

The Croswell City Council met in Regular Session May 5, 2008, at the William Aitkin Memorial Library, 111 N. Howard Ave., Croswell, MI. Mayor Macklem called the meeting to order at 7:30 P.M.

Present: G. Macklem, M. Willis, M. McMillan, J. Geiger

Absent: M. O'Vell

Administration: City Administrator Dave Tait, City Clerk Suzanne Dobson

Guests: Margaret Whitmer Jeffersonian Reporter, Garry Biniecki Sanilac Co. Sheriff Candidate

PLEDGE OF ALLEGIANCE:

Approval of Minutes from the Regular Council Meeting of April 21, 2008

Willis moved to approve the minutes as presented, second by McMillan. Motion Carried.

Public Comments:

Sheriff Candidate Garry Biniecki spoke regarding his campaign.

APPROVAL OF AGENDA:

McMillan moved to approve the Agenda as presented, second by Geiger. Motion Carried.

CORRESPONDENCE:

a. Cemetery Board minutes - April 23, 2008: Receive and file.

VI ADMINISTRATOR'S REPORT:

- D.D.A. has made the final purchase on Croswell Custom Collision building and is in the process of removal.

- Ambulance Authority meeting was held - will be scheduled for the November ballot.

VII COUNCIL MEMBER REPORT:

A. Macklem: 1. Building permits - 1 year.

B. Willis: No report

C. O'Vell: Absent

D. McMillan: No report

E. Geiger: 1. Business next to Community Center; 2. Maple trees - replanting - grants.

VIII UNFINISHED BUSINESS:

a. Dress Code: Council members McMillan and O'Vell submitted a recommendation to the City Administrator for dress code this is to serve as a guide for the City Administrator.

IX **NEW BUSINESS:**

a. Dawn Franzel - Use of Community Center: Ms. Franzel would like to rent the Community Center on Mondays for group fitness classes from 6 p.m. to 8 p.m., would like to have the rental fee reduced.

Discussion of the classes for profit or non-profit. There are currently existing fitness business in the city.

McMillan moved to table until the next meeting, second by Geiger. Motion Carried.

b. Wastewater Treatment Plant Improvement:

1. Bids: Received bid for the Wastewater Treatment Plant Improvements as follows:

McEachin Excavating	\$602,703.00
Marlette Excavating	\$624,913.18
Teltow Contracting	\$634,544.00
Pamar Enterprises	\$676,780.00
Raymond Excavating	\$683,224.62

McMillan moved to tentatively award the bid to McEachin Excavating, Deckerville for the amount of \$602,703.00, second by Willis.

Roll Call Vote: McMillan, yes; Willis, yes; Geiger, yes; Macklem, yes. 4 yeas, 0 nays, 1 absent.
Motion Carried.

2. Loan Resolution:

Geiger moved to approve the Loan Resolution authorizing and providing for the incurrence of indebtedness for the purpose of providing portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its sewer facility to serve an area lawfully within it jurisdiction to whereas, it is necessary for the City of Croswell to raise a portion of the cost of such undertaking by issuance of it bonds in the principal amount of \$837,000.00 pursuant to the provision of PA No. 94 OF THE Public Acts of 1933, as amended., second by Willis.

Roll Call Vote: Geiger, yes; Willis, yes; McMillan, yes; Macklem, yes. 4 yeas, 0 nays, 1 absent.
Motion Carried.

3. Bond Ordinance:

Willis moved to adopt Ordinance #313 AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWAGE DISPOSAL SYSTEM JUNIOR LIEN REVENUE BONDS OF THE CITY OF CROSWELL, COUNTY OF SANILAC, STATE OF MICHIGAN, FOR THE PURPOSE OF CONSTRUCTING AND EQUIPPING IMPROVEMENTS TO THE SEWAGE DISPOSAL SYSTEM OF THE CITY; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COSTS THEREOF; TO PRESCRIBE THE FORM OF THE JUNIOR LIEN REVENUE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE JUNIOR LIEN REVENUE BONDS; TO PROVIDE AN ADEQUATE RESERVE ACCOUNT FOR THE JUNIOR LIEN REVENUE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE JUNIOR LIEN REVENUE BONDS AND THE SYSTEM, second by McMillan.

Roll Call Vote: Willis, yes; McMillan, yes; Geiger, yes; Macklem, yes. 4 yeas, 0 nays, 1 absent. Motion Carried.

ORDINANCE NO. 313

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWAGE DISPOSAL SYSTEM JUNIOR LIEN REVENUE BONDS OF THE CITY OF CROSWELL, COUNTY OF SANILAC, STATE OF MICHIGAN, FOR THE PURPOSE OF CONSTRUCTING AND EQUIPPING IMPROVEMENTS TO THE SEWAGE DISPOSAL SYSTEM OF THE CITY; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COSTS THEREOF; TO PRESCRIBE THE FORM OF THE JUNIOR LIEN REVENUE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE JUNIOR LIEN REVENUE BONDS; TO PROVIDE AN ADEQUATE RESERVE ACCOUNT FOR THE JUNIOR LIEN REVENUE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE JUNIOR LIEN REVENUE BONDS AND THE SYSTEM.

THE CITY OF CROSWELL ORDAINS:

Section 1. Definitions. The following words and terms used in this Ordinance shall have the meanings assigned in this Section, unless the context clearly indicates otherwise.

The word acquired, as used in this Ordinance, shall be construed to include acquisition by purchase, construction or by any other method.

Act 94 shall mean Act 94, Public Acts of Michigan, 1933, as amended.

Additional Bonds shall mean the bonds issued pursuant to Section 17 and subject to the terms of this Ordinance.

Bond or Bonds shall mean the 2008 Sewage Disposal System Junior Lien Revenue Bond, in the principal amount of \$837,000 authorized to be issued by this Ordinance, and any Additional Bonds hereafter issued.

Depository Bank shall mean Eastern Michigan Bank, Croswell, Michigan, a member of the Federal Deposit Insurance Corporation, or other financial institution qualified to serve as depository bank and designated by resolution of the City.

Engineer shall mean BMJ Engineers and Surveyors, Inc., Port Huron, Michigan.

Fiscal Year shall mean the fiscal year of the City and the operating year of the System, commencing July 1 and ending June 30 of the subsequent year, as such year may be changed from time to time.

Government shall mean the government of the United States of America or any agency thereof.

Government Obligations means obligations, instruments or securities fully and unconditionally guaranteed as to the timely payment thereof by the Government.

City shall mean the City of Croswell, County of Sanilac, State of Michigan.

Junior Lien Bond Reserve Account shall mean the subaccount in the Junior Lien Bond and Interest Redemption Account established in accordance with Section 12 of this Ordinance.

Ordinance shall mean this ordinance and any ordinance or resolution of the City amendatory or supplemental to this ordinance, including ordinances or resolutions authorizing issuance of Additional Bonds.

Ordinance No. 262 shall mean Ordinance No. 262 adopted by the City Council of the City on October 21, 1991, authorizing the issuance of the Series 1991 Bond.

Ordinance No. 273 shall mean Ordinance No. 273 adopted by the City Council of the City on May 2, 1994, authorizing the issuance of the Series 1994

Bond.

Outstanding Bonds mean the Series 1991 Bond and the Series 1994 Bond.

Outstanding Ordinance shall mean Ordinance No. 262 and Ordinance No. 273 authorizing the issuance of the Outstanding Bonds.

Project shall mean improvements to the existing sewage disposal system, consisting generally of the replacement of 3000 lineal feet of the existing sewer main, together with related properties, equipment, appurtenances and attachments thereto.

Reserve Amount shall mean with respect to the Bonds the lesser of (1) the maximum annual debt service due on the Bonds in the current or any future year, (2) 125% of the average annual debt service on the Bonds, or (3) 10% of the outstanding principal amount of the Bonds on the date of issuance of the Bonds.

Revenues and Net Revenues shall mean the revenues and net revenues of the City derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to Revenues, the earnings derived from the investment of moneys in the various funds and accounts established by the Outstanding Ordinance and this Ordinance.

Series 1991 Bond means the 1991 Sewage System Revenue Bond, dated January 23, 1992, issued pursuant to Ordinance No. 262.

“Series 1994 Bond” means the 1994 Sewage Disposal System Junior Lien Revenue Bond, dated May 13, 1994, issued pursuant to Ordinance No. 273.

System shall mean the City's sewage disposal system including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

Transfer Agent shall mean the transfer agent and bond registrar for the Bonds as appointed from time to time by the City as provided in Section 6 of this Ordinance and who or which shall carry out the duties and responsibilities as set forth in Sections 6 and 7 of this Ordinance.

Section 2. Necessity; Approval of Plans and Specifications; Outstanding Ordinance. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project in accordance with the plans and specifications prepared by the City's Engineer and on file with the City, which plans and specifications are hereby approved.

Except as changed by this Ordinance, all the provisions of the Outstanding Ordinance shall apply to the Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of junior lien revenue bonds to finance the cost of acquiring additions, extensions and improvements to the System.

Section 3. Costs; Useful Life. The total cost of the Project is estimated to be not less than Eight Hundred Thirty-Seven Thousand Dollars (\$837,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than thirty (30) years.

Section 4. Payment of Cost; Bonds Authorized. To pay the cost of acquiring and constructing the Project and legal, engineering, financial and other expenses incident to said acquisition and construction, and incident to the issuance and sale of the Bonds, it is hereby determined that the City borrow the sum of not to exceed Eight Hundred Thirty-Seven Thousand Dollars and that junior lien revenue bonds be issued therefor pursuant to the provisions of Act 94.

Section 5. Bond Details. The Bond shall be designated 2008 SEWAGE DISPOSAL SYSTEM JUNIOR LIEN REVENUE BOND, shall be dated as of the date of delivery of the first installment, shall consist of one fully-registered nonconvertible bond of the denomination of \$837,000 and shall be payable in principal installments on May 1 of each year, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2009	\$14,000	2024	\$26,000
2010	14,000	2025	28,000
2011	15,000	2026	29,000
2012	16,000	2027	30,000
2013	16,000	2028	32,000
2014	17,000	2029	33,000
2015	18,000	2030	35,000
2016	19,000	2031	36,000
2017	20,000	2032	38,000
2018	20,000	2033	39,000
2019	21,000	2034	41,000
2020	22,000	2035	43,000
2021	23,000	2036	45,000
2022	24,000	2037	47,000
2023	25,000	2038	51,000

The Bond is expected to be delivered to the Government as initial purchaser

thereof in installments (the _delivery installments_) and each delivery installment shall be noted on the registration grid set forth on the Bond. The delivery installments shall be deemed to correspond to the principal installments of the Bond in direct chronological order of said principal installments.

The principal installments of the Bond will each bear interest from the date of delivery of the corresponding delivery installment to the registered holder thereof as shown on the registration grid set forth on the Bonds at the rate of not to exceed four and one-half percent (4.50%) per annum, payable on the first May 1 or November 1 following the date of delivery of said delivery installment, and semiannually thereafter on May 1 and November 1 of each year until maturity or earlier prepayment of said installment. Acceptance of the interest rate on the Bonds shall be made by execution of the Bonds which so designates the rate specified by the Government and accepted in writing by the City. The Bonds shall be issued in fully-registered form and shall not be convertible or exchangeable into more than one fully-registered bond.

The Bonds or installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of the Bonds set forth in Section 9 of this Ordinance at anytime on or after the first principal payment date.

Section 6. Bonds Registration and Transfer. The Transfer Agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City. The Transfer Agent shall transfer or cause to be transferred on said books the Bonds presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

Any Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bonds for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond shall be surrendered for transfer, the Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Bond. At the time of such transfer the Transfer Agent shall note on the Bond the outstanding principal amount thereof at the time of such transfer. 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. The City shall not be required (i) to issue, register the transfer of, or exchange any Bonds during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of prepayment of Bonds or installments thereof selected for redemption and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange any Bonds or portion thereof so selected for prepayment. In the event any Bonds are called for prepayment in part, the Transfer Agent, upon surrender of the Bonds, shall note on the Bonds the principal amount prepaid and shall return the Bonds to the registered owner thereof together with the prepayment amount on the prepayment date.

The City's Treasurer is hereby appointed to act as Transfer Agent with respect to the Bonds. If and at such time as the Bonds are transferred to or held by any registered owner other than the Government, the City by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and bond registrar with respect to Bonds, and the City may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the Bonds.

Section 7. Payment of the Bonds. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America by check or draft mailed by the Transfer Agent to the registered owner at the address of the registered owner as shown on the registration books of the City kept by the Transfer Agent. If the Government shall no longer be the registered owner of the Bonds, then the principal of and interest on the Bonds shall be payable to the registered owner of record as of the fifteenth day of the month preceding the payment date by check or draft mailed to the registered owner at the registered address. Such date of determination of the registered owner for purposes of payment of principal or interest may be changed by the City to conform to future market practice. The City's Treasurer is hereby authorized to execute an agreement with any successor Transfer Agent.

The Transfer Agent shall record on the registration books the payment by the City of each installment of principal or interest or both on the Bonds when made and the canceled checks or drafts representing such payments shall be returned to and retained by the City's Treasurer, which canceled checks or drafts shall be conclusive evidence of such payments and the obligation of the City with respect to such payments shall be discharged to the extent of such payments.

Upon payment by the City of all outstanding principal of and interest on the Bonds, the registered owners thereof shall deliver the Bonds to the City for cancellation.

The Mayor, the Clerk and the City Administrator are each hereby authorized and directed to negotiate privately the sale of the Bonds to the Government at an interest rate not to exceed four and one-half percent (4.50%) per annum.

The sale of the Bonds to the Government at an interest rate of not to exceed four and one-half percent (4.50%) per annum and at the par value thereof is hereby approved. The City's Treasurer is hereby authorized to deliver the Bonds in accordance with the delivery instructions of the Government.

Section 8. Execution and Delivery of the Bonds. The Bonds shall be manually signed by the Mayor and countersigned by the Clerk and shall have the corporate seal of the City impressed thereon. After execution, the Bonds shall be held by the City's Treasurer for delivery to the Government. No Bonds or any installment thereof shall be valid until registered by the City's Treasurer or by another person designated in writing by the City's Treasurer to act as Bond Registrar, or upon transfer by the Government and thereafter, by an authorized representative of the Transfer Agent.

Section 9. Bond Form. The form and tenor of the Bonds shall be substantially

as follows:

REGISTERED

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SANILAC

CITY OF CROSWELL

2008 SEWAGE DISPOSAL SYSTEM
JUNIOR LIEN REVENUE BOND

No. R-1

\$837,000

The City of Croswell, County of Sanilac, State of Michigan (the City), for value received, hereby promises to pay to the registered owner hereof, but only out of the hereinafter described Net Revenues of the City's sewage disposal system including all appurtenances, additions, extensions and improvements thereto (the System), the sum of

Eight Hundred Thirty-Seven Thousand Dollars

on the dates and in the principal installment amounts set forth in Exhibit A attached hereto and made a part hereof with interest on said installments from the date each installment is delivered to the City and as set forth on the registration grid hereon until paid at the rate of _____ percent (_____%) per annum, first payable on _____ 1, 2008, and semiannually thereafter; provided that the principal repayments required herein to the registered owner shall not exceed the total of the principal installments set forth on the registration grid attached hereto from time to time hereafter to acknowledge receipt of payment of the purchase price of this bond up to a total of \$837,000. Both principal of and interest on this bond are payable in lawful money of the United States of America to the registered owner at the address shown on the City's registration books by check or draft mailed to the registered holder at the address shown on the registration books of the City, and for the prompt payment thereof, the revenues of the System, after provision has been made for reasonable and necessary expenses of operation, administration and maintenance thereof (the Net Revenues), are hereby irrevocably pledged and a statutory lien thereon is hereby recognized and created subject in priority only to the statutory lien created by Ordinance No. 262 of the City duly adopted by the City Council of the City on October 21, 1991 (the Ordinance No. 262), with respect to the City's outstanding 1991 Sewage Disposal System Revenue Bond, dated January 23, 1992 (the Series 1991 Bonds). The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the City's

1994 Sewage Disposal System Junior Lien Revenue Bond, dated May 13, 1994 (the "Series 1994 Bond," together with the Series 1991 Bonds, the "Outstanding Bonds"), issued pursuant to Ordinance No. 273 of the City duly adopted by the City Council of the City on May 2, 1994 (the "Ordinance No. 273," together with Ordinance No. 262, the "Outstanding Ordinance").

This bond is a single, fully-registered, non-convertible bond constituting an issue in the total aggregate principal sum of principal sum of \$837,000, issued pursuant to Ordinance No. 313 of the City (the Ordinance), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of acquiring, constructing and equipping improvements to the System. For a complete statement of the revenues from which, and the conditions under which, this bond is payable, a statement of the conditions under which additional bonds of equal standing with this bond and additional bonds of equal standing with the Outstanding Bonds may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Outstanding Ordinance and the Ordinance.

This bond is a self-liquidating bond and is not a general obligation of the City and does not constitute an indebtedness of the City within any constitutional, statutory or charter debt limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on the bond is secured by the statutory lien hereinbefore mentioned.

Principal installments of this bond are subject to prepayment prior to maturity, in inverse chronological order, at the City's option, on any date on or after _____, 200_, at par and accrued interest to the date fixed for prepayment.

Thirty days notice of the call of any principal installments for prepayment shall be given by mail to the registered owner at the registered address. The principal installments so called for prepayment shall not bear interest after the date fixed for prepayment, provided funds are on hand to prepay said installments.

This bond shall be registered as to principal and interest on the books of the City kept by the City's Treasurer or successor or written designee as bond registrar and transfer agent (the Transfer Agent) and noted hereon, after which it shall be transferable only upon presentation to the Transfer Agent with a written transfer by the registered owner or his attorney in fact. Such transfer shall be noted hereon and upon the books of the City kept for that purpose by the Transfer Agent.

The City has covenanted and agreed and does hereby covenant and agree to fix and maintain at all times while any bonds including any installments of this bond payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of this bond and any additional bonds of equal standing with this bond, and the interest upon and principal of the Outstanding Bonds and any additional bonds of equal standing with the Outstanding Bonds payable from the Net

Revenues of the System as and when the same become due and payable; and to create a Junior Lien Bond and Interest Redemption Account (including a Junior Lien Bond Reserve Account) therefore; to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order; and to provide for such other expenditures and funds for the System as are required by the Outstanding Ordinance and the Ordinance.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Croswell, by its City Council, has caused this bond to be signed in its name by its Mayor and to be countersigned by its Clerk, and its corporate seal to be hereunto affixed, all as of _____, 2008.

CITY OF CROSWELL
County of Sanilac
State of Michigan

By

Gary Macklem, Its Mayor

(Seal)

Countersigned:

By

Suzanne Dobson, Its Clerk

REGISTRATION
NOTHING TO BE WRITTEN HEREON EXCEPT
BY THE BOND REGISTRAR/TRANSFER AGENT

Date of Registration of Delivery	Name of Registered Owner
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