

Charter Township of Lyon
Board of Trustees
Special Meeting Minutes
May 9, 2011

Approved: as written June 6, 2011

Supervisor Young called the meeting to order at 3:35 p.m.

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

Also Present: Matthew Quinn, Township Attorney
Tom Traciak, H.J. Umbaugh & Associates
Paul Wyzgoski, Dickinson Wright
Jesse Nelson, H.J. Umbaugh & Associates
Rana Emmons, Post, Smyth & Lutz Auditors
Chief McClain, Fire Chief

CALL TO THE PUBLIC - None

APPROVAL OF AGENDA

Supervisor Young added a brief discussion on the grant for a law enforcement officer.

**Motion by Fletcher, second by Hicks
To approve the agenda as amended.**

**Voice Vote: Ayes: Unanimous
Nays: None**

MOTION APPROVED

A. Debt Restructuring Work Session

Mr. Traciak reviewed the memo from H.J. Umbaugh & Associates which reviewed the 2006 Bond Issue for the Southwest Special Assessment District. He explained that the total

outstanding principal balance after 2010 roll is \$15,664,019.00. Present cash balance as of 3/8/11 is \$1,966,485.00. He reviewed the limited Tax Special Assessment Bonds of 2006A and the Special Assessment Deficit.

Mr. Traciak reviewed the following 3 alternatives:

Alternative I – Assume \$9,747,379 SAD roll

- * Do nothing, continue as is
- * Refinance the bond issue and extend it 10 years, leaving the SAD roll the same.
- * Refinance the bond issue and extend it 10 years, restructure the SAD roll in order to provide relief to property owners.

Alternative II – Assume \$14,539,584 SAD roll

- * Do nothing, continue as is
- * Refinance the bond issue and extend it 10 years, leaving the SAD roll the same.
- * Refinance the bond issue and extend it 10 years, restructure the SAD roll in order to provide relief to property owners.

Alternative III – Provide temporary relief to the Township

- * Only refinance a portion of 2006 Bonds.
- * Structure bonds to allow positive cash balance through 2014 assuming a \$9,747,379 SAD roll.
- * Extend total debt service payments 5 years.

Mr. Traciak reviewed each alternative explaining the pros and cons of each scenario. The analysis determined that restructuring the special assessments just didn't make sense. Restructuring the bond issue has a lot of additional interest cost and it does not improve the immediate cash position very much. The different concept refunds the non-callable bonds. It reduces the principal amounts and sticks the remainder in the future by extending the bond issue 5 years. He felt that the two best options were to do nothing or do alternative III. Timing of when to begin was discussed.

Supervisor Young suggested waiting a little while longer to see what happens with one of the properties.

During this time Mr. Wyzgoski stated that the goal is to get the properties back into private hands. Treasurer Carcone stated that the Township Board should wait to see what really goes delinquent and what properties are going to be sold.

Trustee Fletcher stated that from a timing perspective they would probably want to adopt the first resolution by June or July which scheduled the 30 day public hearing so they can get the information into the State based on the numbers as they are today and then wait to decide whether or not to go forward.

B. Public Grant Discussion

Supervisor Young explained a grant called COPS (Community Oriented Policing Services) which doesn't require a match and if awarded allows them to hire one more law enforcement officer. The grant would be for 3 years. After the 3rd year the Township would be required to keep that officer for 12 months. In essence, the Township would be paying for 1 year of service but getting 4 years. Supervisor Young explained that the Board members are aware after doing the 3-year budget forecast, that another police officer would have to be cut next year because of dollars.

Supervisor Young explained that he is drafting a letter to apply for the award and he will email that to the Board members when it's done.

ADJOURNMENT

**Motion by Carcone, second by Hicks
To adjourn the meeting at 5:05p.m.**

Voice Vote:	Ayes:	Unanimous
	Nays:	None

MOTION APPROVED

Respectfully Submitted,

Kellie Angelosanto

Kellie Angelosanto
Recording Secretary

Michele Cash
Clerk