

Marshall City Council, Regular Session  
Monday, August 6, 2012

**CALL TO ORDER**

IN REGULAR SESSION Monday, August 6, 2012 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 Dyer.

**ROLL CALL**

Roll was called:

Present: Council Members: Booton, Mayor Dyer, Mankerian, Metzger, and Miller.

Also Present: City Manager Tarkiewicz.

Absent: Reed and Williams.

**INVOCATION/PLEDGE OF ALLEGIANCE**

David Good of First Baptist Church gave the invocation and Mayor Dyer led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Metzger, supported Mankerian, to approve the agenda as presented. On a voice vote: **MOTION CARRIED.**

**PUBLIC COMMENT ON AGENDA ITEMS**

Daphne and Robin Thurgood of 455 Sherman Drive commented on the parking of commercial vehicles in residential areas.

Bruce Smith of 315 Westbrook Court commented on the leaf and brush pickup and the parking lot rehabilitation and replacement.

**CONSENT AGENDA**

**Moved** Mankerian, supported Metzger, to approve the consent agenda:

- A. Adopt a resolution for the November 2012 ballot language for the Annual Trash, Brush and Leaf Collection Millage:

**CITY OF MARSHALL  
CALHOUN COUNTY, MICHIGAN**

AUGUST 6, 2012

RESOLUTION #2012-26

RESOLUTION TO ADOPT MILLAGE BALLOT LANGUAGE

TO GENERATE MILLAGE FOR ANNUAL TRASH, LEAF AND BRUSH  
REMOVAL

WHEREAS, the Marshall City Council wishes 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 be placed on the November 6, 2012, 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, 2013 through 2016 inclusive, for the purpose of providing revenue for the once annual removal of trash, leaves and brush , which will raise an estimated \$98,000 in the first year the millage is levied?

Yes

No

I, Sandra Bird, Clerk-Treasurer for the City of Marshall, Calhoun County, Michigan do hereby certify that the foregoing Resolution No. 2012-23 was offered by Councilperson Mankerian and supported by Councilperson Metzger, and the same was duly passed at a regular meeting of the City Council in Town Hall held on the Monday, the 6<sup>th</sup> day of August, 2012 and that the vote was as follows:

Yeas: Booton, Mayor Dyer, Mankerian, Metzger, and Miller.

Nays: None.

Absent: Reed and Williams.

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Sandra Bird, Clerk-Treasurer

- B. Authorize the purchase of two Chevrolet Caprice Police vehicles from Caron Chevrolet for \$25,499 each;
- C. Approve an entertainment permit for Applebee's for the specific use as Trivia Entertainment;
- D. Schedule a work session for Monday, August 13, 2012 at 6:00 p.m. at the Public Service Building, 900 S. Marshall Avenue;
- E. Approve minutes of the City Council Regular Session and Work Session held on Monday, July 16, 2012 and the Work Session minutes for Saturday, July 14, 2012 and Monday, July 23, 2012;
- F. Approve city bills in the amount of \$1,169,655.12.

On a roll call vote – ayes: Booton, Mayor Dyer, Mankerian, Metzger, and Miller; nays: none. **MOTION CARRIED.**

### **PRESENTATIONS AND RECOGNITIONS**

#### **A. Eagle Scout Awards:**

Mayor Dyer presented Eagle Scout Awards to Collin Davis and Nicholas Bolger to express congratulations and public appreciation on the occasion of earning the rank of Eagle Scout.

#### **B. 911 Presentation:**

Jeff Troyer and Richard Lindsey spoke on behalf of the 911 YES committee regarding the upcoming August 7, 2012 millage proposal.

### **INFORMATIONAL ITEMS**

None.

### **PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

None.

### **OLD BUSINESS**

None.

### **REPORTS AND RECOMMENDATIONS**

#### **A. Commercial Vehicle Parking:**

Council discussed the existing ordinances regarding Parking of Commercial Vehicles in residential areas. No action was taken.

**B. SAFER Grant:**

**Moved** Miller, supported Mankerian, to approve the request to submit the FEMA Staffing for Adequate Fire and Emergency Response Grant. On a voice vote – **MOTION CARRIED.**

**C. School Crossing Guards Assessment and Recommendations:**

**Moved** Miller, supported Mankerian, to discontinue the crossing guards at the intersections of Gordon Street/Mansion Street and Green Street/Jefferson Street and retain the crossing guard at the intersection of North Drive/Madison Street. On a roll call vote – ayes: Mankerian, Metzger, Miller, Booton, and Mayor Dyer; nays: none. **MOTION CARRIED.**

**D. Parking Lot, Water and Wastewater Bids:**

**Moved** Metzger, supported Mankerian, to accept the following bids:

- Parrish Excavating of Quincy in the amount of \$739,488 for the 2012 Water System Improvements.
- Stantec Consulting of Ann Arbor in the amount of \$73,000 for the 2012 Water System Improvements Construction Engineering.
- Davis Construction Inc. of Kalamazoo in the amount of \$1,973,600 for the 2012 Waste Water System Improvements.
- Stantec Consulting of Ann Arbor in the amount of \$164,900 for the 2012 Water System Improvements Construction Engineering.
- J Allen and Co. of Galesburg in the amount of \$62,880 for the Parking Lot Replacement.
- Quality Asphalt of Homer in the amount of \$65,883 for the Parking Lot Rehabilitation.

On a roll call vote – ayes: Metzger, Miller, Booton, Mayor Dyer, and Mankerian; nays: none. **MOTION CARRIED.**

**Moved** Metzger, supported Mankerian, to adopt the Resolution Authorizing Issuance and Sale of Limited Tax General Obligation Bond, Series 2012 to fund the improvements. On a roll call vote – ayes: Miller, Booton, Mayor Dyer, Mankerian, and Miller; nays: none. **MOTION CARRIED.**

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

**RESOLUTION #2012-25**

**RESOLUTION AUTHORIZING ISSUANCE AND SALE OF  
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2012**

**A RESOLUTION TO APPROVE:**

- Issuance of up to \$4,500,000 of Bonds for capital improvements to the City's water and sewer systems and parking lots;
- Bonds to be a First Budget Obligation secured by pledge of City's Full Faith and Credit;
- Negotiated Sale of Bonds;
- Appointment of Robert W. Baird & Co., Incorporated as Underwriter;
- Clerk-Treasurer 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 determined it to be necessary for the public health, safety and welfare of the City and its residents to acquire and construct capital improvements to the City's water supply system, sewage disposal system, and parking lots (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, the issuance by the City of bonds in an amount not to exceed \$4,500,000 for the purpose of paying the costs to acquire and construct the Capital Improvements (the "Bonds") appears to be the most practical means to that end; and

WHEREAS, as required by Act 34, on June 9, 2012 the City published in *The Marshall Advisor/Chronicle* a Notice to Electors of Intent to Issue Bonds and Right of Referendum thereon which described issuance of the Bonds in an amount not to exceed \$4,500,000 for the purpose of paying costs of the Capital Improvements; and

WHEREAS, more than 45 days have elapsed since the date of publication of the Notice to Electors, and the City Clerk has advised the City Council that no valid petition for referendum on issuance of the Bonds was filed with the City Clerk during the referendum period; and

WHEREAS, the aggregate outstanding balance of municipal securities issued under Section 517 of Act 34 by a city shall not exceed 5% of the state equalized valuation of the property assessed in that city, and the outstanding balance of all municipal securities issued under Section 517 of Act 34 by the City will not exceed this limit after the issuance of the Bonds; and

WHEREAS, the City is currently qualified by the Michigan Department of Treasury under Act 34 to issue debt without applying for prior approval from State Treasury; and

WHEREAS, the City has received a proposal from Robert W. Baird & Co., Incorporated to act 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 the Clerk-Treasurer 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. General Obligation Limited Tax Bonds. Bonds of the City designated as the LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2012 shall be issued in the aggregate principal amount of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000), as finally determined by the Clerk-Treasurer at the time of sale of the Bonds, for the purpose of paying the costs of the Capital Improvements including payment of legal, engineering, financial and other expenses incident thereto.

2. Bond Details. The principal of the Bonds shall be payable at The Bank of New York Mellon Trust Company, National Association (the "Transfer Agent"). 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 by the Clerk-Treasurer 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").

The Bonds shall mature as serial bonds or term bonds on the dates and in the amounts as shall be determined by the Clerk-Treasurer at the time of sale of the Bonds, provided that the date of the first maturity shall not be earlier than 2013, and that the date of the final maturity shall not be later than 2032. The Bonds shall bear interest at a rate or rates to be determined by the Clerk-Treasurer at the time of sale of the Bonds, but in any event not exceeding the interest rate shown in Section 13 below, payable on April 1, 2013 or such other initial interest payment date as shall be determined at the time of sale of the Bonds, and semi-annually thereafter on October 1st and April 1st and of each year, 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 Clerk-Treasurer 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.

The Clerk-Treasurer 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.

The Bonds shall be subject to mandatory or optional redemption prior to maturity as determined by the Clerk-Treasurer at the time of sale of the Bonds. Unless waived by any registered owner of bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City 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 either the Clerk-Treasurer or the Treasurer 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.

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:



United States of America  
State of Michigan  
County of Calhoun

CITY OF MARSHALL  
LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2012

<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Date of</u> <u>Original</u> <u>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 April 1, 2013 and semiannually thereafter. Principal of this bond is payable upon presentation and surrender hereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, National Association, Detroit, Michigan, 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 [principal] 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], [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>Term Bonds due [date]</u>	
<u>Redemption Dates</u>	<u>Principal Amounts</u>	<u>Redemption Dates</u>	<u>Principal Amounts</u>
[date]	[amount]	[date]	[amount]
[date]	[amount]	[date]	[amount]
[date] (maturity)	[amount]	[date] (maturity)	[amount]

[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 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 to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days [and not more than sixty (60) 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 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.

Marshall City Council, Regular Session  
Monday, August 6, 2012

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 \_\_\_\_ [ \_\_\_\_\_ signature \_\_\_\_\_ ]  
Mayor

(Seal)

Countersigned:

By \_\_\_\_ [ \_\_\_\_\_ signature \_\_\_\_\_ ]  
City Clerk

[INSERT STANDARD FORMS OF TRANSFER AGENT'S CERTIFICATE OF  
AUTHENTICATION and ASSIGNMENT]

4. Debt Retirement Fund. 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 LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2012 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 from the general fund of the City or other funds legally available therefor into the Debt Retirement Fund. In addition, a portion of the proceeds of sale of the Bonds may be deposited in the Debt Retirement Fund as provided in Section 5 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. Deposit of Bond Proceeds. The City Treasurer shall establish a fund designated as the LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2012 IMPROVEMENT FUND (the "Improvement Fund"). 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. At the discretion of the Clerk-Treasurer, the City may deposit all or a portion of any premium received upon delivery of the Bonds in the Improvement Fund. The remaining proceeds received upon delivery of the Bonds shall be deposited to the Improvement Fund.

Except for investment pending disbursement the moneys in the Improvement Fund shall be used solely and only to pay costs of the Capital Improvements being financed with proceeds of the Bonds, any legal, financing or other expenses incidental thereto or to 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 portion of the Capital

Improvements being financed with proceeds of the Bonds 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. Full Faith and Credit Pledge. 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 water supply system, sewage disposal system, and parking lots, 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.

7. Tax Covenant. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to the Internal Revenue Code in such a manner as to cause the 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 exemption of interest on the 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.

8. 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.

9. Appointment of Managing Underwriter. 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.

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 Clerk-Treasurer is authorized to negotiate a Bond Purchase Agreement with the Underwriter. 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.

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

11. Municipal Bond Ratings. The Clerk-Treasurer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Underwriter.

12. Municipal Bond Insurance. If the Underwriter recommends that the City consider purchase of municipal bond insurance, then the Clerk-Treasurer is hereby authorized and directed to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Underwriter, to select an insurer and determine which Bonds, if any, shall be insured.

13. Preliminary Official Statement. The Clerk-Treasurer 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").

14. Sale of Bonds. The Clerk-Treasurer is hereby authorized, on behalf of the City, subject to the provisions and limitations of this resolution, 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; and the interest rates and payment dates of the Bonds.

The net interest cost of the Bonds shall not exceed 6.00%. The first maturity of principal on the Bonds shall occur no earlier than 2013, and the date

of the final maturity shall not be later than 2032. The underwriter's discount for the Bonds shall not be greater than 2.00% of the principal amount of the Bonds.

In making such determinations the Clerk-Treasurer is authorized to rely upon data and computer runs provided by the Underwriter or a pricing consultant which may be retained by the Clerk-Treasurer. Approval of the matters delegated to the Clerk-Treasurer under this resolution may be evidenced by execution of the Bond Purchase Agreement or the Official Statement by the Clerk-Treasurer. The Clerk-Treasurer is authorized to sign the Bond Purchase Agreement on behalf of the City.

15. Final Official Statement. After sale of the Bonds, the Clerk-Treasurer is authorized to prepare, execute and deliver a final Official Statement describing the Bonds.

16. 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 Clerk-Treasurer 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.

17. Other Actions. In the event that the Clerk-Treasurer is not available to undertake responsibilities delegated to her under this resolution, then the City Manager or a person designated by the Clerk-Treasurer or the City Manager 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, pricing consultant fees, transfer agent fees, bond counsel fees, and any other costs necessary to accomplish sale and delivery of the Bonds.

18. 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 August 6, 2012, at 7:00 p.m., prevailing 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 if said meeting was a Special meeting, then notice of said Special meeting was given to each member of the Council in accordance with the rules of procedure of the Council.

I further certify that the following Members were present at said meeting: Booton, Mayor Dyer, Mankerian, Metzger, Miller and that the following Members were absent: Reed and Williams.

I further certify that Member Metzger moved for adoption of said resolution and that Member Mankerian supported said motion.

I further certify that the following Members voted for adoption of said resolution: Booton, Mayor Dyer, Mankerian, Metzger, and Miller and that the following Members voted against adoption of said resolution: None.

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City Clerk

**E. Michigan Avenue Tree Replacement Project:**

**Moved** Mankerian, supported Metzger, to accept the bid from Quality Excavators Inc. in the amount of \$171,458 for the Michigan Avenue tree replacement project. On a roll call vote – ayes: Booton, Mankerian, Metzger, and Miller; nays: none.  
**MOTION CARRIED.**

**APPOINTMENTS / ELECTIONS**

**A. Brooks Nature Area Board Appointments:**

**Moved** Metzger, supported Mankerian, to approve the recommendation to reappoint Dave Fhaner, Patti Hoch-Melluish, and James Coury to the Brooks Nature Area Board with terms expiring August 15, 2015. On a voice vote –  
**MOTION CARRIED.**

**B. Parks, Recreation, and Cemetery Board Appointments:**

Marshall City Council, Regular Session  
Monday, August 6, 2012

**Moved** Metzger, supported Mankerian, to approve the recommendation to reappoint Dave Fhaner and Mitch McComb to the parks, Recreation, and Cemetery Board with terms expiring July 1, 2015. On a voice vote – **MOTION CARRIED.**

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

Duane Cowgill of 624 N. Kalamazoo spoke regarding options for payments in lieu of taxes.

**COUNCIL AND MANAGER COMMUNICATIONS**

None.

**ADJOURNMENT**

The meeting was adjourned at 8:45 p.m.

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James L. Dyer, Mayor

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Sandra Bird, Clerk-Treasurer