

The Village of Lexington Common Council held a Special Council Meeting Tuesday, February 2, 2021 Via Zoom

Call to Order Regular Council Meeting at: 7:00 p.m. by President Kristen Kaatz

Pledge of Allegiance led by President Kristen Kaatz

Roll call taken by Clerk Beth Grohman

Present: Fulton, Klaas, Jarosz, Adams, Muoio, Parraghi, Kaatz,

Absent: None

Others present: Tatman, Irwin, Brad Southern, UHY, Harold Burn, UHY and 19 citizens

Public Comment

BUSINESS

ADMINISTRATION

A. UHY LLP APPRAISAL QUOTE – Tatman Introduced UHY Consultants, Brad Southern and Harold Burn. Questions from Council were presented to the consultants prior to meeting. Appraisal quote includes securing the appraiser costs and consultation.

1. Real estate appraisal and if the erosion investment is made what does that do to the value of the property. If property was sold, how do we properly reinvest.
2. With the different options available, how do we make it more profitable? Depends on the angle you take, could learn from the real estate appraisers perspective, fair market rents, rate structure can be different from then market. How to proceed to operate the park, to extend to make changes to enhance the profitably and enhance the community.
3. Could the Village generate enough money off a sale of the park, to fill the general fund gap in the budget. You would want to look at operating changes that are necessary to make it efficient park and maximize the value. If park was sold, proceeds would have to be reinvested, constrained by the risks that can be incurred by a governmental unit.
4. If the Village continues to own the park would it be advantageous to invest in shoreline stabilization at the cost of \$1-3 Million? Investments in the magnitude of \$1-3 Million, is a capital investment, is not necessarily adding value but preserving the value. Depending amount of cost of the stabilization project, look at conventional or municipal bonds, cost associated with bonds, but less expensive than a conventional loan.
5. UHY LLC would be securing an appraisal and determine the most important issues and helping with financial analysis assist with an informed decision.
6. One in the same, real estate appraisal analysis afterwards.
7. Comparable to the only mobile home park in Michigan owned by a municipality, consultant nor the appraiser would do a comparable. It is nonexistent, and finding the fair market value of the park.
8. Simple appraisal give enough information to borrow money for bluff stabilization, will have to identify the use of the appraiser, and would be clarified in the engagement letter. UHY could verify to financial institutes that an appraisal has been secured by the Village. Sometimes financial institutions will require their own appraisal.
9. Financial advice report would be offered to the Village should they decide to sell the park.

10. Difference between the current offer and the 2002 Analysis of the park, it is the consulting that is not the same. Start fresh with a fresh perspective market comparable and rate, investment rate of return, would be unwise to use the 2002 report, to reach a new conclusion.

Further discussion on marketing, management companies, bluff stabilization and best options for the Village.

PUBLIC COMMENT

Dina Wurnlinger – Comments regarding the discussion on possible sale of the park and the appraisal, cost of the erosion stabilization.

COUNCIL PERSONS COMMENTS

Jarosz – Commented revenue brought in to the park fund and loan payment, disappointed in hearing the word sell.

Fulton – Responded about the comments on selling option

Klaas – Comments on the financials and break down what is spent by DPW, office staff, etc. and full appraisal and look at the financials by the Village.

Parraghi – Comments on marketing and felt is overlooked during our discussions

Muoio – Commented good opportunity to get the facts to make an informed decisions.

Kaatz – Focus what we asked for from UHY for a municipality that owns a mobile home park. Mentioned sale quite a bit, but that is not the intention of getting the appraisal need the facts to best serve the Village of Lexington.

Fulton – Apologize for outburst.

ADJOURNMENT – Motion by Fulton, seconded by Jarosz, to adjourn the meeting 8:15 p.m.

All Ayes

Motion carried

Respectfully Submitted

Beth Grohman