



## Budget & Finance Committee

Tuesday, October 16, 2012 – 1:30 p.m.  
Room 212 – Otsego County Building  
225 West Main Gaylord, MI 49735

### MINUTES

#### CALL TO ORDER

Mr. Olsen called the meeting to order at 1:30 PM

Roll call – Present: Lee Olsen, Paul Beachnau, Erma Backenstose, Clark Bates, John Burt

Others present – Sally Nowak, Dover Township Assessor, Diane House, Dover Township Treasurer, Jim McGuigan, Treetops Head Golf Professional, James Vanderveer, Treetops Director of Rooms, Diann Axford, Rachel Frisch

#### APPROVAL OF MINUTES

Motion by Mr. Bates to approve the minutes from the September 19, 2012 budget and finance committee meeting. Motion passed unanimously.

#### UNFINISHED BUSINESS

##### A. Treasurer – Foreclosure Fund Update

Ms. Axford distributed a spreadsheet showing the results of the recent foreclosure sale. Mr. Burt received a legal opinion on the issue of whether the County can distribute foreclosure losses to the taxing units. He will update the Committee on the opinion at the next meeting (October 23, 2012), after he has had a chance to read the opinion in its entirety and has distributed it to Committee members.

#### NEW BUSINESS

##### A. Dover Township Request

Ms. Nowak updated the Committee on the recent Michigan Tax Tribunal (MTT) decision on the Treetops properties. She stated that the judge ruled to significantly reduce the taxable values of the properties. She distributed a spreadsheet detailing the loss that the County and Dover Township would experience using the reduced taxable values. Ms. Axford also prepared a spreadsheet, detailing the information by tax year on the base tax only, not including the effects of penalties and interest.

Additionally, the MTT awarded costs to Treetops, whereby Dover Township is required to pay for expenses incurred by Treetops for the hearing. The costs include appraisal, expert witness, and attorney fees totaling \$230,122.42. Ms. House stated that the Township would go bankrupt if it paid these fees. She distributed a balance sheet for the Township, showing its current cash balances.

Ms. Nowak stated that in light of the financial difficulty the Township, the County, and other taxing units will have as a result of the reduced taxes, Dover Township is requesting that the County assist in funding an appeal of the MTT decision. At this time, an amount is difficult to estimate, as it is based on hours billed by the attorney.

Ms. Backenstose asked if the Township had approached the Michigan Township Association (MTA) to assist with funding an appeal. Ms. Nowak indicated that she would discuss that idea with her board.

Mr. Beachnau indicated that it is a property owner's right to take an issue to the tribunal court. The County should not assist financially in an appeal because it would set a precedent to fund future tribunal cases.

Mr. Olsen suggested that the County seek a legal opinion on this matter before making a decision. Mr. Burt indicated that he had discussed this matter with legal counsel prior to the MTT hearing.

Ms. Axford indicated that she will prepare a spreadsheet that will show the amount of loss for each taxing entity for next week's meeting. She will work with Ms. Frisch to distribute the information to the entities and invite them to next week's meeting to be a part of the discussion.

#### **B. EMS Vehicle Purchase Request**

Mr. Deming is requesting a loan from the Public Improvement Fund (Fund 245) for \$119,073 to purchase a new ambulance for EMS. The loan will be at 4% interest for a period of 5 years. One of the current ambulance loans is slated to be paid off by the end of the year.

Motion by Ms. Backenstose to recommend to the full board loaning \$119,073 to EMS from the Public Improvement Fund (Fund 245), at an interest rate of 4% for a period of 5 years, in order to purchase a new ambulance. Motion passed unanimously.

#### **C. ORV Budget Amendment**

Ms. Frisch distributed the amendment for the Off-Road Vehicle grant-funded program operated by the Sheriff's Department.

Motion by Mr. Bates to recommend to the full board approving the ORV budget amendment. Motion passed unanimously.

#### **D. Parks and Rec Budget Amendment**

Ms. Frisch distributed the amendment as approved by the Parks and Rec Board (Fund 208).

Motion by Mr. Bates to recommend to the full board approving the Parks and Rec (Fund 208) budget amendment. Motion passed unanimously.

#### **E. 2013 Budget Discussion**

Ms. Frisch distributed the first draft of the general fund budget for 2013 – both the summary and detailed versions.

The Committee discussed the budget and will continue budget discussions at next week's meeting.

**F. September 2012 Financial Report**

Ms. Frisch discussed the reports with the Committee

Mr. Olsen adjourned the meeting at 3:42 PM