

December 21, 2015
Gladwin, Michigan

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

Present: Bodnar, Caffrey, Crawford, Mienk, Jungman

Absent: Gardner, Smith, Stout

Staff Present: Moffit, Klein

Also Present: Tom Winarski, Pastor Hortop

Mayor Protem Mienk led the Pledge of Allegiance and Pastor Hortop gave the Invocation.

Minutes of December 7, 2015 were approved as presented.

Motion by Council Member Jungman, supported by Council Member Crawford to approve warrant #16-017 in the amount of \$ 76,223.36 and payroll for the period ending 12/06/2015 in the amount of \$ 51,164.44. All ayes. Motion carried.

Mayor Thomas Winarski arrived 5:02, Mayor Pro-tem Mienk turned over the meeting to the Mayor.

Hearings of Delegations:

None

Motion by Council Member Jungman, supported by Council Member Mienk to establish the agenda, with the addition of Purchase Order for Kemira Water Solutions to purchase Ferric Chloride Solution for the amount of \$4,761.00. All ayes. Motion carried.

Motion by Council Member Crawford, supported by Council Member Caffrey to approve the Consent Agenda: Communication: i.) Consumers Energy Letter ii.) Charter Price Adjustments Meetings: i.) Wellhead Protection Team – December 1, 2015 ii.) Gladwin County Trail Authority – December 9, 2015 iii.) Airport Commission – December 10, 2015 iv.) Board of Review – December 15, 2015 v.) Arena Board – December 15, 2015. All ayes. Motion carried.

Old Business:

None.

New Business:

RESOLUTION
**TO APPROVE A RECOMMENDATION FOR THE CITY OF GLADWIN TO EXEMPT
ITSELF FROM THE PROVISIONS OF PUBLIC ACT 152 OF 2011**

RESOLVED, that the City of Gladwin by 2/3 vote of its governing body does hereby exercise its option to exempt itself for the next succeeding year from the provisions of Public Act 152 of 2011 as provided under Section 8(1) of the Act for our Plan Year 2016.

The foregoing resolution was offered by Council Member Mienk and supported by Council Member Caffrey.

ROLL CALL VOTE:

Ayes: Bodnar, Caffrey, Crawford, Jungman, Mienk
Nays: None
Absent: Gardner, Smith, Stout
Abstain: None

Resolution declared adopted this 21th day of December, 2015.

Bonnie S. Klein, City Clerk

CERTIFICATE

I, Bonnie S. Klein, Clerk of the City of Gladwin, do hereby certify the foregoing to be a true and correct copy of the resolution adopted by the Gladwin City Council at a regular meeting held December 21, 2015.

Bonnie S. Klein, City Clerk

Motion by Council Member Jungman, supported by Council Member Caffrey to approve the bid for manhole reconstruction R&A Environmental Rehab for twelve structures in the amount of \$22,175.00. All ayes. Motion carried.

RESOLUTION AUTHORIZING DEFEASANCE OF
ICE ARENA REVENUE REFUNDING BOND (JUNIOR LIEN), SERIES 2012
(LIMITED TAX GENERAL OBLIGATION)

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 on the 21st day of December, 2015, at 5:00 p.m., prevailing Eastern Time.

PRESENT: Bodnar, Caffrey, Crawford, Jungman, Mienk

ABSENT: Gardner, Smith, Stout

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

WHEREAS, the City of Gladwin, County of Gladwin, State of Michigan (the "City") has previously issued its \$970,000 Ice Arena Revenue Refunding Bond (Junior Lien), Series 2012 (Limited Tax General Obligation), dated August 8, 2012 (the "Series 2012 Bond"), for the purpose of refunding certain bonds previously issued by the City to finance a portion of the costs of the acquisition and construction of the Gladwin Community Arena (the "Arena"); and

WHEREAS, the Series 2012 Bond was purchased by the Michigan Finance Authority (the "Authority") pursuant to the Authority's Local Government Loan Program; and

WHEREAS, the Series 2012 Bond is currently outstanding in the principal amount of \$805,000; and

WHEREAS, on October 1, 2015, the City sold the Arena to the Gladwin County District Library for a purchase price of approximately \$1,000,000; and

WHEREAS, the City Council has determined that it is in the best interests of the City to use proceeds from the sale of the Arena to provide for the advance payment of the principal of and interest coming due on the Series 2012 through the first optional call date for the Series 2012 Bond of November 1, 2022, and to call the remaining outstanding principal amount of the Series 2012 Bond for redemption on November 1, 2022 (the "Defeasance"); and

WHEREAS, in order to accomplish the Defeasance, it is necessary for the City to establish an escrow fund for the payment of the principal of and interest on the Series 2012 Bond when due and upon call of the Series 2012 Bond for redemption on November 1, 2022; and

WHEREAS, the City intends at this time to state its intention to defease the Series 2012 Bond in compliance with the anticipatory remediation rules of U.S. Treasury Regulation Section 1.141-12(d).

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Defeasance of the Series 2012 Bond is hereby approved. In order to accomplish the Defeasance, the City shall establish an escrow fund (the "Escrow Fund") for the payment of the Series 2012 Bond with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), pursuant to the terms of an escrow deposit agreement (the "Escrow Agreement") to be entered into by and among the City, the Authority and the Escrow Agent. All of the funds on hand in the bond and interest redemption fund established for the payment of the

Series 2012 Bond, if any, together with such funds from the sale of the Arena as is necessary to accomplish the Defeasance, are hereby directed to be irrevocably deposited to the Escrow Fund. The moneys so deposited to the Escrow Fund shall be held in cash or invested in non-callable direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America (the “Escrow Securities”). The cash and Escrow Securities deposited to the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal of and interest on the Series 2012 Bond when due and upon call of the Series 2012 Bond for redemption on November 1, 2022. The Escrow Agreement shall irrevocably direct the Escrow Agent to hold the Escrow Fund in trust for the payment of the principal of and interest on the Series 2012 Bond when due and to take all necessary steps to call the Series 2012 Bond for redemption on November 1, 2022. The Mayor, City Administrator and City Treasurer (each, an “Authorized Officer”) are each hereby individually authorized to negotiate, approve, execute and deliver the Escrow Agreement for and on behalf of the City.

2. Each Authorized Officer is hereby individually authorized to appoint or approve a bidding agent to solicit offers for the Escrow Securities and to approve the purchase of the Escrow Securities to be deposited to the Escrow Fund. Each Authorized Officer is hereby authorized to designate and empower the Escrow Agent to purchase the Escrow Securities on behalf of the City or, in the alternative, to subscribe for United States Treasury Obligations, State and Local Government Series, on behalf of the City, as may be necessary in connection with the Defeasance.

3. Each Authorized Officer is hereby individually authorized to appoint or approve a firm of independent certified public accountants to serve as verification agent for the purpose of verifying that the cash and Escrow Securities to be deposited to the Escrow Fund will provide amounts sufficient, without reinvestment, to pay the principal of and interest on the Series 2012 Bond when due and upon call for redemption.

4. The City makes the following declarations for the purpose of complying with the anticipatory remediation rules of U.S. Treasury Regulation Section 1.141-12(d)(3) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”):

- (a) The proceeds of the Series 2012 Bond were used to refund bonds previously issued by the City to finance a portion of the costs of the acquisition and construction of the Arena.
- (b) On October 1, 2015, the City sold the Arena to the Gladwin County District Library, a governmental entity. As a result, the City no longer maintains ownership or control of the Arena. In the event that the purchaser of the Arena subsequently sells or leases the Arena to a nongovernmental person (the “Deliberate Action”), and no remedial action is taken, such Deliberate Action could cause all or a portion of the Series 2012 Bond to become a “private activity bond,” as defined in Section 141(a) of the Code.

(c) To maintain the tax-exempt status of the Series 2012 Bond, the City hereby declares its official intent to establish a defeasance escrow to defease the outstanding principal amount of the Series 2012 Bond with available funds of the City as described in Paragraph 1 of this resolution. In accordance with U.S. Treasury Regulation Section 1.141-12(d), the Series 2012 Bond will be called for redemption on the earliest call date and the monies held in such defeasance escrow will not be invested at a yield in excess of the applicable yield on the Series 2012 Bond or on any obligation of the Authority issued to purchase the Series 2012 Bond.

5. The City hereby appoints Miller, Canfield, Paddock and Stone, P.L.C. to serve as bond counsel to the City in connection with the Defeasance.

6. Each Authorized Officer is individually authorized to take all other actions, and to approve, execute and deliver all other agreements, documents and certificates, and to provide such notices to or filings with the Internal Revenue Service, as may be necessary or advisable in order to accomplish the Defeasance of the Series 2012 Bond as contemplated by this resolution, and to pay the necessary transaction costs of the Defeasance, including the fees and disbursements of the Escrow Agent, the bidding agent, the verification agent and bond counsel.

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

AYES: Members: Bodnar, Caffrey, Crawford, Jungman, Mienk

NAYS: Members: None

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Gladwin, County of Gladwin, State of Michigan, at a regular meeting held on December 21, 2015, 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.

City Clerk

Motion by Council Member Mienk, supported by Council Member Crawford to approve the Purchase Order for Kemira Water Solution for the purchase of Ferric Chloride Solution in the amount of \$4,761.00. All ayes. Motion carried.

Comments:

Mayor Thomas Winarski – He is celebrating his 47th wedding anniversary today. He announced to the Council that he is going to Lansing tomorrow or Wednesday to sign his intent to run for Joel Johnson's State House of Representatives seat. Tom said he will remain here until at least the primary. Council will need to fill the vacancy by appointment for the unexpired mayoral term. If Tom Mienk, as Mayor Pro Tem, is appointed to fill the Mayoral seat then Tom Mienk's seat will need to be filled by appointment.

John Caffrey: The Pilot Association's Christmas dinner went very well last Thursday night. He wished everyone a Merry Christmas and congratulated Tom Winarski on his bid for the House of Representatives seat.

Nancy Bodnar – Nancy wished everyone a very Merry Christmas and a Happy New Year. She congratulated Tom on his anniversary.

Tom Mienk – He gave congratulations to Tom for running for State Representative.

Dave Crawford – Dave wished everyone a Merry Christmas and a Happy New Year. He also congratulated the Mayor on his anniversary and for running for the State of Representatives seat.

Bonnie Klein – She stated that newsletters to the residents will be going out next week.

Robert Moffit – He stated he had some bad news. No money was received for bike path from DNR or the Midland Foundations. The Trail Authority will be applying for the DNR Trust fund grant and also the TAP grant. It is hoped to have grant money to purchase the property along M-18 as hunting area. The Trail Authority has received \$50,000 in grant fund that were commitment for the parking lot and extending the path from South Park. We need to use that money or it must be returned for not fulfilling the grant. We need another \$50,000 to \$60,000 to cover the cost. A plan needs to be drawn and we are working with Dave Pettersch to see what help he maybe able to give us. He thanked everyone for coming to the Recognition Dinner. There were so many things to be thankful for that not every project got mentioned. He stated that the Gladwin High School Wing of Harmony Choir was a great addition to a wonderful evening. He has received many compliments on how well our downtown looks. Robert wished everyone a Merry Christmas and a Happy New Year. He is looking forward to his vacation next week. He extended congratulations to Tom Winarski on his anniversary and for running for the State of Representative position.

Mayor Thomas Winarski also stated that the City has accepted Tim Ferrell's resignation as City Park Manager. The City will be looking for a replacement before spring.

John Caffrey asked the question if the hydrants on State Street are usable. Robert Moffit stated those are working but may need to have their location changed. Robert Moffit also stated that any hydrants that are bagged are waiting for back ordered parts.

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

Meeting adjourned at 5:20 p.m.

Thomas Winarski, Mayor

Bonnie S. Klein, City Clerk