DRAFT

LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD MEETING
MARCH 14, 2001
MINUTES

A meeting of the Cadillac Local Development Finance Authority Board was called to order by Chairperson Stalker at 8:00 a.m. on Wednesday, March 14, 2001 in the Council Chambers of the Municipal Complex, 200 N. Lake Street, Cadillac, MI.

ROLL CALL

BOARD MEMBERS PRESENT:	Stalker, Carroll, Petersen, Frisbie, Tencza, Leveille
BOARD MEMBERS ABSENT:	Brovont, Crooks, Benson
GUESTS:	Larry Campbell, City of Cadillac Utilities Director

I. **Approval of the Minutes of September 27, 2000**. It was moved by Petersen and supported by Leveille that the September 27, 2000 meeting minutes be approved as presented. Ayes all.

II. **New Budget**. Stalker presented the LDFA Operating Fund Budget, the LDFA Utilities Fund Budget and the LDFA Debt Retirement Fund Budget. Stalker explained that City Council will be acting on these budgets in the near future, and that the practice has been for the LDFA to review and approve prior to Council action. General discussion followed pertaining to all three budgets. The Operating Fund Budget identifies the Capitalized Interest, which currently is allowing the Fund to remain solvent due to the litigation involving Tier 1 properties. It is hopeful that this litigation will be resolved in the near future. The special assessment for operations will be renewed next year. An analysis regarding costs and current default rates will need to be made during the renewal process. The litigation with Mitchell Corporation has been resolved, with Mitchell installing their own cleanup system. Additionally, the old Four Star (now owned by Roger Walker and leased to AAR) is now paying its assessment, which is very beneficial since this property previously was not paying. During the discussion with regard to the Debt Retirement Fund Budget, it was noted that debt refinancing that was authorized at the last meeting went very well with a projected savings of $2.5 million and possible retirement of the debt as early as 2004. Carroll moved and Petersen supported approving the three budgets. Ayes all.

III. & IV. **Annual Monitoring Update and Operational Update**. Larry Campbell presented the annual monitoring update. Overall, the system continues to operate extremely well. Campbell reported that additional monitoring for chromium would be required since it appears that we are now beginning to receive some of this contaminant from a well other than I-5. The investigation regarding this situation is currently underway.

V. **NPDES Discharge Permit Renewal**. The current NPDES permit will expire October 1, 2001 and Campbell has begun the renewal process for this permit.

VI. **Groundwater Plume Update**. Stalker and Campbell gave a groundwater plume update.

a. Rexair currently has a separate system approved by DEQ, and they are not part of the LDFA system. A determination is in process as to whether or not Rexair has allowed contamination to escape beyond their capture system.
b. Paulstra, which is a Tier 2, has identified a plume from their site. To address this situation, they have installed an extrication well and are performing the necessary cleanup.
c. Mitchell Corporation. It was also reported to the Board that the Mitchell Corporation has recently declared bankruptcy, and the City of Cadillac is working through the bankruptcy court in an effort to make sure that the cleanup program receives priority with regard to these proceedings.
d. Other. General discussion was held pertaining to the potential impacts of these situations on the LDFA.

VII. **Adjournment**. There being no further business before the Board, the meeting was adjourned at 9:20 a.m.

Respectfully submitted,

Steve Frisbie
Secretary