

***OTTAWA COUNTY BOARD OF COMMISSIONERS***

**INFRASTRUCTURE PROGRAM FUND POLICY**

**I. POLICY**

The Ottawa County Infrastructure Program Fund is established by the Ottawa County Board of Commissioners. The Infrastructure Program Fund will be used for the following purposes: (1) as a Revolving Loan Fund for local units of government that are implementing water or sewer construction projects; (2) for projects authorized for County funding by Act 246 of the Public Acts of 1931, as amended; and (3) for County Board Initiatives that are selected for funding by the Ottawa County Board of Commissioners. The approval and administration of projects will be governed by the terms of this policy.

**II. STATUTORY REFERENCES**

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); Act 156 of the Public Acts of 1851, as amended.

**III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Policy Adoption Date and Resolution Number: 03/09/99

Board of Commissioners Review Date and Resolution Number: \_\_\_\_\_

Name and Date of Last Committee Review: \_\_\_\_\_

Related Policies: \_\_\_\_\_

## **INFRASTRUCTURE PROGRAM FUND POLICY**

### **PROCEDURE**

#### **1. Revolving Loans:**

The purpose of this Infrastructure Program Fund component is to provide low-interest loans to local units of government within Ottawa County for municipal water or sanitary sewer system construction projects, or for authorized Act 246 projects.

#### **2. Eligible Projects:**

- a. Water System Construction
- b. Sanitary Sewer System Construction
- c. Projects authorized for County funding by Act 246 of the Public Acts of 1931, as amended.

#### **3. Eligible Applicants:**

- a. Townships
- b. Cities
- c. Villages

#### **4. Eligibility Requirements:**

- a. Engineering and design plans and project budgets must be completed.
- b. Projects must be consistent with the goals of the Ottawa County Development Plan.
- c. A revolving loan application in a form developed by the Planning and Grants Department must be completed.
- d. The total amount of funds that are loaned in any single calendar year shall not exceed \$1,000,000. Each loan and interest must be repaid in-full within ten (10) years.
- e. If the total amount of eligible loan requests exceeds available funds in a single calendar year, the Ottawa County Board of Commissioners will select among the eligible projects.
- f. The interest rate on loans shall be based upon the General Obligation AAA rate report in the weekly "Current Municipal

Bond Rates" Report published by Wachovia, or any other similar publication approved by the Ottawa County Administrator. The interest rate shall be up to two percentage points less than that rate; but at no time shall the interest rate on loan be less than 3%.

- g. Approved project funding must be drawn down to reimburse project costs in full by the local unit of government within one (1) calendar year of approval of the project by the Board of Commissioners. If the funding is not fully drawn down, the approval shall lapse as to any undrawn funds.

**5. Other Provisions:**

- a. The application process will consist of submitting a formal application. Applications will be accepted at any time. Applicant(s) will be notified of funding status after a determination has been made by the County Board of Commissioners. The County reserves the right to reject any and all applications that are submitted.
- b. Local units of government will be required to pledge their full faith and credit on the loan.
- c. Formal contractual and/or loan documents agreements must be signed by the County and the loan recipient prior to any project costs being incurred.
- d. If approved for funding, the project applicant must provide the County with quarterly update reports regarding the project.
- e. Any cost overruns associated with an approved loan project will not be eligible for additional County funding.
- f. At the County's discretion, an arbitrage calculation will be performed on the loan at the end of the construction period. The local unit of government (lender) shall reimburse the County for the costs of the arbitrage calculation and any rebatable arbitrage.
- g. The County will not be responsible for any operational or maintenance costs after the project is completed.
- h. The establishment and maintenance of the Infrastructure Program fund does not and shall not be construed to commit Ottawa County and the Ottawa County Board of Commissioners to fund any projects whatsoever. Funds may be transferred into and out of the Infrastructure Program Fund by the Ottawa County Board of Commissioners at any time and at its absolute

discretion, consistent with the requirements of law and the Policies of the Ottawa County Board of Commissioners. The decisions to commit or not to commit money from the Infrastructure Program Fund to any project, and the decisions to transfer money into and out of that Fund, are legislative in nature. These decisions are absolutely discretionary with the Ottawa County Board of Commissioners and are not subject to appeal.

i. Any statement made by an employee of Ottawa County regarding specific funding requests or specific projects will not be binding upon the County.

**6. Applications must be submitted to:**

County Administrator  
12220 Fillmore Street, Room 310  
West Olive, Michigan 49460

The County Administrator will advise the Board of Commissioners of the applications received.

**7. Questions or comments regarding this program should be directed to:**

Planning and Grants Department  
12220 Fillmore Street, Room 170  
West Olive, Michigan 49460  
Phone: (616) 738-4852

**8. County Board Initiatives**

The Infrastructure Fund may also be used to fund capital improvement projects initiated by the Board of Commissioners which, in the opinion of the Board, provide maximum social and economic benefit to the citizens of Ottawa County.

**REVIEW PERIOD**

The County Administrator will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.