

THE CHARTER TOWNSHIP OF OSHTEMO

South Drake Road Corridor Improvement Authority (SoDA)

July 20, 2016

SoDA Board meeting was held at the Township Hall. The meeting was called to order by Chairperson Spurr at 1:00 p.m.

MEMBERS PRESENT:

Corey Ashley, Vice Chair
Kelly Bringman
Libby Heiny-Cogswell
Dale Shugars
Theresa Spurr, Chair
Joe Gesmundo
Dennis Patzer, Treasurer

MEMBERS ABSENT:

Deb Jung
Jackie Kimble

Also present were Planning Director Julie Johnston and Township Attorney James Porter.

Minutes

Chairperson Spurr indicated that there are three sets of minutes to approve. She asked Attorney Porter if one motion could be made for all three. Attorney Porter confirmed that all three minutes could be approved under one motion.

Chairperson Spurr asked if there were any additions, deletions or corrections to the minutes of May 4, June 8 or June 29, 2016. Hearing none, she asked for motion to approve the minutes.

Mr. Gesmundo made a motion to approve the minutes of May 4, June 8 or June 29, 2016 as presented. Mr. Ashley seconded the motion. The motion was approved unanimously.

Public Comment

None.

2017 Draft Budget Discussion

Ms. Johnston gave a summary of the memo provided in the agenda packet.

Working with the Township Assessor and Treasurer, staff was able to project the possible tax increment financing revenues for 2017 as approximately \$43,295. This dollar amount was based on the increased revenues collected in 2016 and the continued improvements which are occurring at the Corner@Drake project. Projected taxes were determined by the value attached to the building permit for the new construction, the value of the land, and that construction is expected to be 100 percent built in 2016. The final taxable value could fluctuate based on the completion date of the project. However, staff projected low to allow for this variability.

At the June 8, 2016 meeting, a motion was approved to support the maintenance/snow removal for the Drake Road Non-Motorized Path once it is built. At the meeting, snow removal in the SoDA District was estimated at \$6,750. If the path, or a portion thereof, is constructed in the spring/summer of 2017, funds will need to be set aside to manage snow removal for November and December, which equates to approximately \$2,700.

This leaves a remaining budget in 2017 of \$40,595. As presented at the June 29th meeting, the approximate cost for the Drake Road Non-Motorized Path is \$1,035,639. The Township/SoDA will be responsible for 40 percent of these costs which equates to approximately \$414,225. It was also discussed at that meeting that because of revenue constraints, the SoDA would likely have to pay the Township back for this 40 percent over time.

It is expected that revenue for the SoDA will increase over the next five years as the Corner@Drake project comes to fruition. Based on expected revenues in 2017 and planned construction, we could anticipate tax revenues to increase to around \$70,000 a year. Based on this estimate, the SoDA could establish a plan of repayment for the Drake Road Non-Motorized Path costs while still setting aside some funds for maintenance and other possible future projects.

Ms. Johnston presented the following proposed budget:

GL NUMBER	DESCRIPTION	2016 APPROVED BUDGET	2016 ACTIVITY THRU 06/30/2016	2017 REQUESTED BUDGET
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Fund 247 - TAX INCREMENT FINANCE AUTHORITY (SoDA)

ESTIMATED REVENUES

Dept 001-Revenue

247-001-40100	Carryover	\$0	\$0	\$0
247-001-40300	Current Real Property Tax	\$4,700	\$12,834	\$43,095
247-001-47500	Miscellaneous	\$0	\$0	\$0
247-001-66500	Interest Earned	\$0	\$0	\$200
TOTAL ESTIMATED REVENUES		\$4,700	\$12,834	\$43,295

APPROPRIATIONS

Dept 728-Economic Development				
247-728-70300	Salary-Staff			
247-728-72800	Supplies			
247-728-73000	Postage			
247-728-80800	Consultants			
247-728-82500	Accounting & Audit Fees			
247-728-82600	Legal Fees			
247-728-90300	Legal Notices			
247-728-93300	Repairs/Maintenance			\$2,700
247-728-97500	Capital Outlay/Obligated Projects	\$4,700	\$12,834	\$40,595
247-728-97600	Capital Outlay/Land Acquisition			
TOTAL APPROPRIATIONS		\$4,700	\$12,834	\$43,295

TOTAL FUND BALANCE:

\$12,834.00

Ms. Johnston informed the Authority that the Township Clerk requested funds be provided for accounting and audit fees for 2017. The Clerk recommended between \$200 and \$300. The Authority discussed the budget numbers and recommended the following changes:

GL NUMBER	DESCRIPTION	2016 APPROVED BUDGET	2016 ACTIVITY THRU 06/30/2016	2017 REQUESTED BUDGET
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Fund 247 - TAX INCREMENT FINANCE AUTHORITY (SoDA)

ESTIMATED REVENUES

Dept 001-Revenue

247-001-40100	Carryover	\$0	\$0	\$1,805
247-001-40300	Current Real Property Tax	\$4,700	\$12,834	\$43,095
247-001-47500	Miscellaneous	\$0	\$0	\$0
247-001-66500	Interest Earned	\$0	\$0	\$200
TOTAL ESTIMATED REVENUES		\$4,700	\$12,834	\$45,100

APPROPRIATIONS

Dept 728-Economic Development				
247-728-70300	Salary-Staff			
247-728-72800	Supplies			
247-728-73000	Postage			
247-728-80800	Consultants			
247-728-82500	Accounting & Audit Fees			\$300
247-728-82600	Legal Fees			
247-728-90300	Legal Notices			
247-728-93300	Repairs/Maintenance			\$2,700
247-728-97500	Capital Outlay/Obligated Projects	\$4,700	\$12,834	\$40,000
247-728-97600	Capital Outlay/Land Acquisition			
	Contingency			\$2,100
TOTAL APPROPRIATIONS		\$4,700	\$12,834	\$45,100

Vice Chairperson Ashley requested the Contingency funds to help cover any unforeseen expenses in 2017. Discussion was had regarding what percentage of the budget the contingency should total. Attorney Porter recommended 5 percent because any funds not spent are shifted at the end of the year to the fund balance. Also, if a project comes up in the year that is not a capital outlay, the Board can always approve an amendment to the budget.

Mr. Patzer made a motion to approve the budget as amended. Mr. Gesmundo seconded the motion. The motion was approved unanimously.

Further discussion was had regarding the budget to pay back the Township for the Drake Road Non-Motorized Path. Mr. Patzer stated that it will be important to review the budget each year to determine how much SoDA can afford. Ms. Heiny-Cogswell indicated that a memorandum of understanding from the SoDA to the Township Board should be considered which spells out how SoDA plans to pay back the 40 percent of the project that is not covered by the grant. Mr. Patzer indicated that the annual discussion of budgets and revenues should be included in the Memorandum of Understanding.

Mr. Gesmundo made a motion to direct staff to prepare a Memorandum of Understanding to be reviewed by the SoDA and Township Board on paying back the Drake Road Non-Motorized Path costs not covered by grant funding. Mr. Ashley seconded the motion. The motion was approved unanimously.

Any Other Business

Ms. Johnston asked the Authority if they would like to meet one additional time before the end of the year or if status updates through email was preferred. The Authority indicated that emails were preferred unless it was needed for the Authority to convene.

There being no further business, the meeting was adjourned at approximately 1:52 p.m.

Minutes prepared:
August 31, 2016

Minutes approved:
July 27, 2017