

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF TRUSTEES
OF THE MONROE COUNTY COMMUNITY COLLEGE DISTRICT

Board of Trustees Room Z-203
La-Z-Boy Center
6:00 p.m., November 14, 2017

Members Present: William T. Bruck, James E. DeVries, Steven Hill, Marjorie A. Kreps, Aaron N. Mason

Excused: Lynette M. Dowler, Mary Kay Thayer

Also Present: AJ Fischer, Molly McCutchan, Kojo Quartey, Suzanne Wetzel, Grace Yackee, and Penny Dorcey (secretary)

1. Monroe County Administrator/Chief Financial Officer – Monroe County, called the meeting to order at 6:00 p.m. The meeting was hosted by the City of Monroe in conjunction with the County of Monroe. The purpose of the meeting was to host and informational meeting regarding DTE Energy's requested reduction in their taxable value.
2. Mayor, Robert Clark, led the introductions of guests, which included members of various, boards, commissions, councils, elected officials, and community members.
3. City Manager, Vince Pastue, reviewed the meeting outline, which included an update on prior actions to elected officials, staff, and community members; a discussion on the selection of taxing entity representatives from each constituent to assemble a team for negotiation purposes; the process for petitioner appeal; and next steps.

4. **Update of Prior Actions:**

Mr. Pastue related that DTE claims that its taxable value is too high, based on the industry shift to natural gas. It wants local entities to assemble a team to negotiate a reduction. The goal is to have negotiations completed by December 31, 2017. If a settlement is reached by December 31, DTE will defer the reduction for one year. DTE will also be negotiating reductions with plants other than the Monroe Plant. They have indicated that negotiations will begin for the FERMI Plant next year.

At the October 12, 2017 meeting, the parties agreed that the Monroe County Assessor would prepare the valuation and hold initial meetings with DTE. Taxing entities will be asked to select a representative with decision-making authority for the negotiation team. The City will hold an informational meeting for elected officials.

Mr. Pastue reviewed the financial impact of various reductions. A 50 percent reduction would reduce Monroe County Community College's revenue by \$742,146 per year. A 25 percent reduction would lower revenues by \$371,073. On November 1, 2017, the Monroe City Assessor provided the following valuation to DTE:

Current SEV: \$522,452,500

Current Taxable Value: \$489,473,550

Assessor's SEV Estimate: \$493,473,100 (a 5.5 percent reduction as of December 31, 2017)

An informational meeting was scheduled for Tuesday, November 1, 2017 (tonight's meeting).

5. **Assemble a Team to Hold Negotiations With DTE:**

The team will review DTE's request when it is formally provided. Taxing entities will select a representative. The scope of responsibilities for each representatives includes availability to attend meetings, keeping informed of the issues, to be responsive in communicating to the tax jurisdiction team, and to have the ability to analyze proposals and respond in favor or not in favor in an efficient manner.

6. Process for Petitioner Appeal:

Mr. Bosanac cited a 2014 case in Ottawa County, in which taxing entities there fought a reduction in a natural-gas fired plant in Zeeland (New Zealand Docket No. 14-002063-TT) owned by Consumers Energy through a cost sharing agreement among the entities. Mr. Bosanac gave an overview of the process used in in the above case and then reviews a Draft Joint Participation Agreement, which gave an estimated range of expenses to support taxable value and or defend, if necessary, an appeal by DTE. MCCC's portion of the cost for a \$300,000 defense would be \$27,126, and \$67,816 for a \$750,000 defense.

A process for petitioner appeal will be in place in preparation for addressing any changes and the eventual outcome of DTE's request. The role of the taxing entity representative includes cost sharing participation; being involved in the process to select legal counsel and other expert services , if necessary; and to receive regular updates from legal, assessing/appraisal teams and communicate the information back to his/her respective governing Board.

7. Next Steps:

Next steps include the selection of a \representative by the taxing entities. The representative must have decision-making authority. Entities can either mail or email their representative selection to the City Manager, Vince Pastue.

The City Assessor's Office will be the point of contact through the discussions with DTE. The Tax Jurisdiction Team will work with and support the process, provide feedback, and act upon the behalf of the taxing entities.

8. Adjournment: The meeting adjourned at 7:11 p.m.

Respectfully submitted,

Aaron N. Mason
Chair

James E. DeVries
Secretary

/prd

These minutes were approved at the November 27, 2017 regular meeting of the Board of Trustees.