

Local Development Finance Authority
121 N. Church Street, Hudson, Michigan 49247
Regular Meeting
April 25, 2013 6:30 p.m.

The regular meeting was called to order by Chairperson Kim Murphy at 6:30 p.m. in the Council Chambers at City Hall.

Roll Call: Present: Kim Murphy, Watson Clark, Jack Donaldson, Jim Driskill, Ed Engle, Jr., Ali Moreno, and Rex Murphy, Jr.
Absent: John Enerson, and Tim Stanley
Others Present: City Clerk Judy Tanner.

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ORDERS OF THE DAY:

Excuse absent members:

Motion by Ed Engle, seconded by Jack Donaldson to **excuse absent members from the meeting**, CARRIED: Unanimously by voice vote.

Setting the Agenda:

Approval of the Minutes:

Motion by Rex Murphy, seconded Jim Driskill by to **approve the minutes from March 14, 2013, and place on file**, CARRIED: Unanimously by voice vote.

NEW BUSINESS:

Financial Report:

The LDFA was provided with a financial statement as of March 31, 2013 submitted by the City Treasurer. The report shows an estimated Fund Balance of \$12,795.41 for June 2013.

Current Bank Balance: \$229,896.72

Anticipated Revenues

Delinquent Winter IFT Tax Capture	1,259.65	
Delinquent Winter A/V Tax Capture	6,566.17	
Interest Earnings (Apr-Jun'13)	\$ 67.00	
		+\$7,893.45

Anticipated Expenses

Marketing Expense	\$5,000.00
Administrative Fees	\$2,500.05
Electrical Expense (approximately)	\$1,926.93
Street Maintenance	\$85.62
Committed Transfers (HFD, ALS, HPD)	\$2,373.00
Equipment Rental (from DPW)	\$ 813.99
Lenawee Economic Development	\$5,000.00
Steger Extension Construction (BSA&G)	\$90,021.73

Steger Extension Phase 4 Design (J&H)	\$1,581.32	
Steger Drive Phase 5 Const. Engineering (J&H)	\$16,452.36	
Steger Drive Phase 5 Paving (LCRC)	\$99,239.76	
		-\$224,994.76
Estimated Fund Balance for June 2013		\$12,795.41

Motion by Jim Driskill, seconded by Ed Engle to **accept the Financial Report, and place on file, CARRIED:** Unanimously by voice vote.

Approve Walkway Paving Bid: Lenawee County Road Commission:

The City Manager requested a written quote from the Lenawee County Road Commission to pave a walkway connecting both sides of Steger Industrial Drive past the retention pond. We received a quote from the LCRC of \$12,690.82 for 2” of top course asphalt. This year’s budget for the project was \$7,500.00, based on an estimated length of 750 feet and with lower asphalt prices from two years ago. The difference in price is also due to the length of the walkway being 100’ longer than estimated during design. This project would be scheduled with the LCRC so that the billing would be done after the start of the next fiscal year.

The board questioned if all the options on the final development list have to be done. Chairperson Murphy stated that Phase 5 needs to be done, but the walkway is an option. They also discussed the possible reasoning for the two paving projects. Chairperson Murphy stated that one is to do the Phase 5 project, and assuming that as long as the road commission is here doing Phase 5 we would want to utilize them to do the asphalt for the walking path as well. The board expressed concerns about their financial situation at the end of the fiscal year if the \$12,690.82 listed is spent for the pond walkway. Chairperson Murphy reminded them that it shows in the 2013/14 budget that the LDFA is not paying for the walkway until the next budget year, after July 1st. The board was also concerned about the overtime figured in both paving quotes, and why there is difference of 100’ that was missed in the estimated length of the path during the design. The board requested that the City Manager to look into those concerns.

After much discussion the board stated that they should go ahead with the City Manager’s recommendation and accepted the bid from the Lenawee County Road Commission to pave the detention pond walkway for \$12,690.82.

Motion by Ed Engle, seconded by Watson Clark to **accept the quote from the Lenawee County Road Commission to pave the detention pond walkway for \$12,690.82, CARRIED:** Unanimously by voice vote.

Approve Steger Phase 5 Paving Bid: Lenawee County Road Commission:

The City Manager requested a written quote from the Lenawee County Road Commission to pave the remainder of Steger Industrial Drive as part of Phase 5 of building the road. We received a quote from the LCRC of \$99,239.76 for a full 3 course project totaling 5 inches. This project would be scheduled with the LCRC shortly after the road bed is groomed and curb and gutter work is complete (estimate mid-May at the earliest).

Motion by Ed Engle, seconded by Jack Donaldson to **accept the quote from the Lenawee County Road Commission to pave Phase 5 of Steger Industrial Drive for \$99,239.76, CARRIED:** Unanimously by voice vote.

Discussion: FY13-14 Industrial Park Development Projects:

The board was provided with a list of options discussed at their last meeting that they felt still needed to be done for the final development of the Industrial Park. Chairperson Murphy reminded the board that these were optional ideas for the board to consider; what the benefits are for each option, and are there any other projects they would like to see done in the Industrial Park.

In a memorandum provided by City Manager Steve Hartsel; he advised that with the tax capture into the LDFA virtually complete for the current fiscal year, they can expect the remaining fund balance at the end of this fiscal year on June 30th to be \$13,000 to \$20,000. This is assuming the approval of the Road Commission's \$100,000 proposal to pave the remainder of Steger Industrial Drive prior to July 2013. The range in the remaining fund balance is because there may be some contract savings on the Steger Drive Project since the Engineer did not have to conduct bid administration on the project.

The board was also reminded that the purpose for discussing the following suggested options which are estimated costs is for their budget approval, and it's not saying that all of the options have to be done.

Opt.	Item	Qty.	Est. Total Cost
1.	Streetlights (Inc. Poles, Lights and Electricity	15	\$ 45,000
2.	Trees (Min. 2.5: Caliper)	30	4,500
3.	Sidewalk (5' Width at \$12.00/linear ft.)	4000'	60,000
4.	Park Signage (Carried over from FY12)	1	18,000
5.	Retention Pond Aeration Fountain	1	6,000
6.	Retention Pond Walkout	1	<u>4,000</u>
	Total		\$137,500

Approve: FY13-14 Budget:

The board was provided with a proposed 2013/14 Fiscal Year Budget for review and approval.

City Manager Steve Hartsel pointed out in his memorandum that during the fiscal year starting on July 1st, over \$325,000 in revenue will come into the LDFA account for a total fund balance of at least \$340,000. \$102,456 is to be paid back to the City during the upcoming fiscal year. Roughly \$45,000 in other expenses is projected. If all the development options previously discussed were chosen and budgeted of \$137,500, expenses would total just over \$288,000, leaving over \$50,000 in the LDFA fund balance to be budgeted or retained.

The proposed budget expenses in the FY budget were: Loan repayment to the City \$102,456, Audit Fees \$1,500, Administrative Expense \$10,000, Electricity \$5,000, Fire/Hydrants \$3,000, Due to Ambulance \$2,500, Police \$4,000, Equipment Rental \$5,000, Retention Pond Sidewalk \$12,691, Property Taxes \$1,900, Final Park Development \$137,500, Industrial Park Signage \$20,000, and Marketing Expenses and County Economic Development were to be determined for projected expenses of \$305,547.

Chairperson Murphy indicated that the LDFA has a recent history of paying the LEDC about \$5,000, and questioned if the board wanted to show it separately in the budget, or include it as part of the Marketing Expense. The board questioned the performance history of the LEDC, and what benefit they would receive if they were to increase the Economic Development's amount from \$5,000 to \$10,000, and put \$20,000 into Marketing. The board requested to discuss the LEDC and Marketing later in the meeting. They would like to schedule another meeting with the LEDC, and if the LEDC would bring their new marketing person to Hudson with some ideas to help sell the Industrial Park.

The board agreed to amend the budget expenses to increase the dues paid to the Lenawee Economic Development Corporation to \$10,000, subtract the \$20,000 from the Industrial Park Signage and move it to Marketing Expense assuming that the \$18,000 for signage has already been duplicated in the development options for total expenses of \$315,547. The board questioned that before they approved their budget what is the status of the leak at the water tower, and what would their responsibility and contribution be to the repairs of the water tower.

Motion by Ed Engle, seconded by Jim Driskill to **recommend the approval of the FY13-14 Budget as amended**, CARRIED: Unanimously by voice vote.

The board previously requested to discuss the marketing of the Industrial Park. They were advised that the LEDC has been very instrumental in supporting several of our local industries recently. The board discussed that they would like to start marketing discussions with the LEDC to get their ideas on how best to promote the Industrial Park.

They stated that they would like to talk with the City Manager to see if he has any other ideas, but it certainly wouldn't hurt to have the LEDC come back with their new marketing person. It would be a starting point to have them talk to the LDFA and provide some recommendations on what will work, and what will not. The board also recommended that the City Manager research how other communities have been successful with marketing their Industrial Parks; and requested that he provide them with additional references such as brokers, marketing agencies, or other organizations that specialize in marketing and selling property in Industrial Parks.

The board recommended scheduling a special meeting in May, and requested that Chairperson Murphy check on the availability of the LEDC. They agreed that the best day to have a quorum present at a meeting would be May 23rd at 6:00 p.m.

UNFINISHED BUSINESS:

Visitors Before Authority:

There was no Public Comment.

Adjournment:

Motion by Jim Driskill, seconded by Ed Engle to **adjourn the meeting at 7:49 p.m.** There were no objections.

ATTEST:

Judith A. Tanner, City Clerk