

City of Litchfield
TIFA Meeting Minutes
November 11, 2015

Call to order

Chairman Ed Smith called to order the regular meeting of the Litchfield TIFA at 7:00pm on November 11, 2015 in Litchfield City Hall.

Chairman Smith conducted a roll call. The following persons were present: Brendan Sanger, Bill Nobles, Ed Smith, Roger Winchell, Mike Warren, Don Failing

Absent: None

Others Present: Doug Terry TIFA Administrator, Max Rogers of Michigan Capital Partners, Felix Gonzales III

Minutes: A motion was made by Warren and seconded by Failing to approve the minutes of the TIFA Meeting held on October 14, 2015. Motion passed unanimously.

- I. **Balance Sheet and Revenue & Expenditure Statements:** After Board review, a motion was made by Warren and seconded by Failing to accept and place on file the October Balance Sheet & Revenue Report. Motion passed unanimously.

- II. **Gonzales Group Discussion:** Felix Gonzales III explained to the TIFA Board Members that Comerica has completed their due-diligence report. Grow Michigan is in process of completing their Due-Diligence. Mr. Max Rogers of Michigan Capital Partners explained his approach to determine the sustainability of the company. Mike Warren asked if suppliers were on a cash only basis. Felix Gonzales III said that it was becoming more common practice. Mike Warren also inquired what DWH results have indicate and occurred. Felix Gonzales III indicated that there is little to show for their participation. At the same time DWH has helped with financial discussions with Comerica. Don Failing asked what the lending

participation was proposed. Felix Gonzales III stated that the current ratio was

Comerica \$600,000

Grow-Michigan \$200,000

Litchfield TIFA \$200,000

Bill Nobles asked when the turn-a-round plan would be completed. Felix Gonzales III introduced Max Rogers. Max Roger explained his approach in retrieving vital information. Mike Warren suggested that internal controls need to be implemented. Chairman Ed Smith asked how long Grow Michigan would be involved. Max Rogers indicated that as long as Grow-Michigan has a financial interest in the Gonzales Group, Grow Michigan would be involved. Mike Warren felt comfortable with Grow-Michigan conducting the Due-Diligence report and would consider a loan when a completed report would be presented to the TIFA Board prior to any decision. A motion was made by Winchell and seconded by Nobles to reaffirm the letter to the Gonzales Group supporting a possible \$200,000 loan pending the outcome of the Due-Diligence report performed by Grow-Michigan and to modify the October 14, 2015 letter to Felix Gonzales II and his lenders and to remove LV2 as a financial participant. Motion passed unanimously.

- III. **City Manager Report:** TIFA Administrator Doug Terry explained to the TIFA Board difficulties in isolating water main valves in an attempt to install water service to 113 Simpson Drive, the city DPW crew had difficulties in isolating the water main connecting the new spec building; but the problem has been resolved. Chairman Smith also informed the TIFA Board that decision was made to install the water service for 113 Simpson Drive from the south since the original design would have required part of Simpson Drive to be excavated. Chairman Smith did not want see the road excavated.
- IV. **Golf Course Report:** Chairman Smith explained his communications with a interested party from Mt. Pleasant in purchasing the golf course. Ed stated that contingent upon negotiations and with TIFA Board approval, he suggested a price of \$660,000 reduced from

TIFA's current investment of \$665,000. However, Chairman Smith was still hopeful that the interested party from Chicago would sometime soon render a plan for the TIFA Board.

V. **Bills for Approval:** A motion was made by Warren, seconded by Failing to approve the TIFA Board bills in the amount of \$15,604.90. Motion passed unanimously.

VI. **Manual Checks:** A motion was made to approve the manual checks in the amount of \$400.00 by Failing, seconded by Winchell. Motion passed unanimously.

VII. **Investments:** There were no investments this month.

Adjournment: A motion was made by Failing and seconded by Winchell to adjourn the November 11, 2015 meeting at 9:10 pm. Motion passed unanimously.

Attested: Douglas K. Terry, TIFA Administrator November 11, 2015