

**CALL TO ORDER**

IN REGULAR SESSION Monday, May 2, 2016 at 7:00 P.M. in the Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Reed.

**ROLL CALL**

Roll was called:

Present: Council Members: Gerten, McNeil, Metzger, Miller, Mayor Reed, Schurig, and Williams.

Also Present: City Manager Tarkiewicz and Clerk Nelson.

Absent: None.

**INVOCATION/PLEDGE OF ALLEGIANCE**

Council member Jon Gerten gave the invocation and Mayor Reed led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Metzger, supported McNeil, to approve the agenda with the addition of the request from the American Legion to hold their Annual Poppy Sale to the Consent Agenda. On a voice vote – **MOTION CARRIED.**

**PUBLIC COMMENT ON AGENDA ITEMS**

None.

**CONSENT AGENDA**

**Moved** Williams, supported Miller, to approve the Consent Agenda:

- A. Approve the resolution authorizing the City Clerk to sign MDOT Contract No. 16-5223 for the reconstruction of North Drive West and rehabilitation of Monroe Street between Pearl Street & South Marshall Avenue;
- B. Approve the special use permit for the parking lot at 125 West Green Street for the 2016 Farmer's Market;
- C. Schedule a public hearing for Monday, May 16, 2016 to receive comment on the FY 2017 General Fund, Special Revenue Funds, Enterprise Funds and Internal Service Funds budgets;
- D. Schedule a public hearing for Monday, May 16, 2016 to hear public comment on issuing an Obsolete Property Rehabilitation Exemption to 101 West Michigan Avenue;
- E. Approve the request by the American Legion Marshall Stanley E. Lamb Post 79 to conduct their annual Poppy Sale fundraiser within the City of Marshall on May 19 and 20, 2016;
- F. Minutes of the City Council Work Session and Regular Session held on Monday, April 18, 2016;

- G. Approve city bills in the amount of \$ 357,838.29.

On a roll call vote – ayes: Gerten, McNeil, Metzger, Miller, Mayor Reed, Schurig, and Williams; nays: none. **MOTION CARRIED.**

**PRESENTATIONS AND RECOGNITION**

None.

**INFORMATIONAL ITEMS**

City Manager Tarkiewicz provided an event report for the 2<sup>nd</sup> Annual Ride of Silence.

**PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

None.

**OLD BUSINESS**

None.

**REPORTS AND RECOMMENDATIONS**

**A. Resolution Authorizing Issuance and Sale of 2016 General Obligation Limited Tax Bonds not to exceed \$4,300,000 for the New Electric Distribution Substation:**

**Moved** Williams, supported Schurig, to recuse Council Member McNeil from voting on the resolution authorizing issuance and sale of the bonds due to a conflict of interest. On a voice vote – **MOTION CARRIED.**

**Moved** Williams, supported Gerten, to approve the resolution authorizing issuance and sale of 2016 General Obligation Limited Tax Bonds not to exceed \$4,300,000 for the new electric distribution substation and to authorize the City Manager or Finance Director the ability to sell and deliver the bonds without any further Council action. On a roll call vote – ayes: Metzger, Miller, Mayor Reed, Schurig, Williams, and Gerten; nays: none. **MOTION CARRIED.**

**CITY OF MARSHALL, MICHIGAN**

RESOLUTION #2016-16

**City of Marshall  
County of Calhoun, State of Michigan**

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF  
2016 GENERAL OBLIGATION LIMITED TAX BONDS

A RESOLUTION TO APPROVE:

- Issuance of up to \$4,300,000 of Bonds to construct a new electric distribution substation and to refund the 1999 Electric Revenue Bonds;
- Bonds to be a First Budget Obligation secured by Pledge of City's Full Faith and Credit;
- Negotiated Sale of Bonds;
- City Manager or Finance Director authorized to sell Bonds without further Council Resolution;
- Other matters relative to sale and delivery of Bonds.

### **PREAMBLE**

WHEREAS, the City of Marshall, County of Calhoun, State of Michigan (the "City") has previously issued its Electric Utility System Revenue Bonds, Series 1999 (the "1999 Bonds") for the purpose of paying the costs of acquiring and constructing improvements and extensions to the City's Electric Utility System, and the City could obtain net present value savings through refunding the 1999 Bonds; and

WHEREAS, the City has previously determined it to be necessary for the public health, safety and welfare of the City and its residents to (a) acquire the improvements financed with the 1999 Bonds through refunding the 1999 Bonds, and (b) construct a new electric distribution substation in the I-94/Brewer St. area, together with any appurtenances and attachments thereto and any related easement or site acquisition or site improvements (collectively, the "Capital Improvements"); and

WHEREAS, under the provisions of Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") a city may issue municipal securities to pay the cost of any capital improvement items within the limitations provided by law; and

WHEREAS, as required by Act 34, on November 7, 2015 the City published in *The Marshall Advisor/Chronicle* a Notice to Electors and Taxpayers of the City of Intent to issue bonds secured by the taxing power of the City and right of referendum thereon which described issuance of bonds in an amount not to exceed \$4,300,000 for the purpose of paying costs to acquire and construct the Capital Improvements (the "Bonds"), and no valid petitions were filed with the City Clerk requesting referendum on issuance of the Bonds; and

WHEREAS, the City's Municipal Advisor, Bendzinski & Co., Municipal Finance Advisors (the "Municipal Advisor") has recommended that the City select Robert W. Baird & Co., Incorporated as managing underwriter for the Bonds (the "Underwriter") at a negotiated sale; and

WHEREAS, Act 34 permits the City to authorize, within limitations which shall be contained in the authorization resolution of the governing body, an officer to sell and deliver and receive payment for obligations, approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest

payment dates, redemption rights, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized; and

WHEREAS, the City Council wishes to authorize either the City Manager or the Finance Director (each, an "Authorized Officer") to sell and deliver and receive payment for the Bonds without the necessity of the City Council taking further action prior to sale and delivery of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Bond Details. Bonds of the City designated as the 2016 GENERAL OBLIGATION LIMITED TAX BONDS shall be issued in the aggregate principal amount of not to exceed Four Million Three Hundred Thousand (\$4,300,000), as finally determined by the Authorized Officer at the time of sale of the Bonds, for the purpose of paying the costs of acquiring and constructing the Capital Improvements including payment of legal, engineering, financial and other expenses incident thereto; provided that bonds shall only be issued to pay the costs of acquiring the improvements financed with the 1999 Bonds through refunding the 1999 Bonds if the refunding results in present value savings after payment of the costs of issuance related to the refunding.

The Bonds shall mature as serial bonds or term bonds on April 1 in the years and in the amounts as shall be determined by the Authorized Officer at the time of sale of the Bonds, provided that the date of the first maturity shall not be earlier than 2017, and that the date of the final maturity shall not be later than 2035. The Bonds shall bear interest at a rate or rates to be determined by the Authorized Officer at the time of sale of the Bonds but not to exceed 6.00% per annum, payable on October 1, 2016 or such other initial interest payment date as shall be determined at the time of sale of the Bonds, and semiannually thereafter on April 1st and October 1st of each year. The Bonds shall be subject to mandatory and/or optional redemption prior to maturity as determined by the Authorized Officer at the time of sale of the Bonds.

The principal of the Bonds shall be payable at the bank or trust company to be designated as registrar and transfer agent for the Bonds (the "Transfer Agent") by the Authorized Officer. The Bonds shall be registered as to principal and interest and shall be in the denomination of \$5,000 or integral multiples of \$5,000 not exceeding for each maturity the maximum principal amount of such maturity, dated as of the date of delivery thereof or such other date as may be determined at the time of sale of the Bonds, and numbered as determined by the Transfer Agent. The Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"), and the Authorized Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the form of the Bonds within the parameters of this Resolution as may be required to accomplish the foregoing. CUSIP identification numbers will be printed on the Bonds provided that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser of the Bonds.

Interest on the Bonds shall be payable by check drawn on the Transfer Agent mailed to the registered owner at the registered address, as shown on the registration books of the City maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of the registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Bonds shall be payable at the corporate trust office of the Transfer Agent upon presentation and surrender of the appropriate bond. Notwithstanding the foregoing, if the Bonds are held in book-entry form by DTC, payment shall be made in the manner prescribed by DTC.

The Authorized Officer is authorized to execute an agreement with the Transfer Agent on behalf of the City. The City may designate a new Transfer Agent by notice mailed to the registered owner of each of the Bonds at such time outstanding not less than sixty (60) days prior to an interest payment date.

If in the future the City calls Bonds for redemption prior to maturity then official notice of redemption shall be given by the Transfer Agent on behalf of the City, unless waived by any registered owner of bonds to be redeemed, and shall conform to the requirements set forth in the Bond. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the redemption date; the redemption price or premium; the place where bonds called for redemption are to be surrendered for payment; and that interest on bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date. In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Bonds shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and the City Clerk, and the corporate seal of the City shall be manually impressed or a facsimile thereof shall be printed on the Bonds. No Bond authorized under this resolution shall be valid until authenticated by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Authorized Officer of the City upon payment of the purchase price for the Bonds in accordance with the Bond Purchase Agreement for the Bonds. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping

2. Full Faith and Credit Pledge. The City intends to pay the principal and interest of the Bonds from Electric Utility System revenues. In the event of the insufficiency of Electric Utility System revenues, the City expressly and irrevocably pledges its full faith and credit for the prompt and timely payment of the principal of and interest on the Bonds. The Bonds shall be payable, as a first budget obligation, from the general fund of the City, and the

City shall levy annually ad valorem taxes on all the taxable property in the City which, taking into consideration estimated delinquencies in tax collections, shall be fully sufficient to pay the principal and interest on the Bonds provided, however, that if at the time of making any such tax levy there shall be other legally available funds for the payment of principal of and interest on the Bonds, including but not limited to revenues received from the City's Electric Utility system, then credit therefor may be taken against the levy for payment of the Bonds. The levy shall be subject to constitutional, statutory and charter tax rate limitations.

3. Bond Form. The Bonds shall be substantially in the following form with such changes as may be necessary to conform the Bonds to the final terms of sale:

[FORM OF BOND TO BE COMPLETED AFTER BOND SALE]

United States of America  
State of Michigan  
County of Calhoun

CITY OF MARSHALL  
2016 GENERAL OBLIGATION LIMITED TAX BOND

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner: Cede & Co.

Principal Amount:

The CITY OF MARSHALL, County of Calhoun, State of Michigan (the "City"), acknowledges itself to owe and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [date] and semiannually thereafter. Principal of this bond is payable upon presentation and surrender hereof at the designated corporate trust office of [Transfer Agent], or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record, at the registered address.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of [amount], for the purpose of paying costs to acquire and construct capital improvements for use by the City, under and in pursuance of the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution of the City Council adopted on [date].

The limited tax full faith, credit and resources of the City are pledged for the payment of the bonds of this issue, and the City has pledged that it shall pay the principal of and interest on the bonds of this issue as they mature as a first budget obligation from its general fund and, after taking into account funds which the City may have legally available for payment of principal of and interest on the bonds of this issue, shall levy annually ad valorem taxes on all taxable property in the City sufficient to pay the principal of and interest on the bonds of this issue subject to applicable constitutional, statutory and charter tax rate limitations.

Bonds of this issue maturing on or prior to [date] are not subject to redemption prior to maturity.

Bonds or portions of bonds in multiples of \$5,000 of this issue maturing on or after [date] shall be subject to redemption prior to maturity without a premium, at the option of the City, in such order as the City shall determine and within any maturity by lot, on any date on or after [date], at par plus accrued interest to the date fixed for redemption.

[MANDATORY REDEMPTION]

[The bonds of this issue maturing [date] and [date] (the “Term Bonds”) are subject to mandatory sinking fund redemption by lot prior to maturity on [date], in the years and amounts set forth below, at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.]

<u>[Term Bonds due [date]]</u>	<u>Principal</u>	<u>Term Bonds due [date]]</u>	<u>Principal</u>
<u>Redemption</u>	<u>Amounts</u>	<u>Redemption Dates</u>	<u>Amounts</u>
<u>Dates</u>			
[date]	[amount]	[date]	[amount]
[date]	[amount]	[date] (maturity)	[amount]
(maturity)			

[The principal amount of Term Bonds to be redeemed on the dates set forth above shall be reduced, in the order determined by the City, by the principal amount of Term Bonds of the same maturity which have been previously redeemed (other than as a result of a previous mandatory redemption requirement), or purchased or acquired by the City and delivered to the Transfer Agent for cancellation; provided, that each such Term Bond has not previously been applied as a credit against any mandatory redemption obligation.]

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent upon presentation of the bond called in part for redemption shall register, authenticate and deliver to the registered owner of record a new bond of the same maturity and in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given by the Transfer Agent to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days prior to the date fixed for redemption to the registered owner at the address of the registered owner as shown on the registration books of the City. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bonds by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in the same aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof with the same interest rate and maturity. No further interest on bonds or portions of bonds called for redemption shall accrue

after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bonds or portion thereof.

Any bond may be transferred by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds, in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption and ending at the close of business on the day of that mailing.

It is hereby certified and recited that all acts, conditions and things required by law to be done, exist and happen, precedent to and in the issuance of this bond and the series of bonds of which this is one, in order to make them valid and binding obligations of the City have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its Council, has caused this bond to be signed in the name of the City by [the facsimile signatures of] its Mayor and Clerk, and a facsimile of its corporate seal to be [manually impressed/printed] hereon, all as of the Date of Original Issue.

CITY OF MARSHALL  
County of Calhoun, State of Michigan

By: \_\_\_\_\_  
Mayor

(Seal)

Countersigned:

By: \_\_\_\_\_  
City Clerk

[STANDARD FORMS OF TRANSFER AGENT'S  
CERTIFICATE OF AUTHENTICATION AND ASSIGNMENT  
TO BE INSERTED IN BOND]

4. Debt Retirement Fund. Upon sale of the Bonds, the Treasurer of the City is directed to open a separate depository or trust account with a bank or trust company to be designated as the 2016 GENERAL OBLIGATION LIMITED TAX BONDS DEBT RETIREMENT FUND (the “Debt Retirement Fund”). The Debt Retirement Fund may be pooled or combined with other debt retirement funds for issues of bonds of like character as provided by Act 34 or other state law. An amount sufficient to assure timely payment of the principal of and interest on the Bonds shall be transferred each year into the Debt Retirement Fund from funds legally available therefor, including the revenues received by the City from the operations of the City’s Electric Utility System for payment of the Bonds, and the general fund of the City. In addition, a portion of the proceeds of sale of the Bonds may be deposited in the Debt Retirement Fund as provided in Section 7 below. The moneys deposited in the fund shall be used solely for the purpose of paying the principal of and interest on the Bonds and, as may be necessary, to rebate arbitrage earnings, if any, to the United States Department of Treasury as required by the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”) for the Bonds.

In the event a deposit of trust is made of cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of, premium, if any, and interest on the Bonds, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest of the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Improvement Fund. Upon sale of the Bonds, the City Treasurer is authorized and directed to create a fund designated as the 2016 GENERAL OBLIGATION LIMITED TAX BONDS IMPROVEMENT FUND (the “Improvement Fund”) for the deposit of the portion of the proceeds of sale of the Bonds to be used to construct a new electric distribution substation in the I-94/Brewer St. area, together with any appurtenances and attachments thereto and any related easement or site acquisition or site improvements (the “Electric Distribution Substation Project”). Except for investment pending disbursement and as hereinafter provided, the moneys in the Improvement Fund shall be used solely and only to pay costs of the Electric Distribution Substation Project as such costs become due and payable, the costs of the issuance of the Bonds, and, as may be necessary, to rebate arbitrage earnings, if any, to the United States Department of Treasury as required by the Internal Revenue Code. Any balance remaining in the Improvement Fund after completion of the Electric Distribution Substation Project may be used (a) for any other projects of the City if bond counsel advises the City that such use is permitted by state law and will not cause the interest on the Bonds to be included in gross income for federal income tax purposes within the meaning of the Internal Revenue Code, or (b) shall be paid into the Debt Retirement Fund and used to pay principal of or interest on the Bonds.

6. Escrow Fund. The Authorized Officer shall designate a bank or trust company to serve as escrow trustee (the “Escrow Trustee”). In order to secure payment of the 1999

Bonds being refunded, the City will enter into an Escrow Agreement (the “Escrow Agreement”) with the Escrow Trustee which shall provide for the creation of a fund designated as the 2016 GENERAL OBLIGATION LIMITED TAX BONDS ESCROW FUND (the “Escrow Fund”). The Escrow Agreement shall irrevocably direct the Escrow Trustee to hold the Escrow Fund in trust for the payment of the principal of and interest on the 1999 Bonds being refunded, and to take all necessary steps to call for redemption any 1999 Bonds specified by the City upon sale of the Bonds, including publication and mailing of redemption notices, on any date specified by the City on which the 1999 Bonds may be called for redemption. The Authorized Officer is authorized to execute and deliver the Escrow Agreement and to purchase, or cause to be purchased, escrow securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

The Authorized Officer is hereby authorized to transfer monies from the debt retirement funds for the 1999 Bonds to the Escrow Fund to be invested as provided in the Escrow Agreement and to be used to pay principal of and interest on the 1999 Bonds being refunded. The amount to be transferred under this section shall be an amount which will enable the interest on the Bonds and the 1999 Bonds to be, or continue to be, excluded from gross income for federal income tax purposes as determined by bond counsel.

7. Deposit of Bond Proceeds. Upon receipt of the proceeds of sale of the Bonds, the accrued interest and premium, if any, shall be deposited in the Debt Retirement Fund and used to pay interest on the Bonds on the first interest payment date, provided, however, that at the discretion of the Authorized Officer, all or a portion of any premium received upon delivery of the Bonds may be deposited in the Escrow Fund or the Improvement Fund.

There next shall be deposited from Bond proceeds to the Escrow Fund monies which may be invested as described in the Escrow Agreement and which shall be used by the Escrow Trustee solely to pay the principal of and interest on the 1999 Bonds being refunded. The City shall deposit to the Escrow Fund from bond proceeds and other monies available to the City an amount which, together with the investment proceeds to be received thereon, will be sufficient, without reinvestment, to pay the principal of and interest on the 1999 Bonds being refunded as they become due pursuant to maturity or the call for redemption.

There next shall be deposited from Bond proceeds to the Improvement Fund the amount borrowed to pay costs of the Electric Distribution Substation Project.

At the option of the Authorized Officer, the City shall deposit Bond proceeds in an amount sufficient to pay all or a portion of the costs of the issuance of the Bonds to a fund established for that purpose in the Escrow Agreement.

8. Tax Covenant. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds or the 1999 Bonds pursuant to the Internal Revenue Code in such a manner as to cause the Bonds or the 1999 Bonds to be “arbitrage bonds” within the meaning of the Internal Revenue Code. The City hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bonds and the 1999

Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the City on the date of delivery of the Bonds.

9. Bank Qualification. The City designates the Bonds as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code.

10. Municipal Advisor. The City hereby requests that Bendzinski & Co., Registered Municipal Advisors with the Municipal Securities Rulemaking Board, continue to serve the City as Municipal Advisor to advise the City on the marketing and sale of the Bonds.

11. Appointment of Managing Underwriter. Upon the recommendation of the Municipal Advisor, the City Council hereby determines to sell the Bonds at a negotiated sale instead of a competitive sale for the reason that a negotiated sale will permit the City to enter the market on short notice at a point in time which appears to be most advantageous, and thereby possibly obtain a lower rate of interest on the Bonds and the most favorable price for purchase of securities to be escrowed for payment of the 1999 Bonds to be refunded.

Robert W. Baird & Co., Incorporated is hereby named as managing underwriter for the Bonds. The City reserves the right to name additional co-managers and/or to develop a selling group. The Authorized Officer is authorized to negotiate a Bond Purchase Agreement with the Underwriter in consultation with the Municipal Advisor. By adoption of this resolution the City assumes no obligations or liability to the Underwriter for any loss or damage that may result to the Underwriter from the adoption of this resolution, and all costs and expenses incurred by the Underwriter in preparing for sale of the Bonds shall be paid from the proceeds of the Bonds, if the Bonds are issued, except as may be otherwise provided in the Bond Purchase Agreement to be signed by the City at the time of sale of the Bonds.

12. Bond Counsel. The City hereby requests Miller, Canfield, Paddock and Stone, P.L.C. to continue as bond counsel to the City for the Bonds. The City Council acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. occasionally represents Robert W. Baird & Co., Incorporated and other municipal bond underwriters, banks, and financial institutions in connection with matters unrelated to issuance of the Bonds by the City.

13. Verification Agent. The Authorized Officer is hereby directed to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the 1999 Bonds being refunded as they become due

14. Municipal Bond Ratings or Insurance. The Authorized Officer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor. If the Municipal Advisor

recommends that the City consider purchase of municipal bond insurance, then the Authorized Officer is hereby authorized and directed to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which Bonds, if any, shall be insured.

15. Preliminary Official Statement. The Authorized Officer is authorized to approve circulation of a Preliminary Official Statement describing the Bonds and to deem such Preliminary Official Statement “final” for purposes of compliance with Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

16. Sale of Bonds. The Authorized Officer is hereby authorized, on behalf of the City, subject to the provisions and limitations of this resolution, and in consultation with the Municipal Advisor, to negotiate sale of the Bonds to the Underwriter, and to accept an offer by the Underwriter to purchase the Bonds without further resolution of this City Council. This authorization includes, but is not limited to, determination of original principal amount of the Bonds; the prices at which the Bonds are sold; underwriter’s discount for the Bonds, the date of the Bonds; the schedule of principal maturities and whether the Bonds shall mature serially or as term bonds; the provisions for early redemption including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Bonds, application of the proceeds of the Bonds; selection of the maturities of the 1999 Bonds to be refunded, the transfer of balances, if any, from the debt retirement fund for the 1999 Bonds to the Escrow Fund; and purchase of securities for the Escrow Fund.

The maximum interest rate on the Bonds shall not exceed 6.00% per annum. The underwriter’s discount for the Bonds shall not exceed 0.70% of the total par amount of the Bonds. Bonds shall not be sold to refund the 1999 Bonds unless the net present value of the principal and interest to be paid on the refunding portion of the Bonds, including the related cost of issuance, is less than the net present value of the principal and interest to be paid on the Prior Bonds being refunded.

In making such determinations the Authorized Officer is authorized to rely upon data and computer runs provided by the Municipal Advisor or the Underwriter. Approval of the matters delegated to the Authorized Officer under this resolution may be evidenced by execution of the Bond Purchase Agreement or the Official Statement by the Authorized Officer. The Authorized Officer is authorized to sign the Bond Purchase Agreement on behalf of the City.

17. Final Official Statement. After sale of the Bonds, the Authorized Officer is authorized to prepare, execute and deliver a final Official Statement describing the Bonds.

18. Continuing Disclosure Undertaking. In order to enable the Underwriter to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City hereby agrees to undertake Continuing Disclosure as issuer of the Bonds. The Authorized Officer of the City is authorized to execute such Continuing Disclosure Undertaking on behalf of the City in such form as she shall, in consultation with bond counsel, determine appropriate.

19. Other Actions. In the event that neither of the Authorized Officers is available to undertake responsibilities delegated to them under this resolution, then a person designated by one of the Authorized Officers is authorized to take such actions. The officers, administrators, agents and attorneys of the City are authorized and directed to take all other actions necessary and convenient to facilitate issuance and sale of the Bonds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale and delivery of the Bonds in accordance with this resolution, and to pay costs of issuance including but not limited to rating agency fees, costs of printing the Bonds and the preliminary and final official statements, publication of notices, municipal advisor fees, transfer agent fees, escrow trustee fees, verification agent fees, bond counsel fees, and any other costs necessary to accomplish sale and delivery of the Bonds.

20. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Marshall, County of Calhoun, State of Michigan, at a Regular meeting held on May 2, 2016 at 7:00 p.m., Eastern Time, 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 267.

I further certify that the following Members were present at said meeting: Gerten, McNeil, Metzger, Miller, Mayor Reed, Schurig, and Williams and that the following Members were absent: None.

I further certify that Member Williams, moved for adoption of said resolution and that Member Gerten supported said motion.

I further certify that the following Members voted for adoption of said resolution: Gerten, Metzger, Miller, Mayor Reed, Schurig, and Williams and that the following Members voted against adoption of said resolution: None and that the following members were recused from voting on said resolution: McNeil.

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City Clerk

**B. Brewer Street Substation Project – Major Material Purchases and Construction Contracts:**

**Moved** Gerten, supported Metzger, to approve the awarding of the following contract/purchases to the qualified low bidder and authorize the City Clerk to sign the labor contracts:

- Labor contract for the construction of the Brewer Street Substation in the amount of \$1,353,638 to Kent Power.
- Labor contract for the construction of the 138kv transmission line in the amount of \$343,219.37 to Kent Power.
- Purchase of 105 insulators for the 138kv transmission line in the amount of \$27,879.57 to Power Line Supply.
- Purchase of 40,460 linear feet of conductor material for the 138kv transmission line in the amount of \$32,368.00 to RESCO.
- Purchase of miscellaneous line material for the 138kv transmission line in the amount of \$52,424.39 to RESCO.
- Purchase of 40 wood poles for the 138kv transmission line in the amount of \$178,405.00 to RESCO.

On a roll call vote – ayes: Miller, Mayor Reed, Schurig, Williams, Gerten, McNeil, and Metzger; nays: none. **MOTION CARRIED.**

**C. Charter Amendment:**

**Moved** Miller, supported McNeil, to adopt the resolution for the November 2016 ballot language for the City Charter amendment. On a voice vote: **MOTION CARRIED.**

**CITY OF MARSHALL**

**RESOLUTION NO. 2016-17**

**CHARTER AMEDEMMENT**

The City of Marshall has determined that with the passage of time it is in the best interests of the City to redefine the organizational structure between the City Council, the City Manager, the clerk, the treasurer, and the assessor by amending the City Charter to provide that the City Manager shall appoint a clerk, a treasurer and an assessor, who thereafter shall be immediately responsible to the City Manager for the administration of their respective duties.

**IT IS HEREBY RESOLVED:**

- A. That the existing City of Marshall Charter Article II, Section 2.10 shall be amended to read as follows:

**Section 2.10, Appointment of City Officials.**

~~The clerk, treasurer, assessor, and city attorney shall hold office by virtue of appointment by the mayor and subject to confirmation of two-thirds (2/3) of the council, which body shall also set their compensation. These appointees may be removed for cause by a two-thirds (2/3) vote of the council. All such appointments shall be made at the first regular meeting of the Council in May following each regular city election, and the persons so appointed shall hold office for terms of two (2) years from the first day of June following their appointment.~~

- (a) **Clerk, treasurer and assessor.** The clerk, the treasurer and the assessor shall each hold office by virtue of appointment by the City Manager. The authority of the City Manager to appoint under this section shall become effective upon the earliest of either the conclusion of the existing term being served as of November 8, 2016, or a vacancy of office. The compensation of the clerk, the treasurer and the assessor shall be set by the council.
- (b) **Attorney.** The city attorney shall hold office by virtue of appointment by the mayor and subject to confirmation of two-thirds (2/3) of the council, which body shall also set the attorney's compensation. The city attorney may be removed for cause by a two-thirds (2/3) vote of the council. The appointment shall be made at the first regular meeting of the Council in May following each regular city election, and the person so appointed shall hold office for terms of two (2) years from the first day of June following the appointment.

IT IS FURTHER RESOLVED that the proposed Amendment to the City Charter relating to organizational structure shall be submitted to the electors in the following form

**Question #1** – Shall Section 2.10 of the Marshall City Charter be amended to provide for the City Manager to appoint the Clerk, Treasurer, and Assessor in place of the current provision which provides for these offices to be appointed by the Mayor subject to confirmation by the Council?

Yes \_\_\_\_\_

No \_\_\_\_\_

IT IS FURTHER RESOLVED that the City Clerk shall forthwith transmit a copy of the proposed Amendment to the City Charter to the Governor of the State of Michigan for his approval, and transmit a copy of the proposed Amendment to the City Charter to the Attorney General of the State of Michigan for his approval, as required by law.

IT IS FURTHER RESOLVED that the proposed Amendment to the City Charter shall be, and the same are hereby ordered, to be submitted to the qualified electors of this City at the general election to be held in the City on Tuesday, November 8, 2016, and the City Clerk is hereby directed to give notice of the election and notice of registration, therefore, in the manner prescribed by law and to do all things and to provide all supplies necessary to submit such Amendment to the City Charter to the vote of the electors as required by law.

IT IS FURTHER RESOLVED that the proposed Amendment to the City Charter shall be published in full together with the existing Charter provision altered thereby in the Marshall Advisor/Chronicle (Election Notice) not less than ten (10) days prior to the election.

IT IS FURTHER RESOLVED that the canvass and determination of the votes on said question shall be made in accordance with the laws of the State of Michigan.

#### CERTIFICATION

I, Trisha Nelson, Clerk for the City of Marshall, Calhoun County, Michigan do hereby certify that the foregoing Resolution No. 2016- 17 was offered by Councilperson Miller and supported by Councilperson McNeil, and the same was duly passed at a regular meeting of the City Council in Town Hall held on the 2nd day of May, 2016 and that the vote was as follows:

Yeas: Gerten, McNeil, Metzger, Miller, Mayor Reed, Schurig, and Williams.

Nays: None.

Absent: None.

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Trisha Nelson, City Clerk

**D. Renewal of Trash, Brush, and Leaf Collection Millage Ballot Language Resolution:**

**Moved** Metzger, supported Gerten, to adopt the resolution for the November 2016 ballot language for the renewal of the Trash, Brush, and Leaf collection millage. On a voice vote – **MOTION CARRIED.**

**RESOLUTION #2016-18**

**RESOLUTION TO ADOPT MILLAGE BALLOT LANGUAGE**

**TO GENERATE MILLAGE FOR TRASH, LEAF AND BRUSH REMOVAL**

WHEREAS, the Marshall City Council wishes to continue to provide revenue for the collection and removal of trash, leaves and brush on an annual basis from within the city; and

WHEREAS, the Marshall City Council is obligated by the city's charter Section 2.18 to provide for the public peace and health; and

WHEREAS, the removal of trash, leaves and brush is a lawful municipal purpose; and

WHEREAS, cities may impose and levy ad valorem property taxes to finance lawful public services, as authorized by the Michigan Constitution of 1963 and other laws; and

WHEREAS, the Marshall City Council wishes to levy one-half of one mill for trash, leaf and brush removal;

Now, THEREFORE, BE IT RESOLVED that the City Council of the City of Marshall, Calhoun County, approves the following millage ballot question language and directs the Clerk to submit it to the County Clerk to be placed on the November 8, 2016, election ballot:

**ANNUAL TRASH, LEAF AND BRUSH MILLAGE**

Shall the City of Marshall levy 0.5 mills (50¢ per \$1,000 of taxable value), and levied for four years, 2017 through 2020 inclusive, for the purpose of providing revenue for the once annual removal of trash, leaves and brush , which will raise an estimated \$89,862 in the first year the millage is levied? If approved this would be a renewal of a previously authorized millage.

Yes

No

I, Trisha Nelson, Clerk for the City of Marshall, Calhoun County, Michigan do hereby certify that the foregoing Resolution No. 2016- 18 was offered by Councilperson Metzger and supported by Councilperson Gerten, and the same was duly passed at a regular meeting of the City Council in Town Hall held on the Monday, the 2<sup>nd</sup> day of May, 2016 and that the vote was as follows:

Yeas: Gerten, McNeil, Metzger, Miller, Mayor Reed, Schurig, and Williams.

Nays: None.

Absent: None.

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Trisha Nelson, Clerk

#### **APPOINTMENTS/ELECTIONS**

None.

#### **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Calhoun County Prosecutor David Gilbert spoke regarding his desire for reelection in 2016 and happenings in the Prosecutors office.

#### **COUNCIL AND MANAGER COMMUNICATIONS**

#### **ADJOURNMENT**

The meeting was adjourned at 7:45 p.m.

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Jack Reed, Mayor

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Trisha Nelson, City Clerk