

## Minutes

Kalamazoo County Transportation Authority

May 20, 2009

Place: Comstock Township Hall

Time: 10:00 a.m. – 10:41 a.m.

Others Present:

Jeff Bither-Ross Twp

Alan Bussema-Richland Twp

Wade Carlson-City of Kalamazoo

George Cochran-Kalamazoo Twp

Nancy Culp-Oshtemo Twp

Carol DeHaan-Cooper Twp

Marsha Drouin-Richland Twp

Dennis Durham-City of Parchment

Rachel Foster-KCTA Attorney

Kathy Guthrie-Kalamazoo County

Rob Heasley-City of Parchment

Dale Hein-KCTA

Tim Hudson-Comstock Twp

Brian Kelley-City of Portage

Chad Meints-Comstock Twp

Terri Mellinger-Kalamazoo Twp

Lee Philport-Brady Twp

Jim Porter-Oshtemo Twp Attorney

Lori Pyatt-KCTA

Brenda Schug-Charleston Twp

Teresa Scott-Schoolcraft Twp

Phyllis Simmons-Climax Twp

Jeff Sorensen-Cooper Twp

Don Ulsh-Schoolcraft Twp

Bob Vlietstra-Alamo Twp

Pat White-Pavilion Twp

Chairperson Teeter called the meeting to order.

### 1. ROLL CALL

Members Present: Diane Kempen, Terry Kuseske, Jack Mekemson, Greg Rosine, Char Sumney, Linda Teeter, and Jan VanStratt.

Members Absent: Paul Ecklund and David Worthams

A quorum was present.

A motion to excuse Mr. Ecklund and Mr. Worthams was made by Mr. Mekemson, supported by Mr. Kuseske, and approved.

### 2. DISCUSSION OF THE MAY 5<sup>TH</sup> BALLOT PROPOSAL AND COLLECTION PROCESS

After brief introductions, Chairperson Teeter explained that the KCTA had called to meeting to seek input. Mr. Hein stated that in February the KCTA sent the ballot language to all tax officials; the resolution sent indicated that, if passed, it would be placed on the summer tax bill. On 5/11/09, the KCTA adopted a resolution to levy on the summer tax bill. On 5/12/09, the KCTA staff delivered the L-4029's to the area tax assessing officials. On that day the KCTA heard for the first time that levying on the July bill would cause the townships to lose state reimbursement. (The cities had not been receiving this state reimbursement.)

Ms. Foster summarized the "2009 Transportation Millage Issues" document (a copy of that document will be filed with the official minutes). She explained the two opposing statutes: P.A. 196 of 1986, and The State Education Tax Act, which allowed for reimbursements to the townships within certain boundaries.

Mr. White pointed out that PA 196 allowed the KCTA to have agreements negotiated with the townships to reimburse the amount the townships would lose. He added that losing the reimbursements would negatively affect the townships. The townships then listed how much they would lose.

Chairperson Teeter stated that partnership with townships was important to the KCTA and was the reason for the meeting. The KCTA had a special meeting scheduled the following evening to amend the resolution to levy.

Ms. Foster asked to hear from the cities. Mr. Kelley stated the City of Portage had always collected city taxes on the summer bill and had never been eligible to receive the state reimbursement. Mr. Carlson said the same for the City of Kalamazoo, and added that KVCC levied two different times of the year. Another city representative said they preferred to levy in the summer.

Mr. Porter said it was his opinion that nothing in the law precludes the KCTA from collecting in July, but there would need to be negotiations with the townships.

Mr. Hein explained the “KCTA Projected Cash Flow – Levy Scenarios” documents. (A copy of the document will be on file with the official minutes.) He noted that having different fiscal years than the City complicated the calculations, but the bottom line could be found on the ‘Adjusted Working Capital’ line of each scenario. Chairperson Teeter stated that the scenarios did not take into account KCTA reimbursement to the townships. She then went over each scenario.

Discussion ensued on topics such as:

- lines of credit,
- the potential shortfall in the KCTA budget,
- the potential for a ‘preferential treatment’ perception,
- the cost to the KCTA to reimburse the townships,
- KCTA reimbursement to townships would not be best use of taxpayer money,
- some township citizens have stated they wished they could pay in the summer instead of around Christmas time.
- the county did not have a problem with collecting in the summer and winter.
- the tax for KVCC was on summer bill in cities and winter bills in the townships.
- it was clarified that the KCTA would not receive any of the funds collected after a passing of the City’s November ’09 ballot proposal (those funds would stay with the City of Kalamazoo).

Ms. Foster asked again if the cities were reluctant to collect on the December tax bill. The Portage representative said it wouldn’t matter, but the citizens would notice less of an impact on the summer bill. The City of Kalamazoo representative stated he agreed and added that his citizens would want it kept consistent from year to year. He also noted that City of Kalamazoo residents have the option to pay their summer bill over 6 months (they don’t have this option with winter tax bills).

Chairperson Teeter clarified with the townships that they would want to be kept on the winter bill. Patrick White added that it would be good to keep it consistent from year to year. The representatives stated that they would begin printing bills around June 6<sup>th</sup>.

Mr. Hein stated that the townships and cities would be notified of the KCTA's decision, and Ms. Foster said that P.A. 196 required the KCTA to distribute the L-4029's in September for inclusion on the winter tax bills.

Discussion turned to how the townships would be notified; Tim Hudson offered his help. Chairperson Teeter asked that the townships which had not made that morning's meeting be contacted.

Several representatives expressed their appreciation to the KCTA for considering the townships. Mr. Sorensen said that the KCTA had been good about communicating with the townships and set a good example.

Ms Teeter reiterated that a special meeting would be held the following evening to consider a revised resolution to levy. Discussion then turned to township and city business.

### 3. CITIZENS' TIME

There were no comments made.

### 4. MEMBERS' TIME

-Mr. Kuseske said that transparent, intergovernmental cooperation was highly valued by the KCTA and was glad that the area leaders were willing to work with the KCTA.

-Mr. Mekemson thanked the leaders for helping the millage get passed, and (presently) that they helped the KCTA know how best to levy it.

-Ms. Sumney said she saw many familiar faces and thanked the leaders for their continued cooperation.

-Ms. Kempen thanked the leaders for their time and input.

-Ms. Teeter invited the leaders to call Mr. Hein if they had questions. She thanked Jim Porter, of Oshtemo Township, and the Treasurer of Pavilion Township for alerting the KCTA to the potential problem.

### 5. ADJOURNMENT

The meeting was adjourned at 10:41 am.