

City of Litchfield
TIFA Meeting Minutes
December 13, 2017

Call to order

Chairman Ed Smith called to order the regular meeting of the **Litchfield TIFA** at **7:00 p.m.** on **December 13, 2017** in **Litchfield City Hall**.

Chairman Smith conducted a roll call. The following persons were present: Ed Smith, Bill Nobles, Matt Wolfinger, Brendan Sanger, Don Failing, O.R. Smith and Mike Warren

Absent: None

Others Present: Steve Wade, Litchfield Library Chairperson, Mike Flint, NEX Solutions, and Doug Terry, TIFA Administrator

Minutes: A motion was made by Failing and seconded by Warren to approve the minutes of the Regular TIFA Meeting held on November 8, 2017 with corrections. Motion passed unanimously.

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

- II. **Nex Solutions Request, Mike Flint:** Mike Flint addressed the TIFA Board to request funding a loan or provide an equity position for TIFA. Mike Flint explained that they have run in to some unforeseen problems with the ability to fund suppliers in the immediate future. Mike Flint went on to explain that Nex Solutions is confident of promised work and provided TIFA Board members with a breakdown of anticipated work and cash revenues associated with customers. Mike Flint also explained the current relationship with Comerica. Mike Flint also indicated that that he was notified that it was Comerica's intent to dissolve the relationship with Nex Solutions due to "lender fatigue" sometime in the future. Doug Terry had informed the TIFA Board members that Attorney Roy Brandes was strongly

against becoming an equity partner and suggested that a structured loan would be a better position for TIFA to consider. Brendan Sanger voiced his opposition to any subordination agreement with Comerica. After more questions of Mike Flint and discussion concerning line-of-credit draws from Comerica, a motion was made by OR Smith and seconded by Mike Warren to loan Nex Solutions \$300,000 at 2% for five (5) years with interest and principal payments beginning in July of 2018, and that the line of credit payments with Comerica be preserved in the same manner currently being administered. Those for the motion: OR Smith, Bill Nobles, Mike Warren, and Ed Smith. Those opposed to the motion: Don Failing, Matt Wolfinger and Brendan Sanger. Motion passed four to three.

III. Library Request: Steve Wade, Chairperson for the Litchfield District Library, presented a report on the progress of the renovation of the LDL new building located on West St. Joe. Mr. Wade stated that the library has \$134,500 cash on hand. The LDL Board has spent \$163,500 so far on this project. The total project is estimated to be \$526,000. Mr. Wade requested a portion of the \$95,000 TIFA contribution toward construction of the project. Mike Warren asked about the LDL fundraising efforts. Steve Wade explained the progress that has been made in regard to raising funds. Mr. Wade then explained the approach the LDL has taken toward the construction phasing of the project. Don Failing stated that TIFA should honor its commitments. Brendan Sanger asked what efforts have been made in soliciting grant funds. Mr. Wade stated that it was slow but he was confident that adequate donations and grants would help supplement the construction budget. After some discussion, a motion was made by Don Failing and seconded by OR Smith to release \$30,800 to LDL for construction reimbursement. And that all future payments would be in a draw-down arrangement to pay the contractors and suppliers directly. Those for the motion: Bill Nobles, OR Smith, Don Failing, Matt Wolfinger, Mike Warren and Ed Smith. Those opposed to the motion: Brendan Sanger. Motion was adopted six to one.

IV. Consumers Energy Easement: Doug Terry reported that Consumers Energy was seeking an easement as part of the electric improvements in the industrial park. Specifically, TIFA owned property which is currently leased by Finishing Touch. A motion was made by OR Smith and seconded by Bill Nobles to enter into an easement

agreement with Consumers Energy to place electrical utilities on Lot 15 or commonly known as 191 Simpson Dr. Motion was adopted unanimously.

- V. **Audit:** A motion was made by Don Failing and seconded by Bill Nobles to accept the 2016-2017 TIFA Audit and have it placed on file for public inspection. Motion passed unanimously.
- VI. **Livonia Tool Property Line Adjustment:** Doug Terry informed TIFA Board Members of a request that Livonia Tool has made to TIFA. Mr. Rickabaugh is seeking two (2) feet of property on the north side of the Litchfield DPW property. The purpose of this proposed purchase is to comply with both insurance and MiOHSA requirements of adequate ingress and egress for fire protection. A motion was made by Brendan Sanger and seconded by OR Smith to allow the transfer of two feet of property to Livonia Tool. Motion passed unanimously.
- VII. **Bills for Approval:** A motion was made by Sanger and seconded by Warren to approve the November bills in the amount \$10,066.96. Motion passed unanimously.
- VIII. **Manual Checks:** A motion was made by Mike Warren and seconded by Don Failing to approve the manual checks in the amount of \$2,660.00 Motion passed unanimously.
- IX. **City Manager Report:** Doug Terry reported on the on-going discussions with the parties interested in the golf course. Terry also presented a scenario of the current two options of acquiring a liquor license where we could make application for a new license at \$25,000 or file a suit against the Michigan Liquor Control Commission. The TIFA Board members would like to see sincere offers by perspective purchasers and operators and would remain patient for the next few months. Terry also reported on the meetings held with Independent Barley and Malt and InnerPoint Energy.
- X. **Annual Performance Pay:** A motion was made by Mike Warren and seconded by Nobles to authorize the issuance of performance pay to all city workers for 2017. Motion passed unanimously.
- XI. **Election of TIFA Officers:** A motion was made by Mike Warren and seconded by Brendan Sanger to retain Ed Smith as TIFA Board Chairman. Motion passed unanimously. A motion was then made by

OR Smith and seconded by Don Failing to retain Mike Warren as TIFA Board Secretary. Motion passed unanimously.

Adjournment: A motion was made by Don Failing and seconded by OR Smith to adjourn the December 13, 2017 meeting at 9:15 p.m. Motion passed unanimously.

Attested: Douglas K. Terry, TIFA Administrator, December 13, 2017