

Charter Township of Lyon  
Board of Trustees  
Special Meeting Minutes  
February 14, 2011

Approved: March 8, 2011 as written

Supervisor Young called the meeting to order at 4:35 p.m.

Roll Call: Patricia Carcone, Treasurer  
Michele Cash, Clerk  
John Dolan, Trustee  
Steven Fletcher, Trustee  
John Hicks, Trustee  
Lannie Young, Supervisor

Also Present: Loren Crandall, Giffels/Webster  
Matthew Quinn, Township Attorney

Absent: Brent Hemker, Trustee

Guests: 8

**A. CALL TO THE PUBLIC - None**

**B. APPROVAL OF AGENDA**

**Motion by Carcone, second by Cash  
To approve the agenda as submitted.**

<b>Voice Vote:</b>	<b>Ayes:</b>	<b>Unanimous</b>
	<b>Nays:</b>	<b>None</b>
	<b>Absent:</b>	<b>Hemker</b>

**MOTION APPROVED**

**C. TAX DELINQUENT PROPERTY CONSIDERATION**

Supervisor Young reviewed the worksheet explaining the Rugiero property. He explained that if the property went into foreclosure then the bond payments would also have to be made for the next 17 years. If they can keep it from going into foreclosure it's a plus for the Township.

Supervisor Young explained the possible plan that may help out the Rugiero property. The Township proposed the repurchase of 30 REU's for a total of \$261,000. This would lower the

burden on the property for the Rugiero's going forward. The balance for the Rugiero's would be \$590,447, which would bring the property current through 2010 with no delinquencies.

Treasurer Carcone explained the fees that would accrue if it weren't paid through 2010.

Mr. Rugiero stated he was confused as to the number, he thought they had left it at 40 REU's for the Township portion. Supervisor Young explained that Crystal Creek Villa's is also going into delinquency, which is adding 16 properties to their list with the additional amount. For that reason, he didn't feel that he could make the recommendation to the Board for 40 REU's.

Mr. Rugiero explained that they have been talking with people that have been helping them with this and since the amount has gone up to almost \$600,000 he would need to talk to them again. Supervisor Young stated that it would have to be agreed upon by both parties.

Trustee Dolan asked if it was agreeable. Mr. Rugiero stated that the actual structure of things is, and a happy medium needs to be found, he needs a number so he can tell the people they are negotiating with. Mr. Rugiero stated that there has been discussion with the finance people regarding the value of the land, looking at the ratio and risk of it.

Trustee Fletcher asked if they were prepared to make the annual payment for 2011. Mr. Rugiero stated that they have paid on this property the last 40 years with no problems, it changed from a \$15,000 commitment in taxes to \$170,000 which has put them into a tail-spin due to the REU'S. It's been a problem since 2007. It would be foolish to pay more money now and not pay it in the future and walk away. Trustee Fletcher stated he was all for helping them but to what extent he wasn't sure.

Trustee Hicks explained that the property taxes for next year will be less and they don't know what is going to be happening with revenue sharing. Trustee Hicks stated he could be on board for the 30 REU's but not for more, it just isn't possible.

Mr. Rugiero explained that they would have to borrow some of that money which means they would have to make payments. They have also entertained the idea of bringing on a partner. They don't want to let it go at all, if they spend every last dollar on this property and the slightest thing goes wrong they would go bankrupt and they have lost everything they have worked for all of these years.

Matt Novell, Lyon Wastewater, he commented that he was here to object to the repurchase and the resale of the repurchased REU's. There is no agreement between the Township and Lyon Wastewater for such a resale. The real concern is that by reselling it they are cutting the income for the next 3-4 years. If there were another way to do it without touching the REU's then they would do it. They don't think it's allowed by the agreement or by ordinance.

Supervisor Young acknowledged Lyon Wastewater's objection. Trustee Fletcher stated the buy back is not the issue; the resale is another issue that won't be addressed today. Lyon Wastewater was bought, paid for and never had to deliver any capacity; it was 100% profit.

**Motion by Carcone, second by Dolan**

**To approve the buy back of 30 REU's from parcel number 21-31-400-034 in the amount of \$261,000 to be put towards the 2007-2010 taxes contingent upon the Rugiero's paying the balance of \$590,447.00 on February 28, 2011.**

**Roll Call Vote:       Ayes:           Young, Carcone, Fletcher, Cash, Dolan, Hicks  
                          Nays:           None  
                          Absent:       Hemker**

**MOTION APPROVED**

Supervisor Young introduced Greg Windingland from Lombardo Homes. Supervisor Young explained they were trying to figure out how to keep the Mill River property from going into foreclosure. All of the four property types are delinquent for a total of \$924,000 for just 3 of the pieces. Comerica Bank was adamant that Oakmonte was a negative value in today's market and is not willing to put any more money into that portion. Supervisor Young explained the payments for Oakmonte, which is a major burden for that property. If the township is willing to repurchase 43 REU's then the bank would pay up through 2010 on the other 3 properties and during 2011 they would submit an amendment to the development to purpose a different product subject to Board approval. If it looked favorable at the end of 2011 then they would determine if they would go forward with the new product and if they do then the Township would cover the taxes of 2009.

Trustee Fletcher asked if there was a commitment from the parties to keep paying. Mr. Windingland stated yes, they are committed to the property and they have no discrepancy to the outline that was given. They understood any revisions would need to go through the proper channels to move forward.

Mr. Novell from Lyon Wastewater stated that they object to the repurchase of the REU's.

Mr. Quinn asked if the bank has agreed. Supervisor Young stated that they have committed.

**Motion by Carcone, second by Hicks**

**To repurchase 43 REU's from Oakmonte/Mill River parcel number 21-09-403-001 in the amount of \$374,100 contingent on completed agreement with Comerica Bank paying through 2010 taxes on the 3 other parcels in Mill River, Trailside, Reflections and the Cottages by February 28, 2011. Including all of the items in the spreadsheet.**

**Roll Call Vote:       Ayes:           Hicks, Dolan, Cash, Young, Fletcher, Carcone  
                          Nays:           None  
                          Absent:       Hemker**

**MOTION APPROVED**

**D. ADJOURNMENT**

**Motion by Carcone, second by Cash  
To adjourn the meeting at 5:35 p.m.**

<b>Voice Voter:</b>	<b>Ayes:</b>	<b>Unanimous</b>
	<b>Nays:</b>	<b>None</b>
	<b>Absent:</b>	<b>Hemker</b>

**MOTION APPROVED**

The meeting was adjourned at 5:35 p.m. due to no further business.

Respectfully Submitted,

*Kellie Angelosanto*

*Michele Cash*

Kellie Angelosanto  
Recording Secretary

Michele Cash  
Clerk