

IN REGULAR SESSION Monday, June 1, 2009, 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 Smith.

Roll was called:

Present: Council Members: Dyer, Metzger, L. Miller, Mayor Smith, Traver and Williams.

Also Present: Interim City Manager Tarkiewicz and Interim Clerk-Treasurer Habedank.

Absent: Council Member K. Miller.

Moved Dyer, supported Metzger, to excuse the absence of Council Member K. Miller. On a voice vote: **MOTION CARRIED.**

The invocation was given by Dennis Croy, Marshall Wesleyan Church.

Mayor Smith led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Moved Williams, supported L. Miller, to approve the agenda as presented. On a voice vote: **MOTION CARRIED.**

PRESENTATIONS AND RECOGNITIONS

None.

INFORMATIONAL ITEMS

None

PUBLIC COMMENT ON AGENDA ITEMS

None.

PUBLIC HEARINGS AND SUBSEQUENT COUNCIL ACTION

Mayor Smith opened the public hearing to hear comments on the approval of the 2009-2010 Fiscal Year Budget.

Hearing no comments the public hearing was closed.

Moved Dyer, supported Williams, to approve the 2009-2010 Fiscal Year Budget. On a roll call vote: ayes: Dyer, Metzger, L. Miller, Mayor Smith, Traver, and Williams; nays: none. **MOTION CARRIED.**

THE CITY OF MARSHALL
GENERAL APPROPRIATION ACT AND TAX LEVY RESOLUTION
July 1, 2009 ó June 30, 2010

THE CITY OF MARSHALL RESOLVES that the expenditures for the fiscal year, commencing July 1, 2009, and ending June 30, 2010, are hereby appropriated on a departmental and fund total basis as follows:

GENERAL FUND

City Council	\$11,000
City Manager	121,869
Assessor	115,226
Attorney	70,000
Human Resources	58,850
Clerk-Treasurer	321,395
Town Hall	80,135
Chapel	3,365
Other City Property	36,950
Cemetery	185,377
Non-Departmental	714,704
Police	1,236,019
Crossing Guards	36,638
Dispatch	257,886
Fire	838,309
Inspection	98,843
Planning/Zoning	69,196
Streets	533,658
Engineering	51,566
PSB Operations	110,299
Community Development	41,448
Parks	156,640
Capital Improvements	<u>63,587</u>
Total Expenditures	\$5,212,960

Revenues for the 2009/2010 fiscal year are estimated as follows:

GENERAL FUND

Taxes	\$3,468,190
Licenses and Permits	53,000
Intergovernmental Revenues	718,676
Charges for Services	48,500
Fines and Forfeits	30,000
Interest	100,000
Miscellaneous	68,580
Other Financing Source	<u>726,217</u>
Total Revenues	\$5,213,163

Fund balance reserves shall be increased by \$203 based on the 2009-2010 revenues and expenditures for the General Fund budget.

The City Council does hereby levy a tax of 15.4629 mills, for the period of July 1, 2009, through June 30, 2010, on all real and personal taxable property in the City of Marshall, according to the valuation of the same. This tax is levied for the purpose of defraying the general expense and liability of the City of Marshall and is levied pursuant to Section 8.01, Article 8 of the Charter of the City of Marshall.

The City Council does hereby levy a tax of .4840 mills for the period of July 1, 2009, through June 30, 2010, on all real and personal taxable property in the City of Marshall, according to the valuation of the

same. This tax is levied to operate the Dial-A-Ride Transportation System in the City of Marshall as authorized by a vote of the citizens on August 5, 1975.

The City Council does hereby levy a tax of .8165 mills for the period of July 1, 2009, through June 30, 2010, on all real and personal taxable property in the City of Marshall, according to the valuation of the same. This tax is levied for the purpose of defraying the expense of operating the Recreation Department of the City of Marshall as authorized by a vote of the citizens on April 4, 1959.

The City Council does hereby levy a tax of 1.6129 mills for the period of July 1, 2009, through June 30, 2010, on all real and personal taxable property in the City of Marshall, according to the valuation of the same in a district known as the Downtown Development District. This tax is levied for the purpose of defraying the cost of the Downtown Development Authority.

The City Manager is authorized to make budgetary transfers within the appropriation centers established through this budget, and that all transfers between appropriations may be made by the City Manager in an amount not to exceed \$10,000 per year without prior Council approval pursuant to Section 19.2 of the provisions of the Michigan Uniform Accounting and Budgeting Act.

The City Council establishes the budget for the period of July 1, 2009, through June 30, 2010 for the following funds in the amounts set forth below:

MOTOR VEHICLE HIGHWAY 6 MAJOR STREET & TRUNKLINE	\$ 533,203
MOTOR VEHICLE HIGHWAY 6 LOCAL STREET	\$ 170,013
RECREATION	\$ 423,092
COMPOSTING	\$ 82,163
AIRPORT	\$ 158,483
LOCAL DEVELOPMENT FINANCE AUTHORITY	\$ 480,668
DOWNTOWN DEVELOPMENT AUTHORITY	\$ 311,152
AUTOMOBILE PARKING SYSTEM	\$ 22,681
MARSHALL HOUSE	\$ 745,148
ELECTRIC	\$14,045,481
DIAL-A-RIDE TRANSIT SYSTEM	\$ 524,428
WASTEWATER DISPOSAL SYSTEM	\$ 1,696,703
WATER SUPPLY SYSTEM	\$ 2,992,000
DATA PROCESSING	\$ 161,671
MOTOR POOL	\$2,060,383
SAFETY	\$ 6,242

The City Council of the City of Marshall did give notice of the time and place when a public hearing on adoption of the budget would be held in accordance with Public Act 43 of 1963, proof of publication of the Notice of Public Hearing is now on file, and which Public Hearing was duly held pursuant to said notice and in conformity therewith. A copy of the budget proposal was on file with the Clerk-Treasurer and available for public inspection for at least one week prior to adoption of the budget; and

Further, the City Council of the City of Marshall did give notice of the time and place when a public hearing would be held in conformity with the provisions of Public Act 5 of 1982 authorizing a tax rate in excess of the present authorized tax rate for General Operating, Recreation, Dial-A-Ride and Downtown Development Authority tax levies, proof of publication of Notice of Public Hearing is now on file, and which Public Hearing was duly held pursuant to said notice and in conformity therewith; and

This Resolution shall take effect July 1, 2009.

Dated: 06/01/09

Denny Habedank, Interim Clerk-Treasurer

OLD BUSINESS

None.

REPORTS AND RECOMMENDATIONS

Moved Williams, supported Dyer, to grant a two year extension to Jerry and Anita Clifton for installation of a paved cul-de-sac and sidewalk in the Briarwood Development. **No Action.**

Moved Dyer, supported Williams, to table the vote until Monday, June 15, 2009 so further information can be given to Council on this decision. On a voice vote: **MOTION CARRIED.**

Moved Williams, supported Metzger, to approve the bond authorization and accept the low bid of \$785,185.50 from Concord Excavating and Grading, Inc. for the 2009 Water Main Infrastructure Upgrade pending the sale of the bonds on June 16, 2009. On a roll call vote -- ayes: Metzger, L. Miller, Mayor Smith, Traver, Williams, and Dyer; nays: none. **MOTION CARRIED.**

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

**RESOLUTION AUTHORIZING ISSUANCE AND SALE OF
2009 LIMITED TAX GENERAL OBLIGATION BONDS**

A RESOLUTION TO:

- Issue \$1,345,000 of Limited Tax General Obligation Bonds for capital improvements to the City's Water Supply System and related sewer and road reconstruction;
- Pledge City full faith and credit for the payment of the Bonds;
- Create Debt Retirement Fund for payment of Bonds;
- Create Construction Fund for deposit of Bond proceeds;
- Appoint Robert W. Baird & Co. as Financial Advisor;
- Federal Tax Exemption and Bank Qualification;
- Authorize Notice of Sale, Preliminary Official Statement, Bond Rating Application;
- Sale of Bonds to lowest bidder at public sale within limitations of this resolution;
- Authorize Final Official Statement and annual Continuing Disclosure filings;
- Authorize other matters necessary to prepare for sale and delivery of Bonds.

PREAMBLE

WHEREAS, the City of Marshall, County of Calhoun, Michigan (the "City") determines it to be necessary for the public health, safety and welfare of the City and its residents to acquire and construct improvements and replacements to the City's existing water distribution system, including but not limited to replacement of water mains and service lines, related replacement of sanitary sewers, and related reconstruction of streets

and sidewalks including curb and gutter and driveways, together with any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the "Improvements"); and

WHEREAS, under the provisions of Section 517 of the Revised Municipal Finance Act, Act No. 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 under Section 517 of Act 34 in an amount not to exceed One Million Three Hundred Forty-Five Thousand Dollars (\$1,345,000) for the purpose of financing costs of acquisition and construction of the Improvements appears to be the most practical means to that end; 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 described in this preamble; and

WHEREAS, as required by Act 34, the City published a Notice to Electors of Intent to issue bonds and right of referendum thereon (the "Notice of Intent") which described issuance of bonds for the purpose of financing costs of acquisition and construction of the Improvements, and no valid petition requesting a referendum on the question of the issuance of the bonds was filed within 45 days of publication of the Notice of Intent; 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, prices, discounts, maturities, principal amounts, 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 Interim Finance Director or, in his absence, the Interim City Manager (the "Authorized Officer") to select a date for sale of the Bonds, to prepare the Bonds for sale, and 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. The City's bonds designated as the 2009 LIMITED TAX GENERAL OBLIGATION BONDS (the "Bonds") are authorized to be issued in the aggregate principal sum of not-to-exceed One Million Three Hundred Forty-Five Thousand Dollars (\$1,345,000) for the purpose of paying costs of acquiring and constructing the Improvements, including the costs incidental to the issuance, sale and delivery of the Bonds. The Bonds shall consist of bonds in fully-registered form of the denomination of \$5,000, or integral multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered as determined by the Transfer Agent (as hereinafter defined). The Bonds shall bear interest at the rates determined upon sale of

the Bonds but in any event not to exceed 7.00% per annum. The Bonds shall bear interest, mature serially or as term bonds, and be payable at the times and in the manner 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 April 1, 2010, and that the date of the final maturity shall not be later than April 1, 2029. The Bonds shall be dated as of the date of delivery thereof or such other date as shall be determined by the Authorized Officer at the time of sale of the Bonds.

The Bonds shall be subject to optional or mandatory redemption prior to maturity at the times and prices and in the manner as may be determined by the Authorized Officer at the time of sale of the Bonds.

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.

Interest on the Bonds shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of 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. Interest shall be payable by check or draft 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. The principal of the Bonds shall be payable upon presentation and surrender of such Bonds to the Transfer Agent. 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 Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, is hereby appointed as transfer agent for this issue (the Transfer Agent). The Authorized Officer is hereby authorized to execute one or more agreements with the Transfer Agent on behalf of the City. The City reserves the right to replace the Transfer Agent at any time, provided written notice of such replacement is given to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

2. The Bonds of this issue 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 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.

3. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly

executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

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 receipt of notice is waived by any registered owner of Bonds to be redeemed. 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 place where the Bonds called for redemption are to be surrendered for payment; and that interest on the 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.

4. The City intends to pay the principal and interest of the Bonds from water supply system rates and charges and other revenues received by the City from the operations of the City's water supply system. In the event of the insufficiency of water supply 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 (such as the water supply system revenues), then credit therefore may be taken against the levy for payment of the Bonds. The levy shall be subject to constitutional, statutory and charter tax rate limitations.

5. The Authorized Officer is authorized and directed to open a separate depository or trust account with a bank or trust company to be designated as the 2009 LIMITED TAX GENERAL OBLIGATION BOND 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 therefore, including the revenues received by the City from the operations of the City's Water Supply system for payment of the Bonds, and the general fund of the City. The moneys deposited in the Debt Retirement 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 accrued interest and premium, if any, received upon delivery of the Bonds shall also be deposited in the Debt Retirement Fund.

The City may provide for the payment of principal of any of the Bonds issued as term bonds through the purchase of municipal securities in the open market at a price not greater than that payable on the next redemption date in order to satisfy all or part of the next succeeding scheduled mandatory redemption.

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.

6. The Authorized Officer is authorized and directed to create a fund designated as the 2009 LIMITED TAX GENERAL OBLIGATION BOND CONSTRUCTION FUND (the "Construction Fund"). The Authorized Officer shall deposit the proceeds of the Bonds into the Construction Fund, less accrued interest and premium, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used to pay the costs of the Improvements and to pay the costs of issuance of the Bonds. Moneys remaining in the Construction Fund after completion of the Improvements may be used for any purpose permitted by law.

7. The Bonds shall be in substantially the following form with such revisions, additions and deletions as may be advisable or necessary to comply with the final terms of the Bonds established upon sale thereof:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF CALHOUN
CITY OF MARSHALL
2009 LIMITED TAX GENERAL OBLIGATION BOND

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	April 1, ____	____, 2009	

Registered Owner:

Principal Amount: _____ (\$_____) Dollars

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 October 1, 2009 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of _____, in _____, Michigan, or other designated office, or such other transfer agent as the City may hereafter designate by notice mailed by the Transfer Agent 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 \$1,345,000, issued for the purpose of paying costs to acquire and construct capital improvements 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 _____, 2009.

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, the City 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 [or subject to mandatory redemption] on or prior to April 1, ____ are not subject to [optional] redemption prior to maturity.

Bonds or portions of bonds of this issue in multiples of \$5,000 maturing [or subject to mandatory redemption] on or after April 1, ____ shall be subject to redemption prior to maturity 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 April 1, ____, at par plus accrued interest to the date fixed for redemption.

[MANDATORY REDEMPTION

Bonds of this issue maturing April 1, ____ and April 1, ____ (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity on April 1, 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.

Term Bonds due April 1, 20__

Term Bonds due April 1, 20__

<u>Redemption Dates</u>	<u>Principal Amounts</u>
April 1, 20__	
April 1, 20__	
April 1, 20__	
April 1, 20__ (maturity)	

<u>Redemption Dates</u>	<u>Principal Amounts</u>
April 1, 20__	
April 1, 20__	
April 1, 20__	
April 1, 20__ (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 of record at the address of the registered owner as shown on the registration books of the City kept by the Transfer Agent. 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.

Marshall City Council, Regular Session
Monday, June 1, 2009

IN WITNESS WHEREOF, the City of Marshall, County of Calhoun, State of Michigan, by its City 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 [manual or facsimile
signature to appear here]
Mayor

(Seal)

Countersigned:

By [manual or facsimile
signature to appear here]
City Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Registration: _____

CERTIFICATE OF AUTHENTICATION

This bond is [one of the bonds described in the
within-mentioned resolution.]/ [valid and authentic].

Michigan, Transfer Agent

By _____
Authorized Signature

[INSERT STANDARD FORM OF ASSIGNMENT]

8. The Authorized Officer shall, in consultation with Robert W. Baird & Co. (the "Financial Advisor"), fix a date of sale for the Bonds and publish the Notice of Sale of the Bonds in *The Bond Buyer*, New York, New York, or such other newspaper as may fulfill the requirements of Act 34. The Notice of Sale for the Bonds shall be in substantially the following form, with such revisions as the Authorized Officer may determine to be in the best interests of the City in consultation with the Financial Advisor and Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel").

OFFICIAL NOTICE OF SALE

\$1,345,000

CITY OF MARSHALL

County of Calhoun, State of Michigan

2009 LIMITED TAX GENERAL OBLIGATION BONDS

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the City Hall located at 323 W. Michigan Avenue, Marshall, Michigan on Tuesday, June 16, 2009, until 11:00 o'clock a.m. prevailing Eastern Time, at which time and place bids will be publicly opened and read. Sealed bids will also be received on the same date and until the same time by an agent of the undersigned at the office of the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226 (the "MAC"), where they will be publicly opened and read. The City will award or reject bids on that date.

FAXED BIDS: Signed bids may be submitted by fax by members of MAC to (313) 963-0943, and by other bidders to the City at (269) 781-3835 Attention: City Clerk; provided that faxed bids must arrive before the time of sale, the bidder bears all risks of transmission failure.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or Client Services, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by Bidcomp/Parity, as the approved provider of electronic bidding services, this Notice of Sale shall control. No change of the dated date will be allowed for the computation of the winning bid.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or integral multiples thereof up to the amount of that maturity, originally dated as of the date of delivery thereof (anticipated to be July 7, 2009), and will bear interest from their date payable on October 1, 2009, and semiannually thereafter.

The bonds will mature on April 1 of each year, as follows:

Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
2010	\$60,000	2017	\$55,000	2024	\$75,000
2011	45,000	2018	60,000	2025	80,000
2012	50,000	2019	60,000	2026	85,000
2013	50,000	2020	65,000	2027	90,000
2014	50,000	2021	70,000	2028	95,000
2015	55,000	2022	70,000	2029	100,000
2016	55,000	2023	75,000		

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 7.00% per annum, to be fixed by the bids therefore, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate on the bonds shall not exceed 4.00% per annum. **THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE INTEREST RATE BORNE BY THE PRECEDING SERIAL OR TERM BOND MATURITY.** No proposal for the purchase of less than all of the bonds or at a price less than 98.00% of their par value will be considered. In submitting a bid for the bonds, the bidder agrees to the representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel.

TERM BOND OPTION: Bidders shall have the option of designating the bonds as term bonds or serial bonds or both. If a bidder designates bonds as term bonds, the principal requirements shown above for the designated years shall represent a mandatory redemption requirement for a term bond or a term bond maturity as designated by the bidder. In any event, the above principal amounts shall be represented by either serial bond maturities or mandatory redemption requirements or a combination of both. If the winning bidder does not designate bonds as term bonds, then the maturities shown above shall be serial maturities. Any such designation must be made at the time the bids are submitted.

If the term bond option is selected, then the principal amount of the term bonds of a maturity to be redeemed on the dates set forth above may be reduced by the principal amount of the term bonds of the same maturity which have been previously redeemed or called for redemption (other than as a result of a mandatory redemption) or purchased or acquired by the City and delivered to the transfer agent. The City may satisfy mandatory redemption requirements by the purchase and surrender of term bonds in lieu of the calling of such term bonds for redemption.

OPTIONAL PRIOR REDEMPTION: The bonds maturing or subject to mandatory redemption on or before April 1, 2019 are not subject to optional redemption prior to maturity.

Bonds or portions of bonds in multiples of \$5,000 maturing or subject to mandatory redemption on or after April 1, 2020 shall be subject to redemption prior to maturity at the option of the City in such order of maturity as the City shall determine and within any maturity by lot, on any date on or after April 1, 2019, at par and accrued interest to the date fixed for redemption.

Notice of redemption of any bond or portion thereof shall be given by the transfer agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the transfer agent. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the transfer agent to redeem the bond or portion thereof. In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

AWARD OF BONDS - TRUE INTEREST COST: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2009 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to July 7, 2009 in an amount equal to the price bid. July 7, 2009 is the anticipated date of delivery of the Bonds. In the event there is an election to exercise the Term Bond option, true interest cost shall be calculated by applying the interest rate of such Term Bonds to each mandatory sinking fund redemption for such Term Bonds.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (DTC), New York, New York. An authorized agent of DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. The book-entry-only system is described further in the preliminary Official Statement for the bonds. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., in Detroit, Michigan, or other designated office, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to any interest payment date. As long as The Depository Trust Company or its nominee, Cede & Co., is the bondholder, payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the bonds is the responsibility of the DTC Participants and Indirect Participants as described in the preliminary official statement for the bonds. Interest shall be paid by check or draft mailed to the registered owner of record as shown on the registration books kept by the transfer agent as of the 15th day of the month prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and a resolution of the City Council for the purpose of paying costs to acquire and construct capital improvements. The bonds will pledge the limited tax full faith and credit of the City for payment of the principal and interest thereon, and will be payable as a first budget obligation from the general fund of the City, and from ad valorem taxes, which may be levied against all taxable property in the City, subject to applicable constitutional, statutory and charter tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$26,900 payable to the order of the City Treasurer, will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation in the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, prior to the delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986. Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

BANK QUALIFIED: The City has designated the bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Lansing and Detroit, Michigan. The opinion will be furnished without expense to the purchaser of the bonds at the delivery

thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C., for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish executed bonds at its expense. Bonds will be delivered without expense to an authorized agent of DTC on behalf of the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in immediately available funds.

BOND INSURANCE AT PURCHASER'S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the bonds. Any increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the bonds from a rating agency, the City will pay for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser of the insurance. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.**

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds. 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.

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2 12 of the Securities and Exchange Commission, has been prepared and may be obtained from Robert W. Baird & Co., financial advisors to the City, at the address and telephone listed under FINANCIAL ADVISOR below. Robert W. Baird & Co. will provide the winning bidder with a reasonable number of final Official Statements within

7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Robert W. Baird & Co., upon request and agreement by the purchaser of the Bonds to pay the cost of additional copies. The request for additional copies should be made to Robert W. Baird & Co. within 24 hours of the time of sale.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City will execute and deliver prior to delivery of the bonds a written continuing disclosure undertaking in order to enable the underwriters of the bonds to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

FINANCIAL ADVISOR: Further information relating to the bonds may be obtained from Robert W. Baird & Co., 1001 Bay Street, Traverse City, Michigan 49684. Telephone: (231) 933-8447, FAX: (231) 933-8448.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for 2009 Limited Tax General Obligation Bonds."

Dennis L. Habedank, Interim City Clerk
City of Marshall, Michigan

9. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), in such a manner as to cause the Bonds to be "arbitrage bonds" within the meaning of the Code. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control and that it shall not fail to take any action necessary to maintain the exclusion of the interest on the Bonds from adjusted gross income for general federal income tax purposes under the Code, including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure of 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 with respect to the Bonds.

10. The City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

11. The estimated period of usefulness of the Improvements to be constructed and acquired with proceeds of the Bonds is hereby declared to be not less than 20 years. The total cost of the Improvements is estimated to be not less than One Million Three Hundred Forty-Five Thousand Dollars (\$1,345,000).

12. The Authorized Officer is directed 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.

13. The Authorized Officer is authorized to apply for one or more ratings on the Bonds as shall be recommended by the Financial Advisor.

14. The Authorized Officer is hereby authorized on behalf of the City, subject to the provisions and limitations of this Resolution, to award sale of the Bonds to the bidder whose bid produces the lowest interest cost computed in compliance with the terms of the Notice of Sale as published, which bid shall comply with the requirements for bids specified in said Notice of Sale and shall be within the limitations contained in this Resolution.

15. The Bonds shall bear interest at a rate or rates not exceeding 7.00% per annum. The purchase price for the Bonds, exclusive of any original issue discount or premium, shall not be less than 98% of the principal amount of the Bonds plus accrued interest, if any. In making such determinations the Authorized Officer is authorized to rely upon data and computer runs provided by the Municipal Advisory Council of Michigan or the Financial Advisor.

The Authorized Officer shall return checks received from the unsuccessful bidders to each bidder's representative or as provided in the Notice of Sale as published.

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

17. The City hereby agrees to enter into a Continuing Disclosure Undertaking Agreement (the "Continuing Disclosure Undertaking Agreement") in order to enable the underwriters of the Bonds to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission. In the Continuing Disclosure Undertaking Agreement, the City shall agree to provide or cause to be provided, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, (ii) timely notice of the occurrence of certain material events with respect to the Bonds, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date required in the Continuing Disclosure Agreement. The Authorized Officer is authorized to execute and deliver the Continuing Disclosure Undertaking Agreement on behalf of the City in substantially the form which the Authorized Officer shall, in consultation with Bond Counsel, determine to be appropriate.

18. In the event that the Authorized Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then a person designated by the Authorized Officer, or the City Manager, or a person designated by the City Manager is authorized to take the actions delegated to the Authorized Officer by this Resolution. officers, administrators, agents and attorneys of the City are authorized and directed to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds and expenditure of Bond proceeds, 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 and expenditure of Bond proceeds in accordance with this Resolution, including payment of costs of issuance including bond counsel fees, financial advisor fees, rating agency fees, costs of printing the Bonds and the preliminary and final official statements, publication of the Notice of Sale, and any other costs necessary to accomplish sale and delivery of the Bonds.

19. 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 Monday, June 1, 2009 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 the following Members were present at said meeting: _____
_____ and that the following Members were absent: _____.

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

I further certify that the following Members voted for adoption of said resolution: _____
_____ and that the following Members voted _____ against _____ adoption of _____ said resolution: _____.

City Clerk

Moved Williams, supported L. Miller, to accept the bid from B & G Equipment in the amount of \$26,240.58 for a John Deere 5065 Tractor with backhoe and loader attachment. On a roll call vote -- ayes: L. Miller, Mayor Smith, Traver, Williams, Dyer, and Metzger; nays: none. **MOTION CARRIED.**

Moved Williams, supported L. Miller, to approve the proposed compensation package for the Interim City Manager. On a roll call vote -- ayes: Mayor Smith, Traver, Williams, Dyer, Metzger, and L. Miller; nays: none. **MOTION CARRIED.**

Moved Dyer, supported Metzger, to approve the annual compensation of administrative officials, department heads, and salaried personnel as presented. On a roll call vote -- ayes: Traver, Williams, Dyer, Metzger, L. Miller, and Mayor Smith; nays: none. **MOTION CARRIED.**

APPOINTMENTS / ELECTIONS

Moved Dyer, supported Metzger, to approve the appointments of John Pirstill and John Tracy to the Local Development Finance Authority with terms expiring June 2, 2013. On a voice vote--
MOTION CARRIED.

CONSENT AGENDA

Moved Dyer, supported Metzger, to approve the consent agenda as presented:

- minutes of the City Council Work Session held Monday, May 18, 2009;
- minutes of the Regular City Council meeting held Monday, May 18, 2009;
- approve city bills in the amount of \$344,984.04.

On a roll call vote ó ayes: Dyer, Metzger, L. Miller, Mayor Smith, Traver, and Williams; nays: none. **MOTION CARRIED**

PUBLIC COMMENT ON NON-AGENDA ITEMS

Marshall Main Street Manager Diane Larkin of 121 ½ West Michigan Avenue gave a reminder for 2nd Saturdays Art Hops downtown from 6-8 p.m.

Moved Dyer, supported Williams to go into closed session under Section 8 of the Michigan Open Meetings Act to discuss strategies in negotiations concerning collective bargaining agreements. On a roll call vote ó ayes: Metzger, L. Miller, Mayor Smith, Traver, Williams, and Dyer; nays: none. **MOTION CARRIED**

At 8:02 p.m. move to the conference room for the closed session

At 8:50 p.m. returned to open session.

The meeting was adjourned at 9:00 p.m.

Bruce R. Smith, MAYOR

Dennis Habedank, Clerk-Treasurer