

Special Meeting

May 25, 2011

I. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order at 5:35 p.m. by Chairman Canfield. Present were Beachum, Canfield, Hall, Johnston and Valentine. Also present were General Manager Pierce, Electric Distribution Manager Russo, Chief Accountant Donkersloot and Utility Services Coordinator Morris.

II. **APPROVAL OF AGENDA:** Pierce requested an addition to the agenda. Item (B) biogas project was added to the discussion items. There was a motion by Beachum and a second by Valentine to approve the agenda with Pierce's addition. The motion passed by unanimous vote of the Board.

III. **PUBLIC COMMENT** (Items not on the agenda): There was no public comment.

IV. **DISCUSSION ITEMS:**

A. **LLP PILOT:**

- Pierce reviewed the current PILOT and The City Charter as it relates to the PILOT. The Charter calls for a formal review of the PILOT every five years and a less formal review annually in case there are significant circumstances that arise mid-term.

- Currently LLP is paying 4.5% to the City for PILOT, this is close to the national average but higher than the average for our region. The average for the North East Central Region, including Michigan, Wisconsin, Ohio, Indiana and Illinois, is 2.9%
- The Board discussed the purpose of the PILOT and intent of the Charter language. PILOT is an acronym for Payment In Lieu Of Taxes. The Board asked if we knew what LLP would pay in taxes if it were a taxable entity. Pierce indicated that based on his understanding of the property tax and how it was applied, current millage rate, etc., that LLP would be paying approximately \$130,000 in annual property taxes. This figure, historically, would have been more in line with the regional average of 2.9%.

The Board agreed that Pierce and Canfield would represent LLP on the PILOT committee and that Hall would be available if another member was required. They further agreed that PILOT discussions with Council representative(s) and the new City Manager should start as soon as the new City Manager begins.

B. Biogas Project:

Pierce reviewed the TFG proposal for grant writing services. TFG will write the first two grants for the feasibility study, not to exceed \$5,000. A motion was made by Valentine, seconded by Beachum to approve moving forward on this project, not to exceed \$7,500.

Pierce stated he would report to the Board if the expenses approached \$7,500.

V. BOARD COMMENTS: There were no Board comments.

VI. ADJOURNMENT: There was a motion by Johnston and a second by Hall to adjourn the meeting. The motion passed by a unanimous vote of the Board at 6:39 pm.

Chairman Canfield

Date