



Rochester Hills Minutes - Draft Building Authority

*Chairperson Johannes Buiteweg, Secretary Tom Zelinski
Members: Frank Cosenza, Michael Kaszubski, Michael McGunn
Staff Members: Kurt Dawson, Keith Sawdon*

Wednesday, May 18, 2011

5:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

Chairperson Johannes Buiteweg called the meeting to order at 5:05 p.m., Michigan Time.

ROLL CALL

Chairperson Buiteweg noted that a quorum was present.

Present 4 - Johannes Buiteweg, Michael Kaszubski, Thomas Zelinski and Michael McGunn

Absent 1 - Frank Cosenza

Administrative Member Present: Keith Sawdon, Finance Director

APPROVAL OF MINUTES

2011-0202 Approval of Minutes - May 19, 2010

Attachments: [Building Authority Draft Minutes 051910.pdf](#)
[0202 Resolution.pdf](#)

Chairperson Buiteweg noted that there is a typographical error on page three in the Resolution for 2010-0207. It was noted that the word "principle" should be "principal". It was noted that this correction will be made.

A motion was made by Kaszubski, seconded by Zelinski, that the Minutes be Approved as Amended. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that the Minutes of the Building Authority Regular Meeting held on May 19, 2010 are approved as amended.

NEW BUSINESS

2011-0203 Election of Chairperson

Attachments: [0203 Resolution.pdf](#)

Member Thomas Zelinski nominated Johannes Buiteweg to be Chairperson

for the Building Authority for 2011.

A motion was made by Zelinski, seconded by Kaszubski, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that Johannes Buiteweg is Chairperson of the Building Authority for 2011.

2011-0204 Election of Treasurer

Attachments: [0204 Resolution.pdf](#)

Keith Sawdon, Director of Finance, suggested that Kurt Dawson be considered for Building Authority Treasurer. He noted that as City Treasurer, Mr. Dawson would be readily available to execute any documents necessary for the Building Authority.

Chairperson Buiteweg concurred, and nominated Mr. Dawson as Treasurer for the Building Authority for 2011.

A motion was made by Buiteweg, seconded by Kaszubski, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that Kurt Dawson is Treasurer of the Building Authority for 2011.

2011-0205 Election of Secretary

Attachments: [0205 Resolution.pdf](#)

Member Zelinski nominated Michael Kaszubski as Secretary of the Building Authority for 2011.

A motion was made by Zelinski, seconded by McGunn, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that Michael Kaszubski is Secretary of the Building Authority for 2011.

2011-0206 Annual Audit by Plante Moran

Attachments: [2010 CAFR Part 3 Building Authority.pdf](#)
[2010 CAFR Auditor Letter.pdf](#)
[2010 CAFR Debt Note.pdf](#)
[2010 CAFR part 4 Stat Debt Section.pdf](#)

Keith Sawdon, Director of Finance, noted that the Audit Report along with a citizen-friendly financial summary are available for review in their entirety on the

City's website. He highlighted the following:

- The Auditor's Letter presents the Auditor's opinion that the financial statements accurately and fairly present the financial position of the City, and conform to Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements.
- The Authority's charge is oversight of the bonds for City Hall, listed under General Obligation Bonds. The majority of the Building Authority Series 2002 bonds were refunded (refinanced) last year and a final payment remains for a small portion of the Series 2002 bonds not refunded last year because of the lack of savings involved. The Series 2010 bonds issued last year are now in the schedule.
- The City's Debt Management Policy dictates that refunding can only be done if there is a Net Present Value savings of at least two percent, encompassing at least \$100,000 in net savings after all costs. The bonds refunded last year yielded a Net Present Value Savings of 4.47 percent, or just under \$313,000. The bonds issued have a Net Interest Cost of 3.219 percent. In all, the City was able to take advantage of lowered interest rates in 2010, refunding three bonds and defeasing a County bond.

Members questioned the expenses listed for the 2010 Refunding Bond.

Mr. Sawdon explained that the miscellaneous expenses listed of \$78,991 for the Municipal Building Refunding Bond, Series 2010, included the Bond Counsel, financial advisor and printing fees. He noted that the Debt Management Policy dictates the savings net of all expenses. He continued his summary:

- In 2010, the City's ratio of Debt to Taxable Value was 0.91 percent, which is considered very good. Debt per Capita is \$464. This position is reflected by the City's bond rating, which is AAA both from Fitch and Standard & Poors, recognizing the City's efforts in a time when many municipalities are undergoing economic turmoil.
- The law gives the City the ability to issue over \$323 million in debt. The City currently has only \$30 million outstanding, less than ten percent of what could be legally issued both with and without voter approval.

A motion was made by Kaszubski, seconded by McGunn, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that the Rochester Hills Building Authority accepts the verbal report from the Finance Director of the audit conducted by Plante Moran for the 2010 fiscal year.

2011-0207 Approval of 2012 Debt Payment

Attachments: [Bldg Authority DEBT SCHEDULE.pdf](#)

Mr. Sawdon noted that the approval of the 2012 Debt Payment should also include a reference to Paying Agent Fees in the amount of \$250.00, in addition to the Principal and Interest.

A motion was made by Kaszubski, seconded by McGunn, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that the Rochester Hills Building Authority approves and authorizes the payment of Seven Hundred Sixty Thousand Eight Hundred Fifty (\$760,850.00) Dollars, the total amount of interest and principal due plus Pay Agent and Cremation costs of Two Hundred Fifty (\$250.00) Dollars on the City of Rochester Hills Building Authority Bonds, Series 2010, during the Fiscal Year 2012.

2011-0208 2012 Proposed Budget for Building Authority Commission

Attachments: [279 = Building Authority 2012-14 Budget.pdf](#)
[279 = Building Authority - Technical Appendix 2012-14 Budget.pdf](#)

Mr. Sawdon noted that the proposed Budget for the Building Authority includes a schedule of three meetings per year, as reflected in the Authority's By-Laws. He explained that although the remaining meetings for 2011 are not currently deemed necessary, retaining a budget for three meetings each year will allow for an additional meeting to be scheduled without the need for an administrative adjustment.

A motion was made by Zelinski, seconded by McGunn, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Resolved, that the Rochester Hills Building Authority hereby approves the proposed 2012, projected 2013 and projected 2014 Budgets for the Building Authority under the General Fund as presented in the amount of One Thousand Ten and 00/100 (\$1,010.00) Dollars.

2011-0209 Cancellation of Remaining Scheduled Meetings for Fiscal Year 2011

Attachments: [0209 Resolution.pdf](#)

Members questioned whether a motion to cancel the remaining meetings for 2011 should list the date of the meeting in 2012.

Mr. Sawdon responded that the Authority By-Laws specify that the meeting be held on the Third Wednesday in May; therefore, a date does not need to be included in a motion.

A motion was made by McGunn, seconded by Kaszubski, that this matter be Approved. The motion carried by the following vote.

Aye 4 - Buiteweg, Kaszubski, Zelinski and McGunn

Absent 1 - Cosenza

Whereas, the Rochester Hills Building Authority has determined that with the conclusion of its May 18, 2011 meeting the Building Authority has addressed all the business requiring Building Authority action for fiscal year 2011, and

Whereas, being there is no remaining business requiring Rochester Hills Building Authority action;

Now Therefore Be It Resolved, that the Rochester Hills Building Authority has determined that the need to hold their remaining meetings in 2011 is not necessary, and

Be It Further Resolved, that the Rochester Hills Building Authority hereby cancels its meetings scheduled for Fiscal Year 2011.

ANY OTHER BUSINESS

Chairperson Buiteweg questioned whether a draft of today's minutes could be distributed prior to next year's meeting.

Members questioned whether minutes could be approved by proxy or e-mail.

Mr. Sawdon responded that he would review the Authority's By-Laws; however, he did not think that it is possible to approve the minutes by proxy or e-mail. He offered that once the draft minutes are prepared, most likely within one month from now, they could be distributed for review by e-mail to the Authority members for any comments or corrections which would be made prior to their inclusion on next year's agenda for a motion to approve.

Chairperson Buiteweg questioned whether the members had any other business to discuss.

There was no other business discussed.

NEXT MEETING DATE

- May 17, 2012

ADJOURNMENT

There being no further business to discuss, Chairperson Buiteweg adjourned the meeting at 5:38 p.m.

Johannes Buiteweg, Chairperson

*Minutes prepared by Mary Jo Whitbey.
Minutes were approved as presented/amended at the _____
Regular Building Authority Meeting.*