois Open Meetings Act which was similar to the Michigan Act. In this connection, it held that a quorum was not required to be physically present and could be composed of members present through telecommunication. It held that whereas the better practice would be to have written rules concerning such procedure in place, the failure to have such rules did not void such telecommunication meetings.

In answer to some of your further questions, it is our opinion that one or more members of the board or commission would have to be present physically at the appointed meeting location to comply with the Open Meetings Act. Furthermore, notwithstanding the Illinois decision, we believe the safest course to follow is to at least have a quorum physically present at the meeting or hearing. Anything less could cause a court to invalidate the proceedings on the premises that a quorum was not present.

A person being present through telecommunication would be authorized to vote on any decisions presented to the meeting.

Evelyn M. David
Michigan Townships Association
May 22, 2002
Page 3

The meeting, of course, must be properly noticed by posting at the place of the meeting which would include the location of those attending by telecommunication and should similarly be posted at the location of the telecommunicator. The public must be given the right to attend either location even though one might be in Florida or elsewhere.

Minutes, of course, must be kept of the meeting and should indicate those physically present and those present through telecommunication.

Obviously, a speaker phone must be present at the meeting where members are physically present. Similarly, should anyone wish to be present at the telecommunicator's location, a conference speaker phone would have to be available at that location also. In this manner, the public is afforded an opportunity to listen and to participate in the meeting.

Trusting this answers your inquiry in this matter, we remain,

Sincerely,

**BAUCKHAM, SPARKS, ROLFE,
LOHRSTORFER & THALL P.C.**


John H. Bauckham
Attorneys for Michigan Townships
Association

JHB:paj
MTA Code: XIII.C.



Charter Township of Van Buren

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Memorandum

Date: November 6, 2015

From: Director Akers

To: Planning Commission

Subject: Dobriansky and Armstrong Appointments

Please be advised that the Township Board appointed Danylo Dobriansky to the LDFA on July 21, 2015, and the Township Board re-appointed Leonard Armstrong to the LDFA on September 15, 2015.