

August 17, 2009
Gladwin, Michigan

The Regular Meeting of the Gladwin City Council was called to order by Mayor Winarski at 5:00 p.m.

Present: Alward, Caffrey, Crawford, Hindman, Jungman, Mienk, Smith

Absent: Novak

Staff Present: Bob Moffit, Shannon Greaves, Bernie Weaver, Lauren Essenmacher, Charlie Jones

Also Present: Mayor Tom Winarski, County Commission Bill Rhode, Nancy Bodnar, Doug Jacobson

Mayor Winarski led the Pledge of Allegiance and the invocation was given by Pastor Andrew Dear.

Minutes of the August 3, 2009 regular meeting were approved as presented.

Motion by Council Member Alward, supported by Council Member Jungman to approve Warrant #10-04 in the amount of \$33,837.81. All ayes. Motion carried.

Hearing of Delegations

County Commissioner Bill Rhode stated issues about the Gladwin County budget

Motion by Council Member Jungman, supported by Council Member Hindman to approve the agenda with the following addition: (e) Resolution – Charitable Gaming. All ayes. Motion carried.

Motion by Council Member Crawford, supported by Council Member Alward to approve the consent agenda as follows: Communications – (i) Recent 2009 Economic Development Grant Awards, (ii) Progress Schedule for Grout Street, (iii) Investment Report for Quarter Ending 6/30/09 – City Council, (iv) Investment Report for Quarter Ending 6/30/09, (v) Investment Report for Quarter Ending 6/30/09 – Airport; Meetings – Housing Commission 7/14/09, Fire Board 8/5/09, Arena Board 8/12/09. All ayes. Motion carried.

Old Business

Motion by Council Member Jungman, supported by Council Member Alward to authorize the engagement letter from Miller Canfield as bond counsel assuming a

bond issue in the not to exceed amount of \$1,900,000, the fee will not exceed \$17,050. All ayes. Motion carried.

RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE BONDS AND
DECLARATION OF INTENT TO REIMBURSE FROM BOND PROCEEDS

City of Gladwin
County of Gladwin, State of Michigan

Minutes of a regular meeting of the City Council of the City of Gladwin, County of Gladwin, State of Michigan, held in the City on the 17th day of August, 2009, at 5:00 p.m., Eastern Daylight Time.

PRESENT: Members Alweerd, Caffrey, Crawford, Hindman,
Jungman, Mienk, Smith

ABSENT: Members Novak

The following preamble and resolution were offered by Member Jungman
and supported by Member Hindman :

WHEREAS, the City of Gladwin, County of Gladwin, State of Michigan (the "City"), intends to issue and sell bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed One Million Nine Hundred Thousand Dollars (\$1,900,000) (the "Bonds") for the purpose of paying part of the cost of acquiring, constructing, furnishing and equipping additions, improvements or extensions to the City's water supply system, including replacement of an existing storage tank as to improve system performance and capacity, installation of a communication system, and improvements to an existing well, together with all necessary interests in land, rights-of-way, appurtenances and attachments thereto (the "Project"); and

WHEREAS, a notice of intent to issue the Bonds must be published in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"); and

WHEREAS, in order to be reimbursed from proceeds of the Bonds the City must state its intention to do so in advance.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue bonds in *Gladwin County Record & Beaverton Clarion*, a newspaper of general circulation in the City. Publication of said notice is hereby ratified, confirmed and approved.

2. Said notice of intent **shall be published as a one-quarter (1/4) page display advertisement** in substantially the form as shown on Exhibit A attached hereto.

3. The City Council has determined that the foregoing form of notice of intent to issue bonds and the manner of publication directed was the method best calculated to give notice to the water supply system's users and the City's taxpayers and electors of this City's intent to issue the bonds, the purpose of the bonds, the security for the bonds and the right of referendum relating

thereto, and the newspaper named for publication was determined to reach the largest number of persons to whom the notice is directed.

4. 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 itself 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 paying of the costs of the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof from revenues of the water supply system or the general funds of the City.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$1,900,000.
- (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 (i) costs for the issuance of the debt, (ii) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the borrowing, or (iii) preliminary expenditures not exceeding twenty percent (20%) 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).

5. The City hereby retains Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel in connection with the Bonds. The City has been advised that Miller Canfield has represented the Michigan Municipal Bond Authority in the past and may be representing the Michigan Municipal Bond Authority presently in connection with various matters including the Drinking Water Revolving Loan program and nonetheless consents to the representation of the Michigan Municipal Bond Authority by Miller Canfield in connection with the Drinking Water Revolving Fund program that may be utilized by the City in connection with the Bonds.

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

AYES: Members Alward, Caffrey, Crawford, Hindman,
Jungman, Mierck, Smith

NAYS: Members Novak

RESOLUTION DECLARED ADOPTED.



Shannon Greaves
City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of Gladwin, County of Gladwin, State of Michigan, at a regular meeting held on August 17, 2009, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Shannon Greaves
City Clerk

EXHIBIT A

**NOTICE TO TAXPAYERS AND ELECTORS OF THE
CITY OF GLADWIN AND THE USERS OF SAID CITY'S
WATER SUPPLY SYSTEM OF INTENT TO ISSUE BONDS
AND THE RIGHT OF REFERENDUM RELATING THERETO**

PLEASE TAKE NOTICE that the City of Gladwin, County of Gladwin, State of Michigan, (the "City") intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed One Million Nine Hundred Thousand Dollars (\$1,900,000), for the purpose of acquiring, constructing, furnishing and equipping additions, improvements or extensions to the City's water supply system, including replacement of an existing storage tank as to improve system performance and capacity, installation of a communication system, and improvements to an existing well, together with all necessary interests in land, rights-of-way, appurtenances and attachments thereto.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS SHALL BE PAYABLE primarily from the revenues received by the City from the operations of the City's water supply system. The City expects the revenue bonds to be sold to the Michigan Municipal Bond Authority in connection with the Michigan Department of Environmental Quality's Clean Water Revolving Fund program in which case the bonds sold to Michigan Municipal Bond Authority may also be payable as described below. Said revenues will consist of rates and charges that may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on said bonds and other bonds payable from revenues of the system, and to pay other obligations of the system.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed twenty (20) in number and will bear interest at the rate or rates to be determined at a public or private sale but in no event to exceed four percent (4.00%) per annum on the balance of the bonds from time to time remaining unpaid.

**ADDITIONAL SOURCES OF PAYMENTS FOR BONDS
SOLD TO MICHIGAN MUNICIPAL BOND AUTHORITY**

BECAUSE THE REVENUE BONDS WILL BE SOLD TO THE MICHIGAN MUNICIPAL BOND AUTHORITY, THE CITY MAY ALSO PLEDGE ITS LIMITED TAX FULL FAITH AND CREDIT AS SECURITY FOR THE BONDS. IN SUCH CASE, IF REVENUES OF THE SYSTEM ARE INSUFFICIENT TO PAY DEBT SERVICE AT ANY TIME, THEN TO PAY DEBT SERVICE THE CITY SHALL ADVANCE LEGALLY AVAILABLE FUNDS INCLUDING, IF NECESSARY, FUNDS FROM THE LEVY OF TAXES UPON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT HOWEVER TO CONSTITUTIONAL AND STATUTORY TAX RATE LIMITATIONS. IN ADDITION THE CITY MAY BE REQUIRED TO PLEDGE FOR THE PAYMENT OF THE BONDS SOLD TO THE MICHIGAN MUNICIPAL BOND AUTHORITY

MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the Michigan Municipal Bond Authority or a trustee, and such funds may be pledged for the payment of the bonds.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE 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 PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

Shannon Greaves
City Clerk
City of Gladwin

AND STONE, P.L.C.

New Business

**ORDINANCE NO. 305
AN ORDINANCE TO AMEND THE GLADWIN CITY
CODE OF ORDINANCES (CHAPTER 52) TO ADD A SECTION 52.14(B)**

THE CITY OF GLADWIN ORDAINS:

Section 1. Purpose

The purpose of this article is to amend the Code of Ordinances (Chapter 52) of the City of Gladwin.

Section 2. Amendment

NOW THEREFORE, be it resolved the Gladwin Code of Ordinance (Chapter 52) of the City of Gladwin is amended as follows:

Section 52.14 – ESTABLISHMENT OF RATES AND CHARGES.

- (A) Rates and charges shall be sufficient to provide payment for reasonable estimates of expenses for administration and operation of the water system, including expenses for maintenance, rental, and proper reserves as are appropriate to preserve and operate the water system in good repair and working order, and to provide for such other funds and

expenditures as are required for the prudent operation of a water system. The Council shall periodically review the rates and charges in order that the purposes of this section are met.

Section 3. SEVERABILITY

Any and all sections, terms, provisions and/or clauses herein shall be deemed independent and severable. Should any Court of competent jurisdiction hold any section, term, provision or clause void/or invalid, all remaining sections, terms, provisions or clauses not held void and/or invalid shall continue in force and effect.

Section 4. EFFECTIVE DATE

This ordinance shall take immediate force and effect.

Roll Call Vote:

| | |
|----------|-----------------------------------------------------------|
| Ayes: | Alward, Caffrey, Crawford, Hindman, Jungman, Mienk, Smith |
| Nays: | None |
| Absent: | Novak |
| Abstain: | None |

This ordinance adopted this 17th day of August, 2009.

RESOLUTION
MICHIGAN GREEN COMMUNITIES CHALLENGE

Whereas, the City of Gladwin wants to emphasize the benefits of energy efficiency and conservation; and

Whereas, the City of Gladwin wants to demonstrate that energy efficiency and conservation practices can be applied to the daily governmental operations and to infrastructure projects; and

Whereas, the City of Gladwin seeks to find methods of service delivery and operations that conserve energy and resources, saving taxpayer dollars and protecting and preserving the environment; and

Whereas, the City of Gladwin recognizes that sound energy efficiency and conservation practices can reduce government costs over the long-term; and

Whereas, the City of Gladwin will lead by example to show the practicality and effectiveness of these practices; and

Whereas, the City of Gladwin seeks to encourage its citizens and businesses to initiate stewardship activities that benefit the environment and their community.

Therefore, be it resolved, that the City of Gladwin accepts the Michigan Green Communities Challenge and pledges to work toward achieving the goals of the **Basic Challenge** over the next three years.

The foregoing resolution was offered by Council Member Smith and supported by Council Member Hindman.

Roll Call Vote:

Ayes: Alward, Caffrey, Crawford, Hindman, Jungman, Mienk, Smith

Nays: None

Absent: Novak

Abstain: None

Resolution declared adopted this 17th day of August, 2009.

Discussion regarding the Blueprints for Michigan's Downtowns Year One implementation sequence for Gladwin Downtown Blueprint. Discussion regarding angle parking, reverse angle parking and a P.A. system that is badly needed.

Motion by Council Member Caffrey, supported by Council Member Jungman to authorize the proposal from RIO Supply/Michigan Meter Incorporated for 3 – 1 ½” meters and flange kits in the amount of \$1,230.00 and 5 – 2” meters and flange kits in the amount of \$7,350.00 for a total of \$8,580.00 to come from the water fund. All ayes. Motion carried.



LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES
(Required by MCL 432.103(9))

At a Regular meeting of the Gladwin City Council
called to order by Mayor Winarski on August 17, 2009
at 5:00pm a.m./p.m. the following resolution was offered:
Moved by Smith and supported by Alward
that the request from Gladwin Community Services Corporation of Gladwin
county of Gladwin, asking that they be recognized as a
nonprofit organization operating in the community for the purpose of obtaining charitable
gaming licenses, be considered for Approval

APPROVAL: Alward, Cattrey, Crawford DISAPPROVAL
Yeas: Hindman, Jungman, Mientz, Smith Yeas: None
Nays: None Nays: None
Absent: Novak Absent: None

I hereby certify that the foregoing is a true and complete copy of a resolution offered and
adopted by the Gladwin City Council at a Regular
meeting held on August 17, 2009
SIGNED: Shannon Greaves, City Clerk
Shannon Greaves, City Clerk
1000 West Cedar Avenue, Gladwin, MI 48624

COMPLETION: Required.
PENALTY: Possible denial of application.

Comments

Council Member Smith stated that he appreciates the changes that were made in the Grout Street Reconstruction project.

Motion by Council Member Hindman, supported by Council Member Smith to authorize the modification to the Grout Street Reconstruction Project for parking. All ayes. Motion carried.

Council Member Hindman stated that there will be a Safety Committee meeting on Wednesday, August 19th at 9:00 a.m. at City Hall. Topic of discussion will be the Household Hazardous Waste collection.

Council Member Crawford asked about weed and blight letters.

Council Member Jungman stated that 46 skunks have been caught.

Council Member Jungman asked that the next time there is a construction project; she wished that the entire Council could take a tour of the area.

Discussion regarding changing the City Hall sign to add a letter board under the original sign.

Assessor Weaver thanked everyone for helping at the Carriage Festival

Clerk Greaves stated that the City of Gladwin is now on Facebook and that a large City map has been installed by S&H Engraving in Cedar Garden Court.

Administrator Moffit stated that the sewer problem has been fixed at the Community Center in the City Park. There will need to be a road patch done.

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

Meeting ended at 5:36 p.m.

Thomas L. Winarski, Mayor

Shannon Greaves, City Clerk