

THE CHARTER TOWNSHIP OF OSHTEMO

South Drake Road Corridor Improvement Authority (SoDA) June 3, 2020

SoDA Board meeting was held virtually on Zoom. The meeting was called to order by Chair Ashley at approximately 12:06 p.m.

MEMBERS PRESENT:

Corey Ashley, Chair
Cheri Jodoin, Vice Chair
Joe Gesmundo
Libby Heiny-Cogswell
Dennis Patzer, Treasurer
Theresa Spurr
Christine Morse

MEMBERS ABSENT:

Galen Rike
Kelly Bringman

Also present were Planning Director Iris Lubbert, Township Attorney James Porter, Township Treasurer Grant Taylor, and Public Works Director Marc Elliott.

Minutes

Chair Ashley asked if there were any additions, deletions, or corrections to the minutes of December 4, 2019. Hearing none, he asked for motion to approve the minutes.

Ms. Spurr made a motion to approve the minutes of December 4, 2019 as presented. Mr. Patzer seconded the motion. The motion was approved by roll call vote of 5 to 0, with 4 absent. The motion was approved 7 to 0, with 2 absent.

Treasurer's Report

Chair Ashley asked for the Treasurer's report. Ms. Lubbert indicated that two reports were in the packet: a yearend Treasurer's report through 12/31/19 and a report for January – May 31, 2020. Ms. Lubbert noted that the only new expenditure shown in the 2019 yearend report was a legal fee of \$337.50. No new expenditures have yet occurred for 2020. She went on to state that although no Accounting/Audit fees were paid in 2019, the 2020 Accounting/Audit fee would be \$500. The 2020 budget includes \$300 for this expense. Therefore, a budget amendment will be required. Ms. Lubbert went on to remind the Board that a Memorandum of Understanding was accepted in June 2019 to have Oshtemo Township's Maintenance Department clear snow from the Drake Road Path. She noted that an invoice for 2019 sidewalk winter maintenance has not yet been received but will be reflected in the next Treasurer's report. She was informed that the maintenance fee would total \$259.44. The amount is significantly less than the \$7,500 budgeted for this expense, likely because parts of the path were not yet constructed and because it was a mild winter.

Ms. Spurr moved to amend the 2020 budget to increase Accounting/Audit fees from \$300 to \$500. Mr. Patzer seconded the motion. The motion was approved 7 to 0, with 2 absent.

Drake Road Path Update

Marc Elliott, Public Works Director provided an update on the Drake Road Path.

He indicated that the project was making good progress. The northernmost section, from West Main Street almost to Green Meadow Road, is essentially complete. Minor corrective actions are being finalized. Mr. Elliott added that the Road Commission is working on signal improvements in preparation for repaving Drake Road. The final 15 foot section of path connecting to Green Meadow Road will be completed over the summer in conjunction with this work. Mr. Elliott reminded Board members that the construction delay in this section was because Consumers Energy did not move their underground power utilities out of the way until early 2020.

Mr. Elliott went on to describe the section of the path from Green Meadow Road to KL Avenue, which is funded by a Safety grant through MDOT. He added that the Road Commission is acting as our Act 51 agent for this section. Mr. Elliott described utility issues with AT&T, which included buried conduits that we became aware of after the project was bid. He added that because the utility easement was acquired prior to the public right of way easement, we are required to pay the \$111,000 cost to move AT&T's lines. He added that AT&T is completing this work now. Path construction is expected to start in late July.

Mr. Elliott stated that the easement over the rail lines has also caused a delay. He complimented the Road Commission, City of Kalamazoo, and grant makers for working collaboratively to allow the project to proceed while the rail easement was being resolved.

Mr. Ashley asked why sections of Drake Road pavement were removed at Skyridge and the Post Office. Mr. Elliott responded that the Road Commission was installing conduit for signal controls prior to repaving Drake Road. Mr. Gesmundo asked about the status of the rail crossing approval. Mr. Elliot responded that MDOT is working on an agreement with Amtrak for the Hwy 131 bridge crossing. The intent is to have our easement approved in conjunction with MDOT's approval. Mr. Ashley asked for an update on the total estimated cost of the path project. Mr. Elliott responded that he didn't have the amount available at that time, but estimated that utility costs were \$500,000 over the amount budgeted for this part of the project.

Budget Discussion – 2021 Draft Budget

Chair Ashley asked Ms. Lubbert to introduce the 2021 Draft Budget. Ms. Lubbert gave an overview, noting that the revenue number for the 2021 budget is now \$40,000 instead of \$80,000 in TIF and \$500 instead of \$1,400 in interest. She stated that expected revenue was reduced because an accounting error was discovered showing that SoDA collected more revenue than it should have in 2018. The error was discovered by Treasurer Taylor, who was present at the meeting to provide more information.

Treasurer Taylor stated that when he came into office he conducted an audit of the 2018 winter tax bill for the SoDA TIF. He noticed that KVCC had been charged and questioned whether this was appropriate. Treasurer Taylor and Attorney Porter then reviewed the account together and determined conclusively that KVCC is due a refund of approximately \$36,000 for payment made in 2018. Fortunately, the error was discovered before the 2019 winter tax bill. Attorney Porter stated that because it was an accounting error, the SoDA Board was not required to vote on the refund payment. Treasurer Taylor stated that he will reach out to KVCC, tell them about the amount owed and issue the refund.

Treasurer Taylor went on to inform members that the Kalamazoo County Brownfield Authority's tax capture is collected first, then SoDA's tax capture. He noted that the Brownfield Authority repayment is ahead of schedule and may be completed in 2022 or 2023 instead of 2025 as planned. When the Brownfield Authority's tax capture is complete, SoDA's tax capture will increase significantly. Mr. Gesmundo asked if the increase in tax capture is from more development than anticipated in the plan. Treasurer Taylor responded that the build out happened more quickly than expected and had higher values.

In further discussion on the 2021 budget, Ms. Heiny-Cogswell suggested that the 2020 budget be amended so that \$35,000 is available to repay KVCC. This would require reducing the amount paid to the Township for Capital Outlay/Obligated Projects from \$60,000 to \$30,000. Chair Ashley asked for information about the Appropriations line item titled BOR/MIT refund. Attorney Porter responded that this was for Board of Review/Michigan Tax Tribunal refunds required when a property owner appeals and wins. Mr. Patzer reminded the group that Costco appealed and received a refund of \$1,920.87 in 2019.

Ms. Morse made a motion to approve the 2020 Amended Budget as submitted with the following: Revenue from Current Real Property Tax reduced to \$40,000, interest earned reduced to \$500, Accounting and Auditing Fees increased to \$500, and Capital Outlay/Obligated Projects reduced to \$30,000. Mr. Patzer seconded the motion. In a roll call vote, the motion was approved 7 to 0, with 2 absent.

Chair Ashley then asked for additional comment on the 2021 Requested Budget. Ms. Morse made a motion to approve the 2021 Requested Budget as submitted with the following amendments: \$500 added for Accounting/Audit Fees and \$7,500 for Repairs/Maintenance. Ms. Spurr seconded the motion. In a roll call vote, the motion passed 6-0. The motion was approved 7 to 0, with 2 absent.

COVID 19 Update - Rescheduling Informational Sessions

Chair Ashley announced that the informational session planned for today had been postponed due to COVID-19 restrictions on public meetings. He asked Ms. Lubbart to provide an update. Ms. Lubbart noted that she reviewed the meeting requirements and determined that though two meetings per year are required, however, there was no requirement on time between meetings. Therefore, both meetings could be held later in the year. After discussion, Board consensus was to allow Ms. Lubbart to schedule the informational meetings and inform members of the dates and format.

Any Other Business

Chair Ashley asked if there was any other business before the Board. Ms. Spurr suggested that KVCC be asked to confirm the amount of refund required. Attorney Porter stated that they didn't have the necessary information to do this. Ms. Morse thanked Treasurer Taylor for his diligence in discovering the error early on, noting that it could have been a much bigger surprise later.

There being no further business, Chair Ashley requested a motion to adjourn the meeting. Ms. Spurr made the motion and Ms. Morse seconded it. In a roll call vote, the motion passed 7 to 0, with 2 absent.

The meeting adjourned at approximately 1:15 p.m.

Minutes prepared:
11/24/2020

Minutes approved:
12/2/2020