

Leland Township Board Special Meeting

Open Session

May 30, 2023, 10:00 a.m.

Leland Township Office, 224 W. Main St., Lake Leelanau

PRESENT: Supervisor Susan Och, Clerk Lisa Brookfield, Treasurer Shirley Garthe, Trustee Clint Mitchell, Deputy Clerk Allison Hubley-Patterson

ABSENT: Trustee Mariann Kirch

GUESTS: Keith Ashley, Gary Coyle, Cal Littleton, Steve Mikowski and Attorney Robert Parker (by telephone)

CALL TO ORDER/ PLEDGE OF ALLEGIANCE

Ms. Och called the meeting to order at 10:01 a.m. with the Pledge of Allegiance.

A portion of this meeting may be held in closed session if an open meeting would have a detrimental financial effect on the Township's litigating or settlement position.

APPROVAL OF AGENDA

ACTION: Ms. Garthe moved to approve the agenda as presented; supported by Mr. Mitchell. Motion carried.

DECLARATION OF CONFLICT OF INTERESTS - none

PUBLIC COMMENT – none

ACTION ITEMS

Discuss purchase offer for 489 W. Main Street, Lake Leelanau, MI 49653

Ms. Och introduced Attorney Robert Parker, who joined the meeting by telephone. Mr. Parker stated that the Township has been deliberating with the seller on the terms of the purchase offer for approximately ten days and a final offer was received late last week. The terms will be: purchase price = \$600,000, \$150,000 down payment, 15-year land contract, 6.5% interest. Mr. Parker anticipates a closing date within 60 days of the signing of the purchase agreement; this is contingent on completing both the survey and the environmental work.

Ms. Brookfield read an email from Trustee Kirch who did not attend the meeting. She outlined some specific concerns, including the fact that she would like to see key timelines inserted into the purchase agreement. Ms. Kirch noted that Phase II of the environmental inspection would not be needed unless the results of Phase I required it.

Mr. Parker will make the necessary edits to the purchase agreement and will have a final document to Ms. Och and Ms. Brookfield for signature later today.

Ms. Och stated that the terms presented would require a payment to Dr. LeBlanc from the Township of \$3,920 each month. A total of \$255,000 would be paid in interest over the 15-year period. Ms. Och reiterated that the interest rate on the USDA loan would be 3.75 and stated that the Township can refinance using this loan. She indicated that commercial lenders are not lending for a period of longer than 20 years; the term of the USDA loan would be 30 years and there is no pre-payment penalty. Mr. Ashley encouraged the Board to move forward and sign the purchase agreement.

ACTION: Ms. Brookfield moved to authorize the Supervisor and the Clerk to sign the purchase agreement for the purchase of 489 W. Main Street, Lake Leelanau, MI 49653; supported by Ms. Garthe. Motion carried. A roll call vote was conducted by Ms. Brookfield; 4 ayes, 0 nays, Trustee Kirch was absent.

Ms. Och inquired if this action requires a resolution from the Township Board. Mr. Parker stated that a vote of those present is sufficient.

OTHER/OLD BUSINESS

Prior to Mr. Parker leaving the meeting, Mr. Mitchell inquired if he or Ms. Och had heard anything regarding Sunset Shores. To date, there has been no word; however, Ms. Och stated that she is in the process of scheduling a meeting for the interested parties in this matter for either June 5th or June 6th. A public notice will be posted to the Leland Township website once the date is finalized. Ms. Och briefly summarized the issue in the Sunset Shores matter. Although there is a road for ingress and egress, the Township has tried to get an additional easement from the Korson family in case other property owners in the area dispute the use of the road. The plat must be updated because there are utilities in this area.

Regarding the purchase of the new building, Ms. Och stated that Phase II environmental inspection is needed because the building is next to a gas station. The survey will cost approximately \$1,500 and the tile work will cost about \$1,000. The cost of the inspection is still unknown. The title work will be handled by Mr. Parker and Ms. Jodi Wolfe at Access Title Agency. Mr. Coyle will work on lining up an inspector; he has approximately five inspectors he can contact.

Ms. Och stated that an appraisal is not required for the USDA loan. The main concern will be the financial feasibility analysis that is needed. Ms. Och is concerned that the Township experienced a drastic decline in tax revenue approximately two years ago due to the lost millage.

Discussion ensued regarding whether the Board should pass a resolution at the next meeting regarding the property tax administration fee. Mr. Mitchell stated that this would be difficult to do until the land contract is finalized. Ms. Brookfield added that the administration fee should be further discussed and noted that additional input from the public would be beneficial.

Ms. Och will find out who will perform the financial feasibility analysis. Mr. Jon Poortenga who is our auditor with Tobin & Company stated that it is not appropriate for him to conduct this analysis. Ms. Och will locate another individual to do this work who will rely on Mr. Poortenga's past audits of the Township books.

Ms. Och stated that the idea of taking out the USDA loan is to pay off the land contract. Mr. Mitchell added that the Township must show the inability to obtain financing in other ways; Ms. Och confirmed that this is a requirement of the USDA loan. She stated that we will end up with the USDA loan because

the Township will not obtain a better rate elsewhere. Ms. Och indicated that the down payment for the purchase of the building will come from capital improvement funds.

Mr. Mitchell inquired if the administration fee must be spent in the same fiscal year as when it is received. Ms. Och stated that it does not need to be spent in the same year. The Township is able to look at their expenses in the previous year. In total, up to 1% of the total tax bill may be added. Ms. Garthe stated that the only two townships in Leelanau County that do not take the 1% are Leland Township and Bingham Township.

BOARD COMMENT – none

PUBLIC COMMENT

Mr. Cal Littleton offered his services in helping to design signage for the new Township office building as this is his area of expertise.

ADJOURNMENT

ACTION: Mr. Mitchell moved to adjourn the meeting at 10:45 a.m.; supported by Ms. Garthe. Motion carried.

Respectfully Submitted,

Allison Hubley-Patterson, Recording Secretary

Date Approved: _____

Susan Och, Leland Township Supervisor

Lisa Brookfield, Township Clerk