

REGULAR MEETING OF THE WEST BRANCH CITY COUNCIL HELD IN THE COUNCIL CHAMBERS OF CITY HALL, 121 NORTH FOURTH STREET ON MONDAY, MAY 6, 2019.

Mayor Paul Frechette called the meeting to order at 6:00 p.m.

Present: Mayor Paul Frechette and Council Members Joanne Bennett, William Ehinger, Mike Jackson, Ellen Pugh, Dan Weiler, and Cathy Zimmerman.

Absent: None

Other officers present: Interim City Manager/Clerk/Treasurer John Dantzer, Deputy Clerk/Treasurer Michelle Frechette, DPW Superintendent Mike Killackey, Police Chief Ken Walters, Ogemaw County Commissioner Bruce Reetz, and Planning Commission Chairman Robert David.

All stood for the Pledge of Allegiance and a moment of silence.

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Mayor Frechette opened the public hearing at 6:02 pm to take comment on a USDA grant for a patrol car.

No one from the public wished to speak on the subject.

MOTION BY FRECHETTE, SECOND BY JACKSON, TO CLOSE THE PUBLIC HEARING AT 6:03 PM

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None

Absent – None

Motion carried

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County Commissioner Bruce Reetz gave a County update and invited all to the National Peace Officers' Memorial Day Service.

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Chamber of Commerce Director Heather Neuhas gave an update of the events coming up. Heather had submitted permits for the July 4th Parade, Christmas Parade and the fall light pole decorating for approval.

MOTION BY BENNETT, SECOND BY PUGH, TO ALLOW THE CHANBER OF COMMERCE TO HOLD THE PARADES AND LIGHT POLE DECORATING CONTEST.

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None

Absent – None

Motion carried

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Discussion on the asphalt bids for 250 square feet and less / patches only.

MOTION BY WEILER, SECOND BY BENNETT, TO AWARD THE ASPHALT BID TO HODGINS ASPHALT

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None Absent – None Motion carried

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Discussion on mowing bids, only one bid received. Same as last year, no issues with the company.

MOTION BY PUGH, SECOND BY JACKSON, TO AWARD THE MOWING BID TO NORTHERN MOW AND TRIM

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None Absent – None Motion carried

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Discussion on City Hall window replacement as part of the energy grant. Have \$16,040.15 in grant monies to use. Received a bid from Fransee. Dantzer to go in depth with Fransee to review the windows and doors to be replaced under the grant.

MOTION BY BENNETT, SECOND BY JACKSON, TO AWARD THE WINDOW AND DOOR REPLACEMENT BID NOT TO EXCEED \$16,040.15 TO FRANSEE.

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None Absent – None Motion carried

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MOTION BY BENNETT, SECOND BY JACKSON, TO PAY BILLS IN THE AMOUNT OF \$113,416.29.

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None Absent – None Motion carried

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Discussion on the Memorial Day parade special event permit application. To be held on Memorial Day, at 11:00am. Line up at Houghton Ave and N 2nd St and ending at the Veterans Memorial on Houghton Ave and N 8th St.

MOTION BY FRECHETTE, SECOND BY BENNETT, TO ALLOW THE MEMORIAL DAY PARADE

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None

Absent – None

Motion carried

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Discussion on the proposed Cell Phone Policy drafts. Dantzer presented an MML draft and a reworked internal draft. Council reviewed both drafts.

MOTION BY BENNETT, SECOND BY PUGH, TO ADOPT THE REWORDED INTERNAL VERSION OF THE CELL PHONE POLICY.

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None

Absent – None

Motion carried

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A resolution was submitted by Interim Manager Dantzer to approve a bond issuance for water infrastructure replacement on Fairview and Valley Streets that will coincide with the road reconstruction.

RESOLUTION 19-09 AUTHORIZING ISSUANCE OF CAPITAL IMPROVEMENT BOND, SERIES 2019 (LIMITED TAX GENERAL OBLIGATION)

City of West Branch
County of Ogemaw, State of Michigan

Minutes of a regular meeting of the City Council of the City of West Branch, County of Ogemaw, State of Michigan (the “City”), held on May 6, 2019, at 6:00 p.m., prevailing Eastern Time.

PRESENT: Members Mayor Paul Frechette, Council Members Joanne Bennett, William Ehinger, Mike Jackson, Ellen Pugh, Dan Weiler, Cathy Zimmerman

ABSENT: Members None

The following preamble and resolution were offered by Member Bennett and supported by Member Jackson:

WHEREAS, the City does hereby determine that it is necessary to pay all or part of the costs of replacing a water main in the City, including associated fire hydrants, valves and service lines, together with all related appurtenances and attachments thereto (the “Project”); and

WHEREAS, to finance the cost of the Project, the City Council deems it necessary to borrow the principal amount of not to exceed Two Hundred Twenty Thousand Dollars (\$220,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), to pay the cost of the Project; and

WHEREAS, a notice of intent to issue capital improvement bonds was published in accordance with Act 34 which provides that the bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication and as of this date no petition has been filed with the City Clerk; and

WHEREAS, the City has received an offer, attached hereto as Exhibit A, and made a part hereof, to purchase the bonds from Mercantile Bank of Michigan (the “Purchaser”); and

WHEREAS, the City Council has determined that it is in the best interests of the City to accept the offer of the Purchaser to purchase the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bond; Bond Terms. A bond of the City designated CAPITAL IMPROVEMENT BOND, SERIES 2019 (LIMITED TAX GENERAL OBLIGATION) (the “Bond”) is authorized to be issued in the principal amount of Two Hundred Twenty Thousand Dollars (\$220,000) for the purpose of paying all or part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bond.

The Bond shall consist of a single non-convertible bond in fully-registered form, in the original denomination equal to the par amount thereof, payable as provided in Exhibit B attached hereto and made a part hereof. The Bond shall be dated as of the date of delivery or such other date as determined by Mayor, City Clerk, Treasurer or City Manager/Finance Director (each, an “Authorized Officer”). The Bond shall be subject to optional redemption prior to maturity as provided in Exhibit B. The Bond shall bear interest at a rate shown in Exhibit B, first payable on May 15, 2020 and annually thereafter. Interest on the Bond shall be payable on each interest payment date to the registered owner of record as of the first (1st) day of the month prior to the related 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 by the Transfer Agent (as hereinafter defined) and 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 Bond shall be payable by the City.

The Treasurer of the City is hereby appointed to act as the initial bond registrar, paying agent and transfer agent for the Bond (the “Transfer Agent”). Alternatively, if required by the Purchaser, any Authorized Officer may appoint a bank or trust company to serve as Transfer Agent for the Bond. 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 Bond not less than sixty (60) days prior to any interest payment date.

The Bond shall be subject to redemption as provided on Exhibit B. Notice of redemption shall be given to the registered owner of any Bond called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record.

2. Execution of the Bond. The Bond shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bond. No Bond signed by facsimile signature shall be valid until authenticated by an authorized officer or representative of the Transfer Agent.

3. Transfer of the Bond. 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. If a Bond 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.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of the Bond. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bond. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bond and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depository account with a bank or trust company, or create a separate account on the books of the City, designated by the City Council, to be designated 2019 CAPITAL IMPROVEMENT BOND DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bond as they same become due and payable.

In the event 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 redemption, the principal of, premium, if any, and interest on the Bond, shall be deposited in trust, this resolution shall be defeased and the owners of the Bond shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bond from the cash or

securities deposited in trust and the interest and gains thereon and to transfer and exchange Bond as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company or to create a separate account on the books of the City, to be designated 2019 CAPITAL IMPROVEMENT BOND CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bond, less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bond.

6. Bond Form. The Bond shall be in substantially the following form:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MICHIGAN UNIFORM SECURITIES ACT, AS AMENDED, IN RELIANCE UPON EXEMPTIONS THEREUNDER. ANY RESALE OR OTHER TRANSFER OF THIS BOND MAY BE MADE ONLY UPON REGISTRATION UNDER SUCH ACTS OR IN AN EXEMPT TRANSACTION UNDER SUCH ACTS AND UPON COMPLIANCE WITH THE CONDITIONS SET FORTH HEREIN AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THOSE ACTS OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

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UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OGEMAW

CITY OF WEST BRANCH

CAPITAL IMPROVEMENT BOND, SERIES 2019
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
3.15%	May 15, 2029	May 15, 2019

REGISTERED OWNER: Mercantile Bank of Michigan

PRINCIPAL AMOUNT: Two Hundred Twenty Thousand Dollars

The City of West Branch, County of Ogemaw, 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 Maturity Date 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 May 15, 2020 and annually thereafter. Principal of this bond is payable by the

Treasurer of the City or such other paying agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the first (1st) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is a single, fully-registered, non-convertible bond in the principal amount of \$220,000, issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and a resolution duly adopted by the City Council of the City for the purpose of paying all or part of the cost of constructing certain capital improvements for the City.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

Principal installments of this Bond are subject to redemption prior to maturity as the City shall determine, on any date at par plus accrued interest to the date fixed for redemption.

This bond matures on May 15, 2029 as a term bond, subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below at a redemption price equal to the principal amount thereof, without premium, together with interest thereon to the redemption date as set forth in the following schedule:

Term Bond due May 15, 2029

<u>Redemption Dates</u>	<u>Principal Amount</u>
May 15, 2020	\$19,004.71
May 15, 2021	\$19,630.93
May 15, 2022	\$20,257.89
May 15, 2023	\$20,904.88
May 15, 2024	\$21,560.26
May 15, 2025	\$22,261.11
May 15, 2026	\$22,972.07
May 15, 2027	\$23,705.74
May 15, 2028	\$24,458.50
May 15, 2029 (maturity)	\$25,243.91

In case less than the full amount of this 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 in the principal amount of the portion of

the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

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

CITY OF WEST BRANCH
County of Ogemaw
State of Michigan

By: _____
Its: Mayor

(SEAL)

By: _____
Its: City Clerk

7. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than ten (10) years.

8. Negotiated Sale. The City Council has considered the option of selling the Bond through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34 and upon the advice of the City's Financial Advisor, hereby determines that a negotiated sale of the Bond will result in the most efficient and expeditious means of selling the Bond and will result in the lowest interest cost to the City.

9. Placement of Bond. The offer of the Purchaser to purchase the Bond for its loan portfolio, attached hereto as Exhibit A, is hereby accepted and approved. The Authorized Officers are each individually authorized and directed to supplement this resolution through execution of a Sale Order, if necessary, and take such actions as are necessary or convenient to effectuate the terms of the term sheet and the issuance of the Bond on behalf of the City all in accordance with this resolution.

10. Adjustment of Bond Terms. Each Authorized Officer is hereby authorized to adjust the final Bond details to the extent necessary or convenient to complete the transaction authorized in this resolution, and in pursuance of the foregoing are each authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, all subject to the parameters established in this resolution.

11. Tax Covenant; Qualified Tax Exempt Obligations. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bond from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bond from being or becoming "private activity bonds" as that term is used in Section 141 of the Code. The Bond is hereby designated as a "qualified tax exempt obligation" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

12. Authorization of Other Actions. Each Authorized Officer are individually authorized to take all other actions, to execute all such documents and certificates, and make such other filings with the Michigan Department of Treasury or with other parties, as are necessary or advisable in order to effectuate the sale and delivery of the Bond to the Purchaser as contemplated by this resolution

13. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby confirmed as bond counsel for the Bond, notwithstanding periodic representation in unrelated matters of the Purchaser and other parties or potential parties to the transaction contemplated by this

Ehinger stated that he has been receiving calls on the water/sewer bills. Good job on the brush cleanup. Told people to take a drive and look at what's happening to the trees west of town.

Pugh stated that the MML Core Class was very informative.

Zimmerman also stated that it was a good conference, said all should reread the Charter. Reminded everyone that Council should be working on finding businesses to fill the vacant storefronts downtown and to shop local.

Dantzer discussed a Recycle Grant Award that we received. The City will receive \$7,500 with a 25% match. The plan is to replace the shed and make it larger in order to accommodate larger items. The City's match fee will be the annual fees for recycling that we already pay.

Dantzer also brought up a logo idea for the empty wall in the Council Chamber using the new branding logos. Council asked to remove the up north down home slogan and to check locally before ordering.

Killackey stated that the USDA truck grant is moving forward and that the road project is going well.

Pete Fabbri addressed the Council to request a change to the City's Special Event Permits. Discussion on the stipulation regarding the liability section.

MOTION BY ZIMMERMAN, SECOND BY FRECHETTE, TO STRIKE OUT THE LIABILITY SECTION ON THE SPECIAL EVENT PERMITS AND TO REVIEW HOLD HARMLESS WORDING WITH THE MML

Yes — Bennett, Ehinger, Frechette, Jackson, Pugh, Weiler, Zimmerman

No – None

Absent – None

Motion carried

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Mayor Frechette thanked Briana Tierney, Teagan Agren, Mallory Schleider and Matthew Pyszora from Surline for attending.

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Mayor Frechette adjourned the meeting at 6:59pm.