

May 5, 2003  
Gladwin, Michigan

The regular meeting of the Gladwin City Council was called to order by Mayor Winarski at 8:00 p.m.

Present: Alward, Caffrey, Crawford, Hindman, Jungman, Matteson, Mienk, Novak  
Absent: None  
Staff Present: Bob McConkie, Shannon Greaves, Bernadette Weaver, Doug Jacobson,  
Charlie Jones  
Also Present: Mayor Winarski, Steve Freund, Brian Jungman, Lee Otto, Jeff Otto

Motion by Council Member Matteson, supported by Council Member Mienk to enter into the Public Hearing. All ayes. Motion carried.

Administrator McConkie explained the details of the Michigan Community Development Block Grant Program Economic Development Infrastructure Project (Riverwalk Place).

Brian Jungman inquired as to the lighting from Bowery to Cemetery Street.

Motion by Council Member Matteson, supported by Council Member Mienk to close the public hearing. All ayes. Motion carried.

Motion by Council Member Caffrey, supported by Council Member Mienk to approve Warrant #03-032 in the amount of \$11,335.19 and Warrant #03-033 in the amount of \$29,799.74. All ayes. Motion carried.

#### Hearing of Delegations

Lee and Jeff Otto were present from Lee Otto Pontiac to ask the city to vacate a portion of St. Andrews Drive. The vacation is needed to proceed with the parking lot paving and sidewalk project. This request needs to be approved at the next Planning Commission meeting and return with their recommendation to the council.

Steve Freund was present on behalf of his daughter regarding a personnel issue with the city. Administrator McConkie explained the issues.

Motion by Council Member Jungman, supported by Council Member Novak to establish the agenda with the following additions: Old Business – SLC Water Meters; New Business – Payment No. 1 – FED Corporation. All ayes. Motion carried.

Motion by Council Member Hindman, supported by Council Member Crawford to approve the consent agenda which includes the following: Communications – (i) MDOT – Parallel Taxiway 2003, (ii) Consumers Energy, (iii) West Nile Virus Informational Letter, (iv) GBPA Thank You Letter, (v) Letter to Dan Provost Regarding River Road; Meetings – District Commissioner 4/8/03, Housing Commission 4/15/03, Parks

Commission 4/28/03, Planning Commission 4/28/03, Zoning Board of Appeals 5/1/03.  
All ayes. Motion carried.

Old Business

None

New Business

Motion by Council Member Mienk, supported by Council Member Caffrey to retain ACI Finance, Inc. as bond council and financial advisor relating to the potential project financing. All ayes. Motion carried.

**City of Gladwin**  
County of Gladwin, Michigan

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**NOTICE OF INTENT RESOLUTION**  
**(Sewer Improvements Project)**

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Minutes of a regular meeting of the City Council of the City of Gladwin, County of Gladwin, Michigan (the "City") held on Monday, the 5th day of May, 2003, at 8:00 o'clock p.m., Eastern Daylight Time.

The following preamble and resolution were offered by Member Crawford and supported by Member Caffrey:

WHEREAS, the Michigan Department of Environmental Quality has issued Director's Order ACO-SW02-026 dated August 6, 2002 (the "Order"), to the City mandating that the City complete (a) construction of necessary sewer system improvements to eliminate combined sewer overflows by April 30, 2004, and (b) removal of solids from the lagoon by December 31, 2005 (all such improvements and such removal being, collectively, the "Project"); and

WHEREAS, the City Council, pursuant to Part 43 of Act No. 451, Public Acts of Michigan, 1994 ("Act 451"), intends to authorize the issuance of one or more series of general obligation limited tax bonds in the aggregate principal amount of not to exceed in total Seven Hundred Fifty Thousand Dollars (\$750,000) for the Project, to comply with the Order; and

WHEREAS, the City Council desires to take certain other preliminary actions so as to facilitate the issuance and sale of said bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds with respect to the bonds described in the preamble to this resolution in the *Gladwin County Record*, a newspaper of general circulation in the City, as a display advertisement at least one-quarter (1/4) page in size.
2. The notice of intent so published shall be in substantially the following form:

**NOTICE TO ELECTORS AND TAXPAYERS  
OF THE CITY OF GLADWIN  
OF INTENT TO ISSUE  
SEWER IMPROVEMENT BONDS  
SECURED BY THE TAXING POWER OF THE CITY  
AND RIGHT OF REFERENDUM THEREON**

PLEASE TAKE NOTICE that the City Council of the City of Gladwin, County of Gladwin, Michigan, intends to authorize the issuance and sale of its general obligation limited tax bonds pursuant to Act 451, Public Acts of Michigan, 1994, as amended, in the aggregate principal amount of not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) for the purpose of defraying the costs of the construction of necessary sewer system improvements to eliminate combined sewer overflows and the removal of solids from the lagoon so as to comply with Michigan Department of Environmental Quality Director's Order ACO-SW02-026, dated August 6, 2002. The improvements to the City's sewer system described herein are more fully described in the City's final plans and specifications which are on file with the City.

The bonds shall mature serially in not to exceed thirty-five (35) annual installments, with interest payable on the unpaid balance at rates to be determined at public or negotiated sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds. The bonds may be issued in one or more series as shall be determined by the City Council.

**SOURCE OF PAYMENT OF BONDS**

THE PRINCIPAL OF AND INTEREST ON SAID GENERAL OBLIGATION BONDS shall be payable from the general funds of the City lawfully available for such purposes including ad valorem taxes levied upon all taxable property in the City within applicable charter, statutory and constitutional tax rate limitations.

**RIGHT OF REFERENDUM**

THE GENERAL OBLIGATION BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such a petition is filed, the bonds cannot be issued unless approved by a majority vote of the electors of the City voting on the question of their issuance.

THIS NOTICE is given pursuant to the requirements of Section 4307(2) of Act 451, Public Acts of Michigan, 1994.

ADDITIONAL INFORMATION may be obtained from the office of the City Administrator upon request.

SHANNON GREAVES  
City Clerk  
City of Gladwin

3. The City Council does hereby determine that the foregoing form of notice of intent to issue bonds and the manner of publication directed is adequate notice to the electors and taxpayers of the City and is well calculated to inform them of the intention of the City to issue the general obligation bonds, the purpose of the bond issue, the security for the bonds and the right of referendum of the electors with respect thereto, and that the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. Each of the officers of the City is hereby authorized and directed to execute and deliver such applications, documents, instruments and certificates with the Michigan Department of Treasury in support of an application of the City for “qualified status” or, in the alternative, for prior approval to issue the bonds, and to file for such waivers as may be necessary or advisable with respect to the bonds. The City Administrator is designated as the “chief administrative officer” of the City for purposes of executing and filing such applications pursuant to the requirements of Act 34, Public Acts of Michigan, 2001, as amended.

5. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse the City for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is an amount not to exceed \$750,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City’s use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this Resolution.

- (e) The expenditures described in (b) above are “capital expenditures” as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this Resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.
- (g) Expenditures for the Project to be reimbursed from the proceeds of the borrowing for purposes of this Resolution do not include costs for the issuance of the debt or an amount not in excess of the lesser of \$100,000 or 5 percent of the proceeds of the borrowing, or preliminary expenditure not exceeding twenty (20) percent of the issue price of the borrowing, within the meaning of Treas. Reg. § 1.150-2(f) (such preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to construction of the Project, but do not include land acquisition, site preparation, and similar costs incident to commencement of construction).

6. The City Administrator is designated as the officer of the City authorized to make any further declarations of intent to reimburse expenditures made from funds of the City or its subordinate entities from the proceeds of the bonds described in the preamble to this resolution.

7. The preceding official intent declaration shall be filed by the City Clerk in the City Clerk’s office and shall be reasonably available for inspection by the public within thirty (30) days of the date hereof at the offices of the City and will remain available for public inspection on a reasonable basis until the date or dates of issuance of the obligations described in the declaration.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Alward, Caffrey, Crawford, Hindman, Jungman, Matteson, Mienk, Novak  
NAYS: None  
ABSENT: None

RESOLUTION DECLARED ADOPTED this 5<sup>th</sup> day of May, 2003.

Council advised Administrator McConkie to reduce the advertising space in the Annual Directory for the Chamber of Commerce down to ½ page for \$200.00.

Motion by Council Member Caffrey to donate \$2,500.00 to the Gladwin Recreation Program, supported by Council Member Hindman. Ayes: Hindman, Caffrey, Nays: Alward, Crawford, Jungman, Matteson, Mienk, Novak. Motion is defeated. It was suggested that the Parks Commission meet with the Gladwin Recreation Department to determine a donation amount.

Traffic Control Order  
(See Attached)

Council Member Jungman stated that Al Hawley requested the replacement of the boards for the stage at the amphitheatre. Administrator McConkie stated that he would take care of this issue.

Council Member Jungman stated that an issue was raised as to the liability issue to the City when Nadine Beresford teaches tennis lessons in the park.

Motion by Council Member Mienk, supported by Council Member Crawford to approve FED Payment No. 1 in the amount of \$20,604.15 for the 2002 Riverwalk Extension. All ayes. Motion carried.

Comments

Mayor Winarski stated that petitions are due May 13<sup>th</sup> at 4:00 p.m. for those who are interested in running for City office.

Personnel Committee meeting Thursday, May 8<sup>th</sup> at 7:00 p.m.

Chief Jones gave an update on city happenings.

Motion by Council Member Caffrey, supported by Council Member Mienk to approve the purchase of SLC Water Meters in the amount of \$4850.40. All ayes. Motion carried.

Motion by Council Member Jungman, supported by Council Member Mienk to adjourn. All ayes. Motion carried.

Meeting ended at 8:59 p.m.

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Thomas L. Winarski, Mayor

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Shannon Greaves, City Clerk