



200 E. Grand River
Howell, MI 48843

Phone 514-546-7010 Fax 517-545-9638

Web Site: livingstonlive.org

Memorandum

To: Livingston County Board of Commissioners

From: Jennifer M. Nash, Treasurer

Date: May 26, 2023

**Re: RESOLUTION AUTHORIZING AN ADVANCE FROM THE
DELINQUENT TAX REVOLVING FUNDS TO THE MARION
NO. 3 DRAINAGE DISTRICT FOR THE PURPOSE OF
FINANCING IMPROVEMENT COSTS**

The Livingston County Drain Commissioner has received a petition from landowners requesting maintenance and improvements to the drainage district known as the Marion No. 3 Drain. The Drain Commissioner has completed all required due diligence including notice and public hearings.

Due to recent bank failures, many banks which buy drain district notes, have scaled back or paused (temporarily) adding to their municipal loan portfolios. This has resulted in limited access to funding for preliminary drain work on petition projects.

As a result of limited options for financing and also in an effort to reduce costs to the district, the Drain Commissioner and Treasurer have structured a two year loan from the Delinquent Tax Revolving Funds to the Drainage District in an amount not to exceed \$100,000 at the annual rate of 4.33%. This results in an overall savings to the district of approximately \$5,000 for what would otherwise be normal financing costs. While at the same time provides interest revenue to the DTRF at an equivalent market rate of a two year investment.

The payment of the loan will be made from the proceeds of the final construction note (or bonds) to be issued after the project is put out to bid. The district consists of 3,452 parcels owned by 2,745 different land owners. Preliminary numbers suggest the annual assessment for this drain will range from \$11 to \$2,588 per year.

I am happy to answer any further questions you may have.