



DEAN W. BOTT
DEPUTY ADMINISTRATOR, DIRECTOR OF FINANCE

GRAND TRAVERSE COUNTY
FINANCE DEPARTMENT

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Honorable Michigan State Senator Tom Casperson, Chairman
Michigan Senate Natural Resources, Environment, and Great Lakes Committee

Honorable Michigan State Senator Phil Pavlov
Honorable Michigan State Senator Mike Green
Honorable Michigan State Senator Mike Kowall
Honorable Michigan State Senator Arlan Meekhof
Honorable Michigan State Senator Rebekah Warren
Honorable Michigan State Senator Morris Hood

October 1, 2014

Dear Senators Casperson, Pavlov, Green, Kowall, Meekhof, Warren, and Hood:

Grand Traverse County, working through its Board of Public Works, in cooperation with Garfield Charter Township, East Bay Charter Township, Elmwood Charter Township, Acme Township, and Peninsula Township, constructed and operate a septage treatment facility benefiting the Grand Traverse Region.

The Legislative Analysis of HB 4874 indicates the fiscal impact to local units of government is indeterminate. It is my opinion that there would absolutely be a fiscal impact to local units of government. This is because the five townships mentioned above are contractually obligated to cover any operating deficits at the facility. These townships have also contractually pledged their full faith and credit to secure bonds that were issued to construct the facility. This means that if revenues are not sufficient to cover the operating costs and the debt service on the facility, the five townships are contractually obligated to cover the shortfall. Rather than reach the conclusion that the fiscal impact to local units is indeterminate, it is more appropriate to state that the fiscal impact to the local units of government, specifically the five townships mentioned above, is very significant because HB 4874 will negatively impact the volume of septage waste that is processed at our septage treatment facility.

Grand Traverse County has also secondarily, pledged its full faith and credit for the bonds issued to construct the facility. The County has worked very closely with the five townships to refinance the debt service on this facility to lower the overall operating costs and to generate sufficient cash flow to cover expenses and debt payments. Together we have been successful in these efforts and the facility is now financially sound. And, as stated by Elmwood Township Supervisor Jack Kelly, we have had no complaints from property owners regarding our septage processing rates.



RECYCLED PAPER

I strongly oppose HB 4874 because it will have a significant financial impact on our septage treatment facility.

Sincerely,

A handwritten signature in black ink that reads "Dean Bott". The signature is written in a cursive style with a large initial 'D'.

Dean Bott, CPA, CPFO
Finance Director
Grand Traverse County