

FINANCE COMMITTEE

AGENDA

January 9, 2019

7:30 AM

304 E. Grand River, Board Chambers, Howell MI 48843

Pages

1. **CALL MEETING TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES** 2
Meeting minutes dated: December 27, 2018
4. **TABLED ITEMS FROM PREVIOUS MEETINGS**
5. **APPROVAL OF AGENDA**
6. **CALL TO THE PUBLIC**
7. **REPORTS**
8. **RESOLUTIONS FOR CONSIDERATION**
 - 8.1 **Car Pool** 5
Resolution Authorizing Capital Expenditure, Issuance of Purchase Orders, and Supplemental Appropriation for Approved 2019 Vehicle Purchases
 - 8.2 **Drain Commissioner** 9
Resolution Authorizing Livingston County to Purchase Notes issued by the Livingston No. 29 Drainage District
9. **CLAIMS**
Miscellaneous Claims Dated: January 9, 2019
10. **PREAUTHORIZED**
Computer Print-out Dated: December 28, 2018 through January 9, 2019
11. **CALL TO THE PUBLIC**
12. **ADJOURNMENT**

FINANCE COMMITTEE

MEETING MINUTES

December 27, 2018

7:30 a.m.

304 E. Grand River, Board Chambers, Howell MI 48843

Members Present:

C. Griffith, D. Helzerman, K. Lawrence , D. Domas, D. Parker, D. Dolan , G. Childs

Members Absent:

W. Green , R. Bezotte

1. CALL MEETING TO ORDER

The meeting was called to order by Commissioner Griffith at 7:31 a.m.

2. ROLL CALL

Indicated the presence of a quorum.

3. APPROVAL OF MINUTES

Meeting minutes dated: December 12, 2018

Motion to approve the minutes as presented.

Moved by: D. Dolan

Seconded by: K. Lawrence

Yes (7): C. Griffith, K. Lawrence , D. Domas, D. Helzerman, D. Parker, D. Dolan , and G. Childs

No (0): None

Absent (2): W. Green , and R. Bezotte

Motion Carried (7-0-2)

4. TABLED ITEMS FROM PREVIOUS MEETINGS

None.

5. APPROVAL OF AGENDA

Motion to approve the Agenda as amended to include a report from the Drain Commissioner as Item #7.1, and moving the 2018 Year End Report to Item #7.2.

Moved by: D. Parker
Seconded by: D. Dolan

Yes (7): C. Griffith, K. Lawrence , D. Domas, D. Helzerman, D. Parker, D. Dolan , and G. Childs
No (0): None
Absent (2): W. Green , and R. Bezotte

Motion Carried (7-0-2)

6. CALL TO THE PUBLIC

None.

7. REPORTS

7.1 Drain Commissioner

Brian Jonckheere, Drain Commissioner, reported on drain issues in Iosco Township. To resolve these issues the Drain Commissioner is requesting a loan, or note, from the Equipment Revolving Fund to fund this project. The request includes authorization to prepay the County Apportionment and for the County to purchase the note, with proceeds from the Equipment Revolving Fund their part of the at large assessment. This will not harm the operations of the Drain Commissioner's office.

Commissioner Parker exited at 7:44 a.m. and returned at 7:44 a.m.

Brian Jonckheere answered questions from the Committee.

Commissioner Griffith requested the Board have a little more time to review this request and present to the Finance Committee on 1/9/2019 and to the Full Board on 1/14/19.

7.2 2018 Year End Report

Commissioner Parker, Chairman of the Board of Commissioners, presented Livingston County's 2018 Year-End Report. This report will be sent to all County Employees, remarks today are bullet points from this report. Thanked Commissioners and Staff for the successes of this County.

Commissioner Griffith thanked Chairman Parker and staff and wishes Commissioner Domas success in his future endeavors.

8. RESOLUTIONS FOR CONSIDERATION

None.

9. CLAIMS

Miscellaneous Claims Dated: December 27, 2018

Recommend Motion to the Board of Commissioners.

Moved by: K. Lawrence

Seconded by: G. Childs

Yes (7): C. Griffith, K. Lawrence , D. Domas, D. Helzerman, D. Parker, D. Dolan , and G. Childs

No (0): None

Absent (2): W. Green , and R. Bezotte

Motion Carried (7-0-2)

10. PREAUTHORIZED

Computer Print-out Dated: December 13 through December 27, 2018

Recommend Motion to the Board of Commissioners.

Moved by: D. Dolan

Seconded by: G. Childs

Yes (7): C. Griffith, K. Lawrence , D. Domas, D. Helzerman, D. Parker, D. Dolan , and G. Childs

No (0): None

Absent (2): W. Green , and R. Bezotte

Motion Carried (7-0-2)

11. CALL TO THE PUBLIC

None.

12. ADJOURNMENT

Motion to adjourn the meeting at 8:28 a.m.

Moved by: D. Helzerman

Seconded by: D. Parker

Yes (7): C. Griffith, K. Lawrence , D. Domas, D. Helzerman, D. Parker, D. Dolan , and G. Childs

No (0): None

Absent (2): W. Green , and R. Bezotte

Motion Carried (7-0-2)

Respectfully submitted by:

Natalie Hunt,
Recording Secretary

RESOLUTION

NO: [Title]

LIVINGSTON COUNTY

DATE: Click or tap to enter a date.

Resolution Authorizing Capital Expenditure, Issuance of Purchase Orders, and Supplemental Appropriation for Approved 2019 Vehicle Purchases – Car Pool

WHEREAS, the Livingston County Car Pool Department is requesting authorization to replace eleven (11) vehicles that have served their useful life based on age, mileage, and overall condition and to purchase two (2) additional vehicles requested by departments; and

WHEREAS, the recommended MY 2019 replacement/additional vehicles are as follows:

- Sheriff's Field Services Division: Three (3) Dodge Durango Pursuit, one (1) Dodge Charger Pursuit, one (1) Dodge Durango SXT, one (1) Dodge Ram Pickup, and one (1) Ford Explorer AWD
- Sheriff's Jail Division: One (1) Dodge Grand Caravan
- Building Inspection: Four (4) Ford F-150 4X4 (**includes 1 fleet addition**)
- Facilities Services: (1) One Ford Explorer AWD (**fleet addition**)

WHEREAS, all vehicles will be purchased from either the State of Michigan "MiDeal" cooperative government purchasing program or the Oakland County vehicle purchasing contract, whichever provides the best value, and vehicle upfitting will be performed by local contract vendors at a total cost not to exceed Four Hundred Thirty Five Thousand Five Hundred Seventy-Six dollars (\$435,576); and

WHEREAS, FY 2019 funds were budgeted for new and replacement vehicles, plus upfitting costs where applicable, in the departments' budgets but were erroneously omitted from the Car Pool budget and therefore a budget amendment for Car Pool is necessary in the amount of Four Hundred Nine Thousand Seventy-Six dollars (\$409,076); and

WHEREAS, the additional truck for Building Inspection was not budgeted for and therefore amendments to the Car Pool and Building Inspection budgets are necessary in the amount of Twenty Nine Thousand Eight Hundred Sixty-Two dollars (\$29,862) for the vehicle purchase and operating costs; and

WHEREAS, the Car Pool department will purchase all *replacement* vehicles using retained earnings collected from monthly departmental lease payments, and the purchase cost of the *additional* vehicles will be charged back to departments via MUNIS per the County's vehicle lease program; and

WHEREAS, the proposed amendments ensure compliance with the Uniform Budgeting and Accounting Act, as amended.

THEREFORE BE IT RESOLVED that the Livingston County Board of Commissioners hereby authorizes the purchase of eleven (11) replacement vehicles and two (2) additional vehicles, plus upfitting costs where applicable, for an amount not to exceed Four Hundred Thirty Five Thousand Five Hundred Seventy-Six dollars (\$435,576).

BE IT FURTHER RESOLVED that a budget amendment for Car Pool is authorized in the amount of Four Hundred Nine Thousand Seventy-Six dollars (\$409,076) to purchase the above vehicles.

BE IT FURTHER RESOLVED that budget amendments for the Building Inspection and Car Pool

Departments are authorized in the amount of Twenty Nine Thousand Eight Hundred Sixty-Two dollars (\$29,862) for the purchase of an additional Building Inspection truck plus operating costs.

BE IT FURTHER RESOLVED that all the vehicles are to be leased back to the individual departments by Car Pool per the established lease program.

BE IT FURTHER RESOLVED that the Car Pool Director is hereby authorized to dispose of decommissioned department vehicles being replaced per the County Purchasing/Disposal Policy.

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MOVED:
SECONDED:
CARRIED:



Memorandum

To: Livingston County Board of Commissioners
From: Greg Kellogg, Transportation Director
Date: 01/02/2019
Re: Resolution Authorizing Capital Expenditure, Issuance of Purchase Orders, and Budget Amendments for Approved 2019 Vehicle Purchases – Car Pool

The Livingston County Car Pool Department is requesting authorization to replace eleven (11) vehicles that have served their useful life based on age, mileage, and overall condition and to purchase two (2) additional vehicles (i.e., additions to the fleet) requested by departments.

FY 2019 funds were budgeted for new and replacement vehicles, plus upfitting costs where applicable, in the departments' budgets but were erroneously omitted from the Car Pool budget. Therefore, a budget amendment for Car Pool is necessary in the amount of \$409,076.

The additional Building Inspection truck was a late addition and will require amendments to both the Car Pool and Building Inspection budgets in the amount of \$29,862 apiece for the vehicle purchase (\$26,500) and six months of 2019 operating costs (\$3,362).

The Car Pool department will purchase all of the *replacement* vehicles using retained earnings collected from monthly departmental lease payments per the County's vehicle lease program. The purchase cost of the *additional* vehicles will be charged back to departments via MUNIS along with all vehicle operating costs.

All vehicles will be purchased from either the State of Michigan "MiDeal" cooperative government purchasing program or the Oakland County vehicle purchasing contract, whichever provides the best value. Vehicle upfitting will be performed by local contract vendors.

The total cost of the vehicles and upfitting shall not exceed \$435,576 (\$409,076 from the Car Pool budget amendment plus \$26,500 for the purchase of the additional Building Inspection truck).

The recommended MY 2019 replacement/additional vehicles are summarized in the table below:

Department	Vehicle	Quantity	Unit Cost	Replacement/ Addition	Contract
Sheriff Field Svcs.	Dodge Durango Pursuit	3	\$31,995	Replacement	Oakland
	Dodge Charger Pursuit	1	\$23,994	Replacement	Oakland
	RAM 4X4 Pickup	1	\$29,500	Replacement	Oakland
	Ford Explorer AWD	1	\$29,034	Replacement	MiDeal
	Dodge Durango SXT	1	\$30,316	Replacement	Oakland
Sheriff Jail	Dodge Grand Caravan	1	\$22,150	Replacement	MiDeal
Building Inspection	Ford F-150 4X4	3	\$26,238	Replacement	MiDeal
	Ford F-150 4X4	1	\$26,238	Addition	MiDeal
Facilities Services	Ford Explorer AWD	1	\$29,034	Addition	MiDeal

Please do not hesitate to contact me at **x7843** with any questions or to request additional detail on the vehicles included in this resolution.

RESOLUTION

NO: [Title]

LIVINGSTON COUNTY

DATE: Click or tap to enter a date.

Resolution Authorizing Livingston County to Purchase Notes issued by the Livingston No. 29 Drainage District – Drain Commissioner

WHEREAS, the office of the Livingston County Drain Commissioner was petitioned by residents to establish a county drain in the area of Kern Road and Crofoot Road in the Township of Iosco due to flooding of basements and inundation of septic fields, and

WHEREAS, pursuant to the petition, proceedings have been taken under the Michigan Drain Code (Act 40, Public Acts of Michigan, 1956, as amended) to establish the Livingston No. 29 Drain Drainage District (the “Drainage District”) and the Livingston No. 29 Drain and to construct the Livingston No. 29 Drain (the “Project”), and

WHEREAS, design plans were subsequently developed by the Drainage District’s engineer for the Project to convey water to the Red Cedar River in order to protect private property from perennial flood damage, and

WHEREAS, the Project was recently bid and a computation of cost was developed which estimates a total project cost of \$770,000, and

WHEREAS, the cost of the Project will be paid by special assessments levied by the Drain Commissioner against benefitting property owners and public corporations in the Drainage District, including the Township of Iosco and the County of Livingston (the “County”), with those special assessments not being prepaid to be payable in 20 approximately equal annual installments, together with interest on the outstanding principal balance of the special assessments, and

WHEREAS, the Drainage District intends to issue a note (the “Note”) pursuant to Section 434 of the Drain Code to finance part of the cost of the Project in anticipation of the collection of the installments of the special assessments that are not being prepaid, and

WHEREAS, the Drainage District is extremely small in size, which will result in some assessments against property owners exceeding \$30,000, including interest, over the 20 year payback period of the Note, and

WHEREAS, in order to reduce interest rate costs to the property owners in the Drainage District, the Drain Commissioner has proposed that the County purchase the Note from available funds on deposit in the Drain Commissioner’s equipment revolving fund (Fund 639), and

WHEREAS, the Township of Iosco has agreed to prepay its at-large assessment in the amount of \$269,500 and the Drain Commissioner has requested the County to consider prepaying its at-large special assessment in the amount of \$269,500, which would enable the Drainage District to issue the Note in a principal amount of less than \$300,000 and avoid the necessity and the cost of receiving approval from the Michigan Department of Treasury to issue the Note, and

WHEREAS, the County has been advised by Dickinson Wright PLLC that it is authorized under Section 434 of the Drain Code to purchase the Note from available funds on deposit in Fund 639.

THEREFORE BE IT RESOLVED:

1. The County agrees to prepay its at-large assessment for the Livingston No. 29 Drain in the amount of \$269,500 on or before the date of issuance of the Note.
2. The County agrees to purchase the Note from available funds on deposit in Fund 639. The principal amount of the Note shall not exceed \$231,000, and the interest rate on the Note shall not be less than 2.25% per annum nor more than 2.50% per annum, as determined by the County Treasurer at the time of the issuance of the Note.
3. The County Treasurer and Finance Officer are authorized to effectuate respective transfers and budget amendments deemed necessary to accomplish the purposes of this resolution.

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MOVED:
SECONDED:
CARRIED:



LIVINGSTON COUNTY, MICHIGAN
OFFICE OF THE DRAIN COMMISSIONER

2300 E. Grand River Ave. Suite 105
Howell, MI 48843
Phone: 517-546-0040

Memorandum

To: Livingston County Board of Commissioners
From: Brian Jonckheere
Date: 12/26/2018
**Re: RESOLUTION AUTHORIZING ISSUANCE OF
LIVINGSTON NO. 29 DRAINAGE DISTRICT NOTES**

Background

The Project was petitioned in 2008 and 2009 by landowners in Iosco Township under Chapters 3 and 4 of the Michigan Drain Code, Act 40 of the Public Acts of 1956, as amended. A location map is shown in Figure 1. The Project was determined necessary by a Board of Determination in accordance with the provisions of MCL 280.72 in December of 2009.

Due to difficulties obtaining easements, several different routes for the drain were explored between 2009 and 2016. The service area of the proposed drain is shown in Figure 2, and is based upon an easement obtained in 2017 for a westerly outlet. The majority of the service area of the district is to the northeast of the intersection of Kern and Crofoot Roads. This consists of lands which included the historic location of the Kern Road Veterinary Clinic, which was relocated in 2004 to its current location on south Fowlerville Road.



Figure 1

What caused the problem:

There are stories about old farm tile being blocked intentionally, which is probably a significant portion of the problem. The reality is that the failure of old farm tile is an ongoing issue throughout the county. The vast majority of farm tile has long been forgotten and it is impossible to know exactly where it is

located and how it is functioning. Coupled with housing growth in these areas, the incidence of localized flooding due to these two factors is becoming more and more common.

Status of the Project

- Project has been designed and bid
 - Consists of combination of open ditch and 12” to 24” plastic pipe taking water from East of Kern to a basin on the West side of Kern.
 - Basin will incorporate infiltration into the ground and ultimately discharge to an existing 10” clay tile which outlets to the wetland area adjacent to the Red Cedar River
- Low bidder is E.T. Mackenzie out of Grand Ledge, Michigan
- Total project cost is computed at \$770,000
- Only 27 Properties in district with assessments ranging from \$2,500 to \$25,000. Due to the small size of the district, several factors were incorporated into the roll, as a means of assessing according to the principal of “benefit derived” in MCL 280.152. Three of the parcels have an assessment exceeding \$22,000.
- Iosco Township has committed to prepaying its portion of the project cost.
- County’s portion is \$269,500.
- Remaining \$231,000 to be assessed to properties over twenty year period

Financial Status

- Received bid of 4.69% from Hastings bank
- Some parcels will ultimately pay in excess of \$35,000 including interest over 20 yr repayment period
- Approached Bond Counsel, Terry Donnelly at Dickinson Wright, et al regarding funding the project through our equipment revolving fund (fund 639) in an effort to reduce interest costs
 - Issued opinion indicating that this could be done with approval of County Board
 - Would save some of the larger parcels in excess of \$8,000 to \$10,000 at 2.75% interest rate

Fund 639 was created by the county in 1982, as a means of providing a funding source for maintenance operations (stormwater and sanitary drainage districts) of my office. Currently, it has a sufficient balance to allow for a borrowing of this size. The revolving nature of this fund results in most expenses being charged a set rate for equipment, and assessment districts are not typically charged interest for the short term nature of these transactions. Terry Donnelly of Dickinson, Wright, et. al. has opined that a loan from fund 639 can be used to provide funds for the Livingston No. 29 Drain Note, at a rate to be agreed upon between the County Treasurer and myself.

- If loan exceeds \$300,000, the Michigan Department of Treasury will require a qualifying opinion for the note at a cost of approximately \$10,000
- If loan is less than \$300,000, no qualifying opinion is required and bond counsel cost is approx. \$5,000.

After discussions with Jennifer Nash, we have agreed that a 2.25% interest rate with an additional 0.5% added to cover early payoffs would be acceptable.

Action Requested from the Livingston County Board of Commissioners

The resolution presented to the Livingston County Board of Commissioners seeks the following:

1. Authorization to prepay the County apportionment of \$269,500 for the Project; and
2. Authorization for the County to purchase the note, funded with proceeds from Fund No. 639, the Equipment revolving fund, in an amount not to exceed \$250,000 if the County elects to prepay its apportionment. If the county does not elect to prepay its apportionment, the requested note amount using proceeds from Fund No. 639 is not to exceed \$550,000.

The project is expected to begin in January of 2019 with a completion date of spring 2019.

If you have any questions regarding this matter please contact me.

Ken Recker

From: Terence M. Donnelly <TDonnelly@dickinson-wright.com>
Sent: Monday, December 17, 2018 2:10 PM
To: Ken Recker
Cc: Aaron Everest; Laura M. Bassett
Subject: [EXT] Livingston No. 29 Drain

"The e-mail below is from an external source. Please do not open attachments or click links from an unknown or suspicious origin."

Ken,

Following up on our telephone call on Friday, this will confirm the advice we have previously given you that it is our opinion that the County is authorized to buy the notes to be issued by the Livingston No. 29 Drain Drainage District under Section 434 of the Drain Code to construct the Livingston No. 29 Drain with funds to be made available to the County from the Equipment Revolving Fund.

Let me know if there is any further information that you need from us at this time. Thanks.

Terry

Terence M. Donnelly Member

2600 W. Big Beaver Rd. Phone 248-433-7224
Suite 300 Fax 844-670-6009
Troy MI 48084 Email TDonnelly@dickinsonwright.com



DICKINSON WRIGHT PLLC



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Legend

Enclosed Drain

- Existing Private Drain
- Proposed Livingston No. 29 Drain
- Open Drains
-  Proposed Stormwater Basin
-  Special Assessment District for Drain
-  Approximate Property Line (Address shown)



Livingston County Drain Commissioner
2300 E Grand River
Howell, MI. 48843
Orthophoto Flown 2015
Printed December 21, 2018

FIGURE 2

Livingston No. 29 Drain & Drainage District, Part of Iosco Twp.



1 inch = 500 feet