

May 23, 2016

A regular meeting of the City Council was held on Monday, May 23, 2016, at 7:00 p.m. in the Council Chambers of City Hall. Mayor Donker presided. The Pledge of Allegiance to the Flag was recited in unison.

Councilmen present: Thomas Adams, Steve Arnosky, Diane Brown Wilhelm, Maureen Donker, Marty Wazbinski

Councilmen absent: None

### **MINUTES**

Approval of the minutes of the May 9, 2016 regular meeting was offered by Councilman Adams and seconded by Councilman Arnosky. (Motion ADOPTED.)

### **AMATEUR RADIO WEEK**

Director of Community Affairs Selina Tisdale introduced Midland Amateur Radio Club President John Wolters. The following resolution was offered by Councilman Wazbinski and seconded by Councilman Adams:

RESOLVED, that the Mayor is authorized to issue the attached proclamation designating the week of June 20-26, 2016, as Amateur Radio Week in Midland. (Motion ADOPTED.) Mayor Donker presented Midland Amateur Radio Club President John Wolters with the proclamation.

### **ZONING PETITION NO. 604**

Assistant City Manager for Community Development Brad Kaye presented information on Zoning Petition No. 604 – rezoning property located at 2705 and 3003 East Wackerly Street and 6001 and 6209 Waldo Avenue from Midland Township zoning to Residential A-3 single-family zoning. A public hearing opened at 7:16 p.m. Developer David Rapanos, 16 Pinehaven Court, spoke regarding the request for rezoning. The public hearing closed at 7:22 p.m. The following ordinance amendment was then offered by Councilman Wazbinski and seconded by Councilman Brown Wilhelm:

#### **ORDINANCE NO. 1784**

AN ORDINANCE TO AMEND ORDINANCE NO. 1585, BEING AN ORDINANCE TO REGULATE AND RESTRICT THE LOCATION OF TRADES AND INDUSTRIES AND THE LOCATION OF BUILDINGS DESIGNED FOR SPECIFIC USES, TO REGULATE AND LIMIT THE HEIGHT AND BULK OF BUILDINGS HEREAFTER ERECTED OR ALTERED, TO REGULATE AND DETERMINE THE AREA OF YARDS, COURTS, AND OTHER OPEN SPACES SURROUNDING BUILDINGS, TO REGULATE AND LIMIT THE DENSITY OF POPULATION, AND FOR SAID PURPOSES, TO DIVIDE THE CITY INTO DISTRICTS AND PRESCRIBE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS BY AMENDING THE ZONING MAP TO PROVIDE A RESIDENTIAL A-3 SINGLE-FAMILY ZONING DISTRICT WHERE A MIDLAND TOWNSHIP ZONING DISTRICT PRESENTLY EXISTS.

The City of Midland Ordains:

Section 1. That the Zoning Map of Ordinance No. 1585, being the Zoning Ordinance of the City of Midland, is hereby amended as follows:

2705 and 3003 East Wackerly Street:

THE NORTH ½ OF THE NORTHEAST ¼ OF SECTION 2, TOWNSHIP 14 NORTH, RANGE 2 EAST; EXCEPT BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST ¼ OF SECTION 2, TOWNSHIP 14 NORTH, RANGE 2 EAST; THENCE SOUTH 89 DEGREES 42 MINUTES EAST 191.49 FEET; THENCE SOUTH 0 DEGREES

13 MINUTES EAST 674.70 FEET; THENCE SOUTH 14 DEGREES 04 MINUTES EAST 336.88 FEET; THENCE NORTH 89 DEGREES 32 MINUTES WEST 281.75 FEET; THENCE NORTH 0 DEGREES 21 MINUTES EAST 1000.17 FEET TO THE PLACE OF BEGINNING; EXCEPT COMMENCING 132 FEET SOUTH OF THE NORTHEAST SECTION CORNER, THENCE WEST 490 FEET, SOUTH 90 FEET, EAST 490 FEET, NORTH 90 FEET.

6001 Waldo Avenue:

THE FOLLOWING DESCRIBED PROPERTY, SITUATED IN THE TOWNSHIP OF MIDLAND, COUNTY OF MIDLAND, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS: SITUATED IN THE TOWNSHIP OF MIDLAND, MIDLAND, MICHIGAN. THE NORTH ½ OF THE SOUTH ½ OF THE NORTHEAST ¼ OF SECTION 2 TOWN 14 NORTH, RANGE 2 EAST, EXCEPT: A PARCEL DESCRIBED AS PART OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 2, TOWN 14 NORTH, RANGE 2 EAST, DESCRIBED AS; COMMENCING AT THE SOUTHEAST CORNER OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SAID SECTION 2, RUNNING THENCE WEST 424.20 FEET; THENCE NORTH 187 FEET; THENCE EAST 224.20 FEET; THENCE NORTH 130 FEET; THENCE EAST 200 FEET THENCE SOUTH 317 FEET TO THE PLACE OF BEGINNING, EXCEPT: COMMENCING AT THE NORTH ¼ CORNER OF SAID SECTION 2; THENCE SOUTH 0 DEGREES 21 MINUTES WEST 1000.17 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 53 MINUTES EAST 266.75 FEET; THENCE SOUTH 16 DEGREES 0 MINUTES EAST, 686 FEET; THENCE WEST 460 FEET , MORE OR LESS ALONG AN EXISTING FENCE LINE TO THE NORTH AND SOUTH ¼ LINE; THENCE NORTH 0 DEGREES 21 MINUTES EAST, 657 FEET MORE OR LESS TO THE POINT OF BEGINNING, EXCEPT: BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 2; THENCE SOUTH 150 FEET; THENCE WEST 210 FEET; THENCE NORTH 150 FEET; THENCE EAST 210 FEET TO THE POINT OF BEGINNING, EXCEPT: COMMENCING AT THE EAST ¼ CORNER OF SECTION 2, TOWN 14 NORTH, RANGE 2 EAST, MIDLAND TOWNSHIP, MIDLAND COUNTY, MICHIGAN; THENCE NORTH 00 DEGREES 08 MINUTES 44 SECONDS EAST, 660 FEET ALONG THE EAST SECTION LINE; THENCE NORTH 89 DEGREES 49 MINUTES 01 SECONDS WEST, 398.92 FEET; THENCE NORTH 15 DEGREES 49 MINUTES 01 SECONDS WEST, 106.91 FEET; THENCE SOUTHEASTERLY, 444.64 FEET ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 944.24 FEET, HAVING A CHORD BEARING AND DISTANCE OF SOUTH 76 DEGREES 19 MINUTES 37 SECONDS EAST, 440.54 FEET TO THE PLACE OF BEGINNING OF THIS DESCRIPTION.

6209 Waldo Avenue

BEING A PART OF THE NORTH ½ OF THE NORTHEAST ¼ OF SECTION 2, T14N R2E, DESCRIBED AS: COMMENCING AT THE NORTHEAST CORNER OF SECTION 2; THENCE 132 FEET SOUTH ALONG THE EAST LINE OF SECTION 2 TO THE TRUE PLACE OF BEGINNING; THENCE 490 FEET WEST PARALLEL TO THE NORTH LINE OF SECTION 2; THENCE 90 FEET SOUTH PARALLEL TO THE EAST LINE OF SECTION 2; THENCE 490 FEET EAST PARALLEL TO THE NORTH LINE OF SECTION 2; THENCE 90 FEET NORTH ALONG THE EAST LINE OF SECTION 2 TO THE TRUE PLACE OF BEGINNING.

Be, and the same is hereby changed to Residential A-3.

Section 2. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3. This Ordinance shall take effect upon publication. (Ordinance ADOPTED.)

**ZONING PETITION NO. 606**

Assistant City Manager for Community Development Brad Kaye introduced Zoning Petition No. 606 – rezoning property at 4203 West Main Street from Residential A-1 single-family residential and Residential B multiple-family to Community zoning. A public hearing opened at 7:38 p.m. Northwood University President Keith Pretty spoke regarding the rezoning request. The public hearing closed at 7:46 p.m. The following ordinance amendment was then offered by Councilman Brown Wilhelm and seconded by Councilman Wazbinski:

ORDINANCE NO. 1785

AN ORDINANCE TO AMEND ORDINANCE NO. 1585, BEING AN ORDINANCE TO REGULATE AND RESTRICT THE LOCATION OF TRADES AND INDUSTRIES AND THE LOCATION OF BUILDINGS DESIGNED FOR SPECIFIC USES, TO REGULATE AND LIMIT THE HEIGHT AND BULK OF BUILDINGS HEREAFTER ERECTED OR ALTERED, TO REGULATE AND DETERMINE THE AREA OF YARDS, COURTS, AND OTHER OPEN SPACES SURROUNDING BUILDINGS, TO REGULATE AND LIMIT THE DENSITY OF POPULATION, AND FOR SAID PURPOSES, TO DIVIDE THE CITY INTO DISTRICTS AND PRESCRIBE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS BY AMENDING THE ZONING MAP TO PROVIDE A COMMUNITY ZONING DISTRICT WHERE A RESIDENTIAL A-1 SINGLE-FAMILY AND RESIDENTIAL B MULTIPLE-FAMILY ZONING DISTRICT PRESENTLY EXISTS.

The City of Midland Ordains:

Section 1. That the Zoning Map of Ordinance No. 1585, being the Zoning Ordinance of the City of Midland, is hereby amended as follows:

PART OF THE NORTHWEST ¼ OF SECTION 07, T14N R2E, CITY OF MIDLAND, MIDLAND COUNTY, MICHIGAN. BEING FURTHER DESCRIBED AS COMMENCING AT THE EAST ¼ CORNER OF SAID SECTION 7; THENCE ALONG THE EAST-WEST ¼ LINE, N 89D 25M 46S W, 2676.38' TO A CONCRETE MONUMENT AT THE CENTER OF SAID SECTION 7; THENCE ALONG THE EAST-WEST ¼ LINE, S 89D 51M 25S W, 209.88' TO THE NORTH LINE OF THE PERE MARQUETTE RAIL TRAIL; THENCE N 56D 31M 14S W, 142.25' TO THE POINT OF BEGINNING; THENCE N 56D 31M 14S W, 364.09'; THENCE N 62D 17M 38S E, 312.48'; THENCE ALONG A CURVE TO THE RIGHT WITH AN ARC LENGTH OF 36.55', RADIUS OF 867.00', WITH A CHORD BEARING AND DISTANCE OF N 69D 32M 13S E, 36.54' THENCE S 01D 08M 59S W, 358.98' TO THE POINT OF BEGINNING. CONTAINING 1.28 ACRES, MORE OR LESS AND IS SUBJECT TO ANY AND ALL EASEMENTS AND/OR RIGHTS OF WAY WHETHER USED, IMPLIED OR OF RECORD.

PART OF SECTION 07, T14N R2E, CITY OF MIDLAND, MIDLAND COUNTY, MICHIGAN. BEING FURTHER DESCRIBED AS COMMENCING AT THE EAST ¼ CORNER OF SAID SECTION 7; THENCE ALONG THE EAST-WEST ¼ LINE, N 89D 25M 46S W, 1338.00' TO THE INTERSECTION OF THE EAST-WEST ¼ LINE AND THE EAST 1/8 LINE OF SAID SECTION AND THE POINT OF BEGINNING; THENCE ALONG SAID EAST 1/8 LINE, S 01D 02M 30S W, 999.27' TO THE NORTH LINE OF THE PERE MARQUETTE RAIL TRAIL; THENCE ALONG SAID NORTH LINE, N 56D 31M 14S W, 1976.61' TO A LINE THAT IS 330' WEST OF THE NORTH-SOUTH ¼ LINE OF SAID SECTION; THENCE ALONG SAID LINE, N 01D 08M 59S E, 358.98' TO THE SOUTH LINE OF WEST SUGNET ROAD; THENCE ALONG SAID SOUTH LINE THE FOLLOWING FOUR (4) COURSES; THENCE ALONG A CURVE TO THE RIGHT WITH AN ARC LENGTH OF 783.55', RADIUS OF 867.00', AND A CHORD BEARING AND DISTANCE OF S 83D 21M 50S E, 757.15'; THENCE S 57D 28M 24S E, 183.42'; THENCE ALONG A CURVE TO THE LEFT WITH AN ARC LENGTH OF 576.15', RADIUS OF 1033.00', WITH A CHORD BEARING AND DISTANCE OF S 73D 27M 05S, 568.71'; THENCE S 89D 25M 46S E, 54.22'; THENCE S 56D 31M 14S E, 184.06' TO POINT OF

BEGINNING. CONTAINING 28.83 ACRES, MORE OR LESS AND IS SUBJECT TO ANY AND ALL EASEMENTS AND/OR RIGHTS OF WAY WHETHER USED, IMPLIED OR OF RECORD.

Be, and the same is hereby changed to Community.

Section 2. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3. This Ordinance shall take effect upon publication. (Ordinance ADOPTED.)

### **PUBLIC COMMENTS**

No public comments were made.

### **2016-17 CITY BUDGET**

Assistant City Manager David Keenan presented the City Manager's proposed 2016-17 budget. The following resolution was then offered by Councilman Brown Wilhelm and seconded by Councilman Arnosky:

WHEREAS, a public hearing on the 2016-2017 budget was held on Monday, May 9, 2016, at 7:00 p.m., in accord with Section 11.4 of the Charter of the City of Midland and State of Michigan Act 5, Public Acts of 1982, as amended; and

WHEREAS, MCL 211.44 permits local governments which administer property taxes to impose a Property Tax Administration Fee not to exceed one percent (1%) on taxes payable before February 15th of the succeeding year; and

WHEREAS, Section 12.17 of the Charter of the City of Midland requires the City Treasurer to add a four percent (4%) collection fee to all taxes paid after the 15th day of September; and

WHEREAS, MCL 211.44 permits local property tax collecting units to add to taxes collected after February 14 and before March 1, four percent (4%) for late charges and additional fees; and

WHEREAS, pursuant to MCL 211.44, as amended, the governing body must approve by resolution or ordinance an authorization for the imposition of a property tax administration fee, collection fee or any type of late penalty charge; and

WHEREAS, it is the desire of the governing body of the City of Midland to authorize the imposition of a one percent (1%) tax administration fee and a four percent (4%) late penalty collection fee to all applicable taxes levied by all taxing units and payable to the City of Midland; and

WHEREAS, the taxable value of real and personal property in the City of Midland has been determined to be \$2,108,369,097 plus \$116,558,800 of value on the Industrial Facilities Tax Roll; now therefore

RESOLVED, that the budget of the City of Midland for the fiscal year beginning July 1, 2016 and ending June 30, 2017 is hereby determined and adopted as follows:

	<u>Adopted</u>
<b>GENERAL FUND</b>	
<i>Sources of Funds:</i>	
Property taxes	\$ 28,615,302
Intergovernmental	6,990,889
Other revenues	4,221,747
Transfers from other funds	24,000
Fund balance	3,632,253
<b><i>Total Sources of Funds</i></b>	<b><u>\$ 43,484,191</u></b>

**GENERAL FUND (cont'd)***Appropriations:*

General government	\$ 6,427,457
Public safety	17,847,275
Public works	2,265,981
Sanitation	3,468,322
Parks and recreation	5,687,652
Other functions	1,767,222
Capital projects	235,000
Contingencies	400,000
Transfers to other funds	5,385,282
<b>Total Appropriations</b>	<b><u>\$ 43,484,191</u></b>

**MAJOR STREET FUND***Sources of Funds:*

State gas and weight tax	\$ 3,461,000
County Road Millage	4,200,000
Other revenues	350,013
<b>Total Sources of Funds</b>	<b><u>\$ 8,011,013</u></b>

*Appropriations:*

Street maintenance	\$ 2,040,748
Street construction	2,952,000
Contingencies	20,000
Transfers to other funds	2,856,313
Fund balance	141,952
<b>Total Appropriations</b>	<b><u>\$ 8,011,013</u></b>

**LOCAL STREET FUND***Sources of Funds:*

State gas and weight tax	\$ 922,000
Other revenues	123,000
Transfers from other funds	2,720,000
Fund balance	232,991
<b>Total Sources of Funds</b>	<b><u>\$ 3,997,991</u></b>

*Appropriations:*

Street maintenance	\$ 1,587,664
Street construction	2,249,000
Contingencies	20,000
Transfers to other funds	141,327
<b>Total Appropriations</b>	<b><u>\$ 3,997,991</u></b>

**SMARTZONE FUND***Sources of Funds:*

Fund balance	\$ 48,000
<b>Total Sources of Funds</b>	<b><u>\$ 48,000</u></b>

*Appropriations:*

Operating expenditures	\$ 48,000
<b>Total Appropriations</b>	<b><u>\$ 48,000</u></b>

**CENTER CITY AUTHORITY FUND***Sources of Funds:*

Property taxes	\$	4,252
Other revenues		300
<b>Total Sources of Funds</b>	<b>\$</b>	<b>4,552</b>

*Appropriations:*

Operating expenditures	\$	4,252
Fund balance		300
<b>Total Appropriations</b>	<b>\$</b>	<b>4,552</b>

**STORM WATER MANAGEMENT FUND***Sources of Funds:*

Operating revenues	\$	24,500
Other revenues		450
Transfers from other funds		947,640
<b>Total Sources of Funds</b>	<b>\$</b>	<b>972,590</b>

*Appropriations:*

Operating expenditures	\$	675,107
Storm sewer construction		245,000
Contingencies		25,000
Capital expenditures		8,000
Fund balance		19,483
<b>Total Appropriations</b>	<b>\$</b>	<b>972,590</b>

**GRACE A. DOW LIBRARY FUND***Sources of Funds:*

Property taxes	\$	2,098,877
Operating revenues		559,736
State funds		307,724
Other revenues		218,500
Transfers from other funds		1,242,399
<b>Total Sources of Funds</b>	<b>\$</b>	<b>4,427,236</b>

*Appropriations:*

Operating expenditures	\$	4,197,236
Capital expenditures		230,000
<b>Total Appropriations</b>	<b>\$</b>	<b>4,427,236</b>

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND***Sources of Funds:*

Federal and program	\$	332,889
<b>Total Sources of Funds</b>	<b>\$</b>	<b>332,889</b>

*Appropriations:*

Residential home rehabs	\$	97,392
Other expenditures		180,497
Contingencies		10,000
Transfers to other funds		45,000
<b>Total Appropriations</b>	<b>\$</b>	<b>332,889</b>

**SPECIAL ACTIVITIES FUND***Sources of Funds:*

Contributions and other	\$	81,825
Transfers from other funds		5,000
<b>Total Sources of Funds</b>	<b>\$</b>	<b>86,825</b>

*Appropriations:*

Other expenditures	\$	68,500
Transfers to other funds		15,000
Fund balance		3,325
<b>Total Appropriations</b>	<b>\$</b>	<b>86,825</b>

**MIDLAND HOUSING FUND***Sources of Funds:*

Sale of assets	\$	140,000
Other revenues		200
Fund balance		172,900
<b>Total Sources of Funds</b>	<b>\$</b>	<b>313,100</b>

*Appropriations:*

Cost of assets sold	\$	305,000
Other expenditures		8,100
<b>Total Appropriations</b>	<b>\$</b>	<b>313,100</b>

**DIAL-A-RIDE FUND***Sources of Funds:*

Operating revenues	\$	105,380
State funds		794,815
Federal funds		636,890
Other revenues		5,744
Transfers from other funds		743,134
<b>Total Sources of Funds</b>	<b>\$</b>	<b>2,285,963</b>

*Appropriations:*

Operating expenditures	\$	2,211,757
Capital expenditures		64,206
Contingencies		10,000
<b>Total Appropriations</b>	<b>\$</b>	<b>2,285,963</b>

**MIDLAND COMMUNITY TELEVISION FUND***Sources of Funds:*

Operating revenues	\$	780,050
Other revenues		2,100
<b>Total Sources of Funds</b>	<b>\$</b>	<b>782,150</b>

*Appropriations:*

Operating expenditures	\$	730,119
Capital expenditures		30,000
Contingencies		20,000
Fund balance		2,031
<b>Total Appropriations</b>	<b>\$</b>	<b>782,150</b>

**DOWNTOWN DEVELOPMENT AUTHORITY FUND***Sources of Funds:*

Property taxes	\$	542,549
Other revenues		5,800
Transfers from other funds		26,500
<b>Total Sources of Funds</b>	<b>\$</b>	<b>574,849</b>

*Appropriations:*

Operating expenditures	\$	480,132
Transfers to other funds		50,000
Fund balance		44,717
<b>Total Appropriations</b>	<b>\$</b>	<b>574,849</b>

**DEBT SERVICE FUND***Sources of Funds:*

Property taxes	\$	555,941
Other revenues		80,665
Transfers from other funds		1,819,749
<b>Total Sources of Funds</b>	<b>\$</b>	<b>2,456,355</b>

*Appropriations:*

Debt service	\$	1,628,663
Transfers to other funds		827,471
Fund balance		221
<b>Total Appropriations</b>	<b>\$</b>	<b>2,456,355</b>

**CIVIC ARENA FUND***Sources of Funds:*

Operating revenue	\$	1,111,440
Other revenues		20,150
Transfers from other funds		350,000
<b>Total Sources of Funds</b>	<b>\$</b>	<b>1,481,590</b>

*Appropriations:*

Operating expenses	\$	989,031
Capital expenses		75,000
Debt service		351,988
Contingencies		10,000
Working capital		55,571
<b>Total Appropriations</b>	<b>\$</b>	<b>1,481,590</b>

**LANDFILL FUND***Sources of Funds:*

Operating revenue	\$	3,363,000
Other revenues		116,511
Working capital		464,872
<b>Total Sources of Funds</b>	<b>\$</b>	<b>3,944,383</b>

*Appropriations:*

Operating expenses	\$	3,022,043
Other expenses		700
Capital expenses		91,640
Capital projects		780,000
Contingencies		50,000
<b>Total Appropriations</b>	<b>\$</b>	<b>3,944,383</b>

**WASHINGTON WOODS FUND***Sources of Funds:*

Operating revenues	\$ 1,206,200
Other revenues	1,706,015
Transfers from other funds	45,000
Working capital	460,682
<b>Total Sources of Funds</b>	<b><u>\$ 3,417,897</u></b>

*Appropriations:*

Operating expenses	\$ 1,453,397
Other expenses	306,500
Capital expenses	348,000
Contingencies	10,000
Capital projects	1,300,000
<b>Total Appropriations</b>	<b><u>\$ 3,417,897</u></b>

**RIVERSIDE PLACE FUND***Sources of Funds:*

Operating revenues	\$ 1,431,000
Other revenues	583,611
Working capital	42,427
<b>Total Sources of Funds</b>	<b><u>\$ 2,057,038</u></b>

*Appropriations:*

Operating expenses	\$ 1,505,740
Other expenses	487,500
Capital expenses	53,798
Contingencies	10,000
<b>Total Appropriations</b>	<b><u>\$ 2,057,038</u></b>

**CURRIE MUNICIPAL GOLF COURSE FUND***Sources of Funds:*

Operating revenues	\$ 955,655
Other revenues	47,364
Transfers from other funds	540,000
<b>Total Sources of Funds</b>	<b><u>\$ 1,543,019</u></b>

*Appropriations:*

Operating expenses	\$ 1,030,827
Contingencies	20,000
Capital expenses	35,000
Working capital	457,192
<b>Total Appropriations</b>	<b><u>\$ 1,543,019</u></b>

**PARKING FUND***Sources of Funds:*

Operating revenues	\$ 94,523
Other revenues	15,941
Transfers from other funds	55,000
Working capital	22,414
<b>Total Sources of Funds</b>	<b><u>\$ 187,878</u></b>

**PARKING FUND (cont'd)***Appropriations:*

Operating expenses	\$ 186,638
Other expenses	1,240
<b>Total Appropriations</b>	<b>\$ 187,878</b>

**WASTEWATER FUND***Sources of Funds:*

Operating revenues	\$ 6,260,880
Other revenues	179,000
Transfers from other funds	827,471
Working capital	26,930
<b>Total Sources of Funds</b>	<b>\$ 7,294,281</b>

*Appropriations:*

Operating expenses	\$ 4,452,096
Capital expenses	966,000
Capital projects	330,000
Debt service	1,436,185
Contingencies	50,000
Transfers to other funds	60,000
<b>Total Appropriations</b>	<b>\$ 7,294,281</b>

**WATER FUND***Sources of Funds:*

Operating revenues	\$ 10,905,750
Contractual revenue	442,751
Other revenues	71,437
Working capital	2,102,845
<b>Total Sources of Funds</b>	<b>\$ 13,522,783</b>

*Appropriations:*

Operating expenses	\$ 8,455,372
Other expenses	5,181
Capital expenses	676,000
Capital projects	3,046,650
Debt service	1,191,388
Contingencies	100,000
Transfers to other funds	48,192
<b>Total Appropriations</b>	<b>\$ 13,522,783</b>

**STORES REVOLVING FUND***Sources of Funds:*

Operating revenues	\$ 940,000
Other revenues	2,175
<b>Total Sources of Funds</b>	<b>\$ 942,175</b>

*Appropriations:*

Operating expenses	\$ 920,697
Working capital	21,478
<b>Total Appropriations</b>	<b>\$ 942,175</b>

**INFORMATION SERVICES FUND**

*Sources of Funds:*

Operating revenues	\$ 1,089,002
Other revenues	2,500
Working capital	268,436
<b>Total Sources of Funds</b>	<b><u>\$ 1,359,938</u></b>

*Appropriations:*

Operating expenses	\$ 1,282,938
Contingencies	25,000
Capital expenses	52,000
<b>Total Appropriations</b>	<b><u>\$ 1,359,938</u></b>

**EQUIPMENT REVOLVING FUND**

*Sources of Funds:*

Operating revenues	\$ 4,464,438
Other revenues	94,350
Working capital	576,586
<b>Total Sources of Funds</b>	<b><u>\$ 5,135,374</u></b>

*Appropriations:*

Operating expenses	\$ 3,071,874
Capital expenses	2,038,500
Contingencies	25,000
<b>Total Appropriations</b>	<b><u>\$ 5,135,374</u></b>

**MUNICIPAL SERVICE CENTER FUND**

*Sources of Funds:*

Operating revenues	\$ 384,593
Other revenues	1,164
<b>Total Sources of Funds</b>	<b><u>\$ 385,757</u></b>

*Appropriations:*

Operating expenses	\$ 279,539
Capital expenses	20,000
Contingencies	10,000
Working capital	76,218
<b>Total Appropriations</b>	<b><u>\$ 385,757</u></b>

**MUNICIPAL SERVICE ANNEX FUND**

*Sources of Funds:*

Operating revenues	\$ 34,744
Other revenues	25
Transfers from other funds	48,192
<b>Total Sources of Funds</b>	<b><u>\$ 82,961</u></b>

*Appropriations:*

Operating expenses	\$ 16,725
Capital expenses	4,000
Contingencies	5,000
Working capital	57,236
<b>Total Appropriations</b>	<b><u>\$ 82,961</u></b>

**RENEWABLE ENERGY SERVICES FUND***Sources of Funds:*

Operating revenues	\$ 1,032,660
Other revenues	500
Transfers from other funds	60,000
Working capital	86,512
<b>Total Sources of Funds</b>	<b>\$ 1,179,672</b>

*Appropriations:*

Operating expenses	\$ 648,448
Capital expenses	112,500
Debt service	403,724
Contingencies	15,000
<b>Total Appropriations</b>	<b>\$ 1,179,672</b>

**PROPERTY AND LIABILITY INSURANCE FUND***Sources of Funds:*

Operating revenues	\$ 516,759
Other revenues	96,000
Working capital	141,241
<b>Total Sources of Funds</b>	<b>\$ 754,000</b>

*Appropriations:*

Operating expenses	\$ 754,000
<b>Total Appropriations</b>	<b>\$ 754,000</b>

**HEALTH INSURANCE FUND***Sources of Funds:*

Operating revenues	\$ 9,832,288
Other revenues	278,000
Working capital	514,753
<b>Total Sources of Funds</b>	<b>\$ 10,625,041</b>

*Appropriations:*

Operating expenses	\$ 10,625,041
<b>Total Appropriations</b>	<b>\$ 10,625,041</b>

**SPECIAL ASSESSMENT REVOLVING FUND***Sources of Funds:*

Other revenues	\$ 14,000
<b>Total Sources of Funds</b>	<b>\$ 14,000</b>

*Appropriations:*

Transfers to other funds	\$ 14,000
<b>Total Appropriations</b>	<b>\$ 14,000</b>

; and

RESOLVED FURTHER, that the City Assessor is hereby authorized and instructed to levy 12.3192 mills for operations, .3055 mills for storm water operations, 1.0000 mill for library operations, 1.1162 mills for public safety pension, and 0.2591 mills for general obligation sanitary sewer debt, a total of 15.00 mills, on the taxable value of the various classes of property in the City of Midland on the 2016 City tax roll, in accordance with provisions of Act 114, Public Acts of 1979; and

RESOLVED FURTHER, that in accordance with the recommendation of the Downtown Development Authority, the City Assessor is hereby authorized and instructed to levy an additional 2.0000 mills for operations on the taxable value of the various classes of property on the 2016 City tax roll in the 2006 Amended Downtown Development District; and  
RESOLVED FURTHER, that in accordance with MCL 211.44 the City Assessor is hereby authorized and instructed to impose a tax administration fee of one percent (1%) on all applicable taxes levied on both the summer and winter property tax bills in the City of Midland, to offset costs incurred by the City of Midland in assessing property values, collecting property tax levies, and processing taxes under review and appeal; and  
RESOLVED FURTHER, that the City Treasurer is hereby authorized and instructed to add to all summer taxes paid after the legal due date of September 15 (or the next business day if that day falls on a holiday or weekend) a four percent (4%) late penalty collection fee on all delinquent parcels within the City of Midland. The City Treasurer is also hereby authorized to add to all winter taxes paid after February 14 (or the next business day if that day falls on a holiday or weekend) a four percent (4%) late penalty collection fee on all delinquent parcels within the City of Midland. Said collection fee, for both summer and winter taxes, is to be calculated on the unpaid base tax plus the one percent (1%) tax administration fee; and  
RESOLVED FURTHER, that such added penalty and administrative fees for summer and winter taxes shall belong to the City of Midland and constitute a charge and shall be a lien against the property to which the taxes themselves apply, collectible in the same manner as the taxes to which they are added. The City Treasurer shall apply payments received on delinquent parcels to penalties, interest, and administrative fees before applying payments to delinquent taxes; and  
RESOLVED FURTHER, that all City of Midland taxes, administrative fees and penalties on summer and winter real property levied in the immediately preceding year that remain uncollected by the City Treasurer on the first day of March (or the next business day if that day falls on a holiday or weekend) shall be turned over to the County Treasurer as delinquent for collection. These delinquencies and the related settlement distributions from the County shall include all assessments, interest, charges, administrative fees and penalties hereinto provided, and shall be part of the County's delinquent tax roll, collected in the same manner as other taxes returned to the County Treasurer are collected, as provided by law, and shall be and remain a lien upon the property against which they are assessed until paid; and  
RESOLVED FURTHER, that for the City's fiscal year ending June 30, 2016, the General Fund's fund balance shall include \$3,632,253 as a Committed Fund Balance for Future Year Expenditures, shall include \$1,500,000 as a Committed Fund Balance for Contingencies, and shall include an amount to be determined by the City's Assistant City Manager as Assigned Fund Balance for Encumbrances; and  
RESOLVED FURTHER, that the Assistant City Manager shall be authorized to encumber into the 2016-2017 budgets and financial working plans of the various City funds items requested by staff provided that: 1) there is sufficient remaining budget in 2015-2016, 2) each item has previous City Council budgetary approval to be spent for the purpose for which it is being requested to be encumbered, 3) the intent to spend the funds for the purpose in which it was originally approved still exists, and 4) periodic costs, such as supplies and other charges which get budgeted for each year are deemed to be non-recurring or necessary to offset unexpected adverse conditions in the upcoming year; and  
RESOLVED FURTHER, that the Assistant City Manager is directed to provide an explanation of amounts encumbered, by fund, to City Council in the quarterly financial report for the period ending September 30, 2016. (Motion ADOPTED.)

#### **REFUNDING GENERAL OBLIGATION LIMITED TAX JUDGEMENT BONDS, SERIES 2008**

Assistant City Manager David Keenan presented information on Refunding General Obligation Limited Tax Bonds, Series 2008. The following resolution was then offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

**City of Midland**  
**Counties of Midland and Bay, State of Michigan**  
RESOLUTION AUTHORIZING ISSUANCE AND SALE OF  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016  
(LIMITED TAX)

A RESOLUTION TO APPROVE:

- Net Present Value Savings through issuing Bonds to refund the General Obligation Judgment Funding Bonds (Limited Tax), Series 2008;
- Appointment of Public Financial Management, Inc. as Financial Consultant;
- Assistant City Manager for Financial Services to sell bonds without further Council action;
- Other matters necessary to sell and deliver the bonds.

WHEREAS, the City of Midland, Counties of Midland and Bay, State of Michigan (the "City") has previously issued its General Obligation Judgment Funding Bonds (Limited Tax), Series 2008 in the original aggregate principal amount of \$17,890,000 (the "Prior Bonds"); and

WHEREAS, the City's financial consultant, Public Financial Management, Inc. (the "Financial Consultant"), has advised the City that it may be able to accomplish a net savings of debt service costs by refunding all or a portion of the outstanding Prior Bonds through the issuance of refunding bonds; and

WHEREAS, the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") permits the City to issue refunding bonds for the purpose of refunding all or part of the funded indebtedness of the City if the refunding would result in net present value savings; and

WHEREAS, City Council determines that if the City is able to accomplish a net savings of debt service costs, then it is in the best interest of the City to refund all or a portion of the outstanding Prior Bonds; 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; and

WHEREAS, the City Council wishes to authorize the Assistant City Manager (the "Authorized Officer") to sell and deliver and receive payment for the proposed issue of refunding 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. If, upon the advice of the Financial Consultant, refunding all or a portion of the Prior Bonds would accomplish net present value savings of debt service costs to the City of at least 3.00% after payment of costs of issuance, then bonds of the City designated as the GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 (LIMITED TAX) (the "Bonds") shall be issued in the aggregate principal amount of not-to-exceed Seven Million Nine Hundred Thousand (\$7,900,000) for the purpose of refunding all or a portion of the Prior Bonds including payment of legal, financial and other expenses incident thereto. If the Bonds are sold or delivered after December 31, 2016 then the Authorized Officer may change the word "2016" in the designated name of the Bonds to the year in which the Bonds will be sold or delivered.

The Bonds shall consist of bonds in fully-registered form of 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 Authorized Officer at the time of sale of the Bonds, and numbered as determined by the Transfer Agent (as hereinafter defined). The Bonds shall mature as serial bonds or term bonds on the dates and in the amounts as shall be determined by the Authorized Officer at the time of sale of the Bonds.

The Authorized Officer is hereby authorized to appoint a bond registrar, paying agent and transfer agent (the "Transfer Agent") for the Bonds. 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.

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.

The Bonds shall bear interest at a rate or rates to be determined by the Authorized Officer at the time of sale of the Bonds, payable on November 1, 2016 or such other initial interest payment date as shall be determined at the time of sale of the Bonds, and semi-annually thereafter on May 1st and November 1st of each year, 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. 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 record 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 designated 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 Bonds shall be subject to mandatory or optional redemption prior to maturity at the times and prices determined by the Authorized Officer at the time of sale. In the event that any of the Bonds shall be issued as term bonds, the mandatory redemption requirements for such term bonds shall be specified at the time of sale. 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 or other identifying numbers; 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 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.

2. 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 unless the purchaser of the Bonds does not require the Bonds to be authenticated. If the Bonds are not authenticated, then at least one signature on the Bonds shall be a manual signature. If Bonds are not issued in book-entry form then executed blank bonds for

registration and issuance to transferees may simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the Authorized Officer or his designee upon payment of the purchase price for the Bonds.

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTIES OF MIDLAND AND BAY  
CITY OF MIDLAND  
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016  
(LIMITED TAX)

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner:

Principal Amount:

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

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of [principal] issued 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], for the purpose of refunding bonds previously issued by the City.

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

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

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

**[MANDATORY REDEMPTION]**

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

<u>[Term Bonds due [date]]</u>		<u>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 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 the bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond in the principal amount equal to the unredeemed portion of the bond. 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.

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 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 MIDLAND

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

(Seal)

Countersigned:

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

[STANDARD FORMS OF  
CERTIFICATE OF AUTHENTICATION  
AND ASSIGNMENT TO BE ATTACHED]

4. The Authorized Officer shall designate a bank or trust company to serve as escrow trustee or agent (the "Escrow Agent"). In order to secure payment of the Prior Bonds being refunded, the City will enter into an Escrow Agreement (the "Escrow Agreement") with the Escrow Agent which shall provide for the creation of an escrow fund for deposit of proceeds of the Bonds and other monies to provide for the payment of the principal of and interest on the Prior Bonds being refunded (the "Escrow Fund"). The Escrow Agreement shall irrevocably direct the Escrow Agent to hold the Escrow Fund in trust for the payment of the principal of and interest on the Prior Bonds being refunded, and to take all necessary steps to call for redemption of any Prior Bonds specified by the Authorized Officer upon sale of the Bonds, including mailing of redemption notices, on any date specified by the City on which the Prior Bonds may be called for redemption. The Authorized Officer is hereby authorized to execute and deliver the Escrow Agreement and to purchase, or cause to be purchased, escrow securities, including, but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

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

5. The City Treasurer is authorized and directed to open a separate depository or trust account with a bank or trust company to be designated as the CITY OF MIDLAND –GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 (LIMITED TAX) DEBT RETIREMENT FUND (the "Debt Retirement Fund"). 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. The moneys to be deposited into the Debt Retirement Fund will be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds. Accrued interest and premium received upon delivery of the Bonds shall also be deposited in the Debt Retirement Fund as provided below.

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 redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, 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.

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, Public Acts of Michigan, 2001, as amended, or other state law.

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

There next shall be deposited to the Escrow Fund from Bond proceeds an amount which, together with other monies deposited to the Escrow Fund by the City and investment proceeds to be received thereon, will be sufficient, without reinvestment, to pay the principal of and interest on the Prior Bonds being refunded at maturity or prior redemption.

The remaining proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds. At the option of the Authorized Officer, the costs of the issuance may be paid from a fund established for that purpose in the Escrow Agreement. Any monies remaining after payment of costs of issuance and costs of refunding the Prior Bonds shall be transferred to the Debt Retirement Fund.

7. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds or the Prior Bonds pursuant to the Internal Revenue Code of 1986, as amended in such a manner as to cause the Bonds or the Prior Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code. The City hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bonds and the Prior 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. If the Authorized Officer determines that the City will not issue tax-exempt obligations in the aggregate amount of \$10,000,000 or more in the calendar year in which the Bonds are issued, then the City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code. This designation shall be confirmed by execution of the Non-Arbitrage and Tax Compliance Certificate or other certificate delivered by the City at the time of delivery of the Bonds.

9. Public Financial Management, Inc. is hereby appointed as Financial Consultant to the City to assist in preparation and planning for the sale of the Bonds.

10. The City hereby requests that Miller, Canfield, Paddock and Stone, P.L.C. continue to serve as the City's bond counsel with respect to the Bonds. The City Council acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. occasionally represents municipal bond underwriters, banks, financial institutions and other potential participants in the bond financing process in connection with matters unrelated to issuance of the Bonds by the City.

11. The Authorized Officer is authorized to approve circulation of a sales memorandum, offering circular, official statement or other document describing the City, the Bonds, and the security for payment of the Bonds. The Authorized Officer is authorized to execute the sales memorandum, offering circular, official statement or other documents authorized under this section and deliver it to the purchaser of the Bonds. The Authorized Officer is authorized to execute and deliver a written continuing disclosure undertaking if

required in order to enable the purchaser of the Bonds to comply with the requirements of SEC Rule 15c2-12.

12. The Authorized Officer is hereby authorized to apply for bond ratings for the Bonds from such municipal bond rating agencies as deemed appropriate, in consultation with the Financial Consultant. If the Financial Consultant recommends that the City consider purchase of municipal bond insurance, then the Authorized Officer is hereby authorized and directed to negotiate with insurers regarding acquisition of municipal bond insurance, to select an insurer and determine which Bonds, if any, shall be insured.

13. If the Financial Consultant recommends that the City sell the Bonds without obtaining a rating, then the Authorized Officer, the Financial Consultant, or bond counsel are authorized, on behalf of the City, to file a request with the State of Michigan Department of Treasury for an exemption from the requirement to obtain an investment grade rating for a security greater than \$5,000,000.

If the City sells the Bonds without a rating, then the purchaser of the Bonds will be required to furnish, prior to the delivery of the Bonds, a certificate in a form acceptable to bond counsel to the effect that (a) the purchaser is an investor with experience in the municipal bond market, and is capable of evaluating the merits and risks of investment in the Bonds, (b) the purchaser has been provided the opportunity to ask questions of, and receive answers from, the City concerning the City and the terms and conditions of the Bonds and to obtain any additional information necessary to verify the accuracy of the information obtained, and (c) the purchaser is acquiring the Bonds for its own account and not with a present intention to resell or otherwise distribute the Bonds

14. The Authorized Officer is hereby authorized, based on the advice of the Financial Consultant, to determine whether it is in the best interests of the City to sell the Bonds by competitive or negotiated sale.

(a) If determined that it is in the best interests of the City to sell the Bonds by competitive sale, then the Authorized Officer shall fix a date of sale for the Bonds and publish a 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.

(b) If determined that that the City will reduce costs of issuance without a significant increase in interest expense if the City negotiates sale of the Bonds to a financial institution or underwriter, then it is determined to be in the best interests of the City to negotiate the sale of the Bonds, and the Authorized Officer is authorized based on the advice of the Financial Consultant to negotiate directly with financial institutions or underwriters, circulate a request for bids to purchase the Bonds, or engage a placement agent.

15. The Authorized Officer is hereby authorized, on behalf of the City, subject to the provisions and limitations of this resolution, to accept an offer to purchase the Bonds based on the advice of the Financial Consultant 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; the date of the Bonds; the schedule of principal maturities and whether the Bonds shall mature serially or as term bonds; the provisions for early redemption including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Bonds, selection of the portion of the Prior Bonds to be refunded, transfer of balances, if any, from the debt retirement fund for the Prior Bonds to the Escrow Fund; and purchase of securities for the Escrow Fund. The Authorized Officer is authorized to sign a bond purchase agreement, certificate of award of sale, acknowledgement of offer to purchase the Bonds, or other document agreeing to sell the Bonds on behalf of the City.

The Bonds shall not be sold unless the issuance of the Bonds and the refunding of Prior Bonds produce net present value savings to the City of at least 3.00% after payment of costs of issuance. The true interest cost of the Bonds shall not exceed 3.00%. The underwriting discount, exclusive of original issue premium or discount, shall not exceed 1.00%. The date of the final maturity of the Bonds shall not be later than 2023. In making such determinations the Authorized Officer is authorized to rely upon data provided by the Financial Consultant.

16. The Authorized Officer is hereby authorized to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the Prior Bonds being refunded as they become due at maturity or call for redemption prior to maturity.

17. In the event that the Authorized Officer is not available to undertake responsibilities delegated to him under this Resolution, then the City Manager or an officer of the City designated by the City Manager or the Authorized Officer 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 or convenient to facilitate issuance and sale of the Bonds in accordance with this Resolution, including but not limited to application for any necessary waivers or approvals from the State of Michigan Department of Treasury, execution and delivery of agreements, documents and certificates, and appropriation and transfer of Bond proceeds as appropriate, and payment of costs necessary to accomplish sale and delivery of the Bonds including financial consultant fees, transfer agent fees, escrow agent fees, verification agent fees, bond counsel fees, state treasury filing fees, and any other costs necessary to accomplish sale and delivery of the Bonds.

18. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded. (Motion ADOPTED.)

#### **SITE PLAN NO. 347**

The following resolution was offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

WHEREAS, the City Council has received the recommendation of the city Planning Commission for approval of Site Plan No. 347, the request of Designhaus Architecture on behalf of DLR Development, LLC for site plan review and approval for a 55,872 square foot medical office building located at 801 Joe Mann Boulevard; and

WHEREAS, the City Council has reviewed the proposed Site Plan No. 347 in accord with the provisions set forth in Sections 27.02(A) and 27.06(A) of the Zoning Ordinance of the City of Midland; now therefore

RESOLVED, that the City Council does hereby approve Site Plan No. 347, contingent upon the following:

1. A final stormwater management permit must be approved by the City Engineering Department.
2. A final soil and sedimentation control plan must be approved by the City Building Department.
3. Public water utility easement documents shall be submitted for review and approval by the City Engineering Department and the City Attorney, and executed and recorded at the Midland County Register of Deeds upon approval.

(Motion ADOPTED.)

#### **SITE PLAN NO. 348**

The following resolution was offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

WHEREAS, the City Council has received the recommendation of the city Planning Commission for approval of Site Plan No. 348, the request of Jason Bakus for site plan review and approval for a 19,520 square foot self-storage unit development located at 5911 Stark Road; and

WHEREAS, the City Council has reviewed the proposed Site Plan No. 348 in accord with the provisions set forth in Sections 27.02(A) and 27.06(A) of the Zoning Ordinance of the City of Midland; now therefore

RESOLVED, that the City Council does hereby approve Site Plan No. 348, contingent upon the following:

1. A final stormwater management permit must be approved by the City Engineering Department.
2. A final soil and sedimentation control plan must be approved by the City Building Department.
3. Public water utility easement documents shall be submitted for review and approval by the City Engineering Department and the City Attorney, and executed and recorded at the Midland County Register of Deeds upon approval.

(Motion ADOPTED.)

#### **JULY 4 FIREWORKS DISPLAY**

The following resolution was offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

WHEREAS, sealed proposals were advertised and received in accord with Article II of Chapter 2 of the Midland Code of Ordinances for the July 4 Fireworks Display, Bid No. 3768; and WHEREAS, the FY 2016-17 proposed General Fund budget has adequate funds included to cover the cost of the project, with City Council scheduled to approve the proposed budget at their May 23 meeting; now therefore

RESOLVED, that the bid meeting City specifications submitted by Wolverine Fireworks of Kawkawlin, Michigan is hereby accepted; and

RESOLVED FURTHER, that the City Council authorizes a purchase order to Wolverine Fireworks in the amount of \$25,000 in accord with this resolution, the proposal selected and City specifications. (Motion ADOPTED.)

#### **UNLEADED FUEL PURCHASE**

The following resolution was offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

WHEREAS, City Council adopted a resolution on December 17, 2007 that allows the Purchasing Agent to purchase full tankers of unleaded gasoline and diesel fuel exceeding \$20,000, and seek approval for the purchase at the next City Council meeting; and

WHEREAS, City Council reviewed the process on December 21, 2009 and decided to continue as it still provides a significant cost savings to the City; and

WHEREAS, the volatility of the fuel market does not allow for staff to follow the usual sealed bid process for purchases exceeding \$20,000; and

WHEREAS, staff instead uses a competitive bid process whereby fuel vendors fax in prices that are valid for a particular day with the bid awarded to the lowest priced vendor; now therefore

RESOLVED, that the requirements for sealed proposals for the purchase of fuel are waived due to the volatility of the fuel market; and

RESOLVED FURTHER, that the purchase of 13,401 gallons of E10 ethanol blend unleaded fuel from Tri-Lakes Petroleum of Alma, Michigan for \$20,191.29 executed by the Purchasing Agent on May 3, 2016, is hereby approved. (Motion ADOPTED.)

#### **LIGHT DUTY VEHICLE PURCHASE**

The following resolution was offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

WHEREAS, bids for light-duty trucks are solicited by the State of Michigan, and the City of Midland is authorized to make purchases from this program; and

WHEREAS, a Parks pickup truck was totaled in a vehicle accident and needs to be replaced; and

WHEREAS, the City's insurance company has provided the City with \$17,964.25 in replacement funds and the Equipment Revolving Fund budget for Capital Outlay has sufficient funding left from previous savings on capital items to cover the balance of the cost for the replacement truck; now therefore

RESOLVED, that the City Council authorizes a purchase order to the State of Michigan's selected vendor, Signature Ford of Owosso, Michigan in the amount of \$35,552 for the purchase of one Ford F-250 4x4 pickup truck with V-plow and tailgate lift, all in accordance with the State of Michigan's Extended Purchasing Program proposal and specifications. (Motion ADOPTED.)

**DEMOLITION AND ASBESTOS ABATEMENT – WASHINGTON WOODS**

The following resolution was offered by Councilman Arnosky and seconded by Councilman Brown Wilhelm:

WHEREAS, sealed proposals were advertised and received in accord with Article II of Chapter 2 of the Midland Code of Ordinances for demolition and abatement of apartments at Washington Woods on two previous occasions; and

WHEREAS, further demolition and abatement will take place at Washington Woods until all 100 west wing units have been demolished and abated; and

WHEREAS, continued bidding for demolition and abatement services has been determined to be impractical; and

WHEREAS, sufficient funds are included in account # 536.9010.97.002, Capital Outlay Construction of the approved 2015/16 and 2016/17 Washington Woods budget; now therefore  
RESOLVED, that City Council hereby waives the purchasing policy requirements of sealed proposals under Article II of Chapter 2 of the Midland Code of Ordinances as being impractical; and

RESOLVED FURTHER, that the proposed service contract submitted by Quality Environmental Services, Inc. of Gladwin, Michigan for demolition and abatement of apartments at Washington Woods is hereby accepted; and

RESOLVED FURTHER, that the Mayor and City Clerk are authorized to execute any associated documents in accordance with the proposal and City of Midland specifications once prepared by and/or approved by the City Attorney. (Motion ADOPTED.)

Being no further business the meeting adjourned at 8:15 p.m.

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Selina Tisdale, City Clerk