

A **Regular** Council Meeting of the City of Melvindale held in the Council Chambers on Wednesday, October 21, 2009, at 7:30 pm.

The meeting was called to order by Mayor Cadez and roll call was taken:

PRESENT COUNCIL MEMBERS: Striz, Herman, Bolton, Rowe, Hess.

ALSO PRESENT: Mayor Valerie A. Cadez; Paul L. LaManes, City Administrator; Joseph Couvreur, Assistant Corporation Counsel; Kelly L. Spence, City Clerk; John K. Kessey, Treasurer; Rick Cadez, Police Chief; Dan Wilhelm, Fire Chief; Eric Witte, DPW Commissioner; Teresa Kirk, Housing Director; Ryan Massolia, Senior & Recreation Director.

Joe Alvarado was absent and is excused.

The Pledge of Allegiance was led by Mayor Cadez and Invocation led by Pastor John Russell of Downriver Christian Community Church.

09-10-226: Moved by Bolton and supported by Striz to approve the regular council meeting minutes dated October 7, 2009.

Passed Unanimously

09-10-227: Moved by Striz and supported by Herman to open the Public Hearing at 7:35 for Play Atlantis Family Fun Center, located at 19400 Allen Road for an Obsolete Property Rehabilitation Exemption Certificate.

Passed Unanimously

09-10-228: Moved by Bolton and supported by Herman, having received no further comments written or oral, Mayor Cadez declared the public hearing closed.

Passed Unanimously

09-10-229: Moved by Rowe and supported by Bolton to approve the application for an Obsolete Property Rehabilitation Exemption Certificate proposed by Corporation Counsel:

WHEREAS, the City of Melvindale has been deemed a Qualified Local Governmental Unit, according to Section 2 (k) of PA 146 of 2000 ("PA 146"); and

WHEREAS, pursuant to PA 146, after a duly noticed public hearing held on April 15, 2009, the City Council by resolution established Obsolete Property Rehabilitation District No. 1 on April 15, 2009, as requested by the applicant, Mike Kostrzewa, and said District has been deemed an obsolete property according to PA 146; and

WHEREAS, Mike Kostrzewa, owner of realty within said District, has filed an application for an Obsolete Property Rehabilitation Exemption Certificate with respect to the rehabilitation of a facility located in District No. 1; and

WHEREAS, the application is for obsolete property as defined in section 2(h) (iii) of PA 146; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of PA 146; and

WHEREAS, the City Council hereby receives and places on file the communications from the City Assessor and City Treasurer; and

WHEREAS, before acting on said application, the City Council held a hearing on October 21, 2009, at the Council Chambers, City Hall, 3100 Oakwood Boulevard, at 7:30 p.m., at which hearing the applicant, the Assessor and a representative of the affected taxing units, having been given written notice, were afforded an opportunity to be heard on said application; and

WHEREAS, the rehabilitation of the facility had not occurred before the establishment of District No. 1 on April 15, 2009; and

WHEREAS, the applicant has stated in writing that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 does not exceed 5% of the total taxable value of the City of Melvindale; and

WHEREAS, said applicant is not delinquent in any taxes related to the facility; and

WHEREAS, the applicant has supplied an application for a Certificate and provided all items described in the application under "Instructions" (a) through (f); and

WHEREAS, the scope of the rehabilitation as stated in the application includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation; and

WHEREAS, completion of the rehabilitated facility is calculated to and will at the time of issuance of the certificate, have the reasonable likelihood to accomplish one or more of the following: increase commercial activity; create employment; and revitalize an urban area.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Melvindale:

1. The application of Mike Kostrzewa, for an Obsolete Property Rehabilitation Act Exemption Certificate with respect to the rehabilitation of a facility located at 19400 Allen Road within Melvindale Obsolete Property Rehabilitation District No. 1 at Melvindale, Michigan, be and the same is hereby approved.
2. The Certificate when issued shall be and remain in force and effect for a period of twelve (12) years after the effective date (December 31, 2009), pursuant to the provisions of P.A. 146 of 2000, as amended, and the conditions specified below.
3. The Obsolete Property Rehabilitation Act, Public Act 146 of the State of Michigan of 2000, as amended, Section 12, reads as follows:

The legislative body of the qualified local governmental unit may, by resolution, revoke the obsolete property rehabilitation exemption certificate of a facility if it finds that the completion of rehabilitation of the facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time, or that the holder of the certificate has not proceeded in good faith with the operation of the rehabilitated facility in a manner consistent with the purposes of this Act and in the absence of circumstances that are beyond the control of the holder of the certificate.

Consequently, the City Council finds that the rehabilitation of the facility, excluding the front portion of the building used for storage, shall be completed no later than April 30, 2010, or within a duly authorized extension of that date. The date of issuance of a Certificate of Compliance shall be used as the date of completion of the rehabilitated facility. Additionally, the City Council determines that completion of any proposed outdoor improvements, such as the proposed batting cage or go-cart track, by a specified date is not a condition of approval of the exemption nor is this resolution an endorsement or approval of outdoor improvements which are subject to planning and zoning requirements.

4. Not later than October 15 each year that the exemption certificate is in effect, the Qualified Local Governmental Unit shall prepare a report to the State Tax Commission indicating the status of each exemption, as required under Section 14 of PA 146. Said report is to be prepared by the City Assessor and must include the current value of the property to which the exemption pertains, the value on which the obsolete property rehabilitation tax is based, a current estimate of jobs retained or created by the exemption, and any other relevant information required by said Section 14.

Passed Unanimously

09-10-230: Moved by Rowe and supported by Herman to open the Public Hearing for Police and Fire Special Assessment at 7:45

Passed Unanimously

09-10-231: Moved by Herman and supported by Rowe that having received no further comments written or oral, Mayor Cadez declared the Public Hearing closed.

Passed Unanimously

09-10-232: Moved by Herman and supported by Rowe to adopt the resolution providing for the estimated costs and expenses of Police and Fire, determination of the amount of the special assessment and the distribution of the levy.

WHEREAS, the Common Council for the City of Melvindale is levying the special assessment to maintain the current level of Police and Fire Protection for the protection and well being of its citizens as permitted by MCLA 41.801 et seq; and,

WHEREAS, the City Clerk published a Notice of Public Hearing regarding the estimate of the expenses for Police and Fire protection, the amount of the Special Assessment levied for such Police and Fire protection and for the distribution of the Special Assessment levy in the News Herald Newspaper; and,

WHEREAS, a Public Hearing was held on October 21, 2009 at 7:45 p.m. before the Common Council for the City of Melvindale where citizens were given the opportunity to state their comments and objections to the estimate of the expenses for Police and Fire protection, the amount of the Special Assessment levied for such Police and Fire protection and for the distribution of the Special Assessment levy; and,

NOW, THEREFORE, BE IT RESOLVED by the Common Council for the City of Melvindale that:

1. It is estimated that the cost and expenses of the police and fire motor vehicles, apparatus, equipment and housing and police and fire protection is \$3,344,401 exclusive of health care and pension for police and fire personnel; and
2. The Amount of the special assessment shall be \$607,296.06; and
3. The City Administrator or his designee shall spread the assessment on the taxable value of all property in the City of Melvindale except lands exempt from collection of taxes under the general property tax act.

Passed Unanimously

09-10-233: Moved by Herman and supported by Striz to receive and place on file the invoices and cover sheet and to authorize the payment of the invoices totaling \$273,031.74.

Passed Unanimously

09-10-234: Moved by Herman and supported by Striz to concur with the recommendation of Police Chief Cadez for the curfew to be amended for anyone under the age of 18 on the following dates:

Friday, October 30, 2009 – Curfew of 7:00pm

Saturday, October 31, 2009 – Curfew of 7:00pm

Passed Unanimously

09-10-235: Moved by Striz and supported by Bolton to concur with the recommendation of Planning Commission Res. #PC09-38 and approve the free-standing sign as presented for Play Atlantis, 19400 Allen Road.

Passed Unanimously

09-10-236: Moved by Striz and supported by Rowe to approve Neal Henson as a temporary contract mechanic for the City of Melvindale to be paid at \$25.00 an hour with no benefits and will be responsible for both portions of Social Security while working as an independent contractor.

Passed Unanimously

09-10-237: Moved by Bolton and supported Herman to authorize the extension of employment of any remaining temporary employees thru November 27, 2009.

Passed Unanimously

09-10-238: Moved by Herman and supported by Striz to authorize the Healthcare Renewal choosing Gerber Option One proposal as solicited by ABS for stop loss coverage.

Passed Unanimously

09-10-239: Moved by Herman and supported Striz to waive the competitive bid requirement for construction of server room in Police Department due to unique nature of vendor and their ability to construct server room and award the bid the LTI Technologies.

Passed Unanimously

09-10-240: Moved by Striz and supported by Herman to approve the following resolution:

**RESOLUTION AUTHORIZING ISSUANCE OF NOTES
IN ANTICIPATION OF OPERATING TAXES- CURRENT FISCAL YEAR**

WHEREAS, it is hereby determined that it is necessary to borrow the sum of Two Million Two hundred and fifty Dollars (\$2,250,000), in anticipation of the collection of the unpaid operating taxes for the current fiscal year of the City beginning January 1, 2010 (the "Operating Taxes"), which Operating Taxes are first due and payable on July 1, 2010, for the purpose of obtaining funds to meet operating expenses of the City; and

WHEREAS, Act No. 34 of the Public Acts of 2001, as amended ("Act 34"), authorizes the borrowing of money in anticipation of the collection of the unpaid Operating Taxes for the current fiscal year in an amount not to exceed fifty percent (50%) of the operating tax levy for the preceding fiscal year when the Operating Taxes for the current fiscal year are not as yet due and payable; and

WHEREAS, the amount included for Operating Taxes (exclusive of the Operating Taxes for Refuse) in the budget for the fiscal year ending December 31, 2009 was \$4,616,201.00

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City borrow for the above purpose the sum of Two Million Two hundred and fifty Dollars (\$2,250,000), issue the general obligation notes of the City in anticipation of the collection of the Operating Taxes for the fiscal year beginning January 1, 2010. The Notes shall be in the denomination of at least \$100,000 each.

2. The notes shall bear interest at the rate or rates determined on public sale thereof, but not to exceed the maximum rate permitted by law, be dated as of January 6, 2010, and be due and payable September 1, 2010, which is the estimated time of collection of a sufficient amount of the Operating Taxes for the fiscal year beginning January 1, 2010, to pay the notes in full. The notes shall be payable in lawful money of the United States of America at such bank or trust company in the State of Michigan qualified to act as paying agent as shall be designated by the original purchaser. The notes shall be in the denomination of \$100,000, or multiples or combinations of \$50,000 in excess there, as shall be designated by the original purchaser of the notes.

3. Hereafter from the first collections of the Operating Taxes for the fiscal year beginning January 1, 2010, there shall be set aside in a separate depository account (the "Note Repayment Fund" or the "Fund") a portion of each dollar which is not less than 125% of the percentage that the principal amount of the notes bears to the amount of the Operating Taxes, to be used for the payment of the principal of and interest on said notes and any other notes hereafter issued in anticipation of said taxes, and until the amount so set aside shall be sufficient for such payments, collections of the Operating Taxes shall be used for no other purpose. The right is reserved to issue additional notes of equal standing as to the Operating Taxes pledged for payment of the notes with the notes authorized by this resolution, subject to the limitations fixed by law.

4. The full faith and credit of the City is hereby irrevocably pledged for payment of principal of and interest on said general obligation notes and in cases of the insufficiency of the Operating Taxes pledged for the payment thereof, the City shall pay said notes from any funds legally available therefore, and, if necessary, within applicable constitutional, charter and statutory limitations, levy sufficient taxes on all taxable property in the City for the payment thereof.

5. The Mayor and City Clerk of the City shall execute the notes on behalf of the City, and the City's seal or a facsimile thereof shall be imprinted or printed thereon, and the executed notes shall be delivered to the City Administrator of the City who shall deliver the notes to the purchaser thereof upon the receipt of the purchase price therefore. Printed notes may be executed with facsimile signatures of the foregoing officers, in which case the notes shall not be valid unless authenticated in a manner approved by the City Administrator. The foregoing officers are hereby authorized to execute and deliver a temporary note or notes and exchange, when available, final printed notes therefore at the request of the original purchaser. The Notes may be issued in book-entry only form.

6. The City Clerk or City Administrator of the City shall cause notice of sale thereof to be published in accordance with law in *The Bond Buyer* a publication printed in the English language and circulated in the State of Michigan and which carries, as a part of its regular service, notices of sale of municipal bonds and notes. Said notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE
\$2,250,000
CITY OF MELVINDALE
COUNTY OF WAYNE, STATE OF MICHIGAN
TAX ANTICIPATION NOTES, SERIES 2009
(LIMITED TAX GENERAL OBLIGATION)

SEALED, FAXED OR ELECTRONIC BIDS: Bidders may submit bids for the purchase of the above notes as follows:

SEALED BIDS will also be received by the undersigned on Wednesday, December __, 2009 until 3:30 p.m., Eastern Standard Time only at the offices of the Municipal Advisory Council of Michigan (the "MAC"), 1445 First National Building, Detroit, MI 48226, at which time and place said bids will be opened and read.

FAXED BIDS: Signed bids may be submitted by fax by MAC members only to the MAC at (313) 963-0943; provided that faxed bids must arrive before the time of sale and the bidder bears

all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section contained "GOOD FAITH" below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, 2nd Floor, New York, New York 10018, (212) 849-5021. NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A FINANCIAL SURETY BOND OR A CERTIFIED OR CASHIERS CHECK IN THE AMOUNT DESCRIBED IN THE SECTION CAPTIONED "GOOD FAITH" BELOW. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL.

NOTE DETAILS: The notes will be dated as of January 6, 2010, will mature September 1, 2010, and will bear interest at a rate or rates not exceeding 6% per annum fixed by the bids therefor. The notes will be in denominations of \$100,000 or multiples thereof, designated by the original purchaser of the notes. No proposal for the purchase of less than all of the notes or at a price less than 100% of their par value will be considered. Notes of this issue will not be subject to prior redemption.

PAYING AGENT: Both principal and interest shall be payable at a bank or trust company located in Michigan qualified to act as paying agent under State or United States law, to be designated by the original purchaser of the notes. Such designation shall be made by the purchaser within 24 hours of such purchaser being notified by the City that the notes have been awarded to such purchaser.

PURPOSE AND SECURITY: The notes are issued in anticipation of operating taxes due and payable on July 1, 2010. From the first collections of the operating taxes, the City is required to set aside in a separate depository account a portion of each dollar which is not less than 125% of the percentage that the principal amount of the notes bears to the amount of the operating taxes until the amount so set aside is sufficient for payment of principal and interest on the notes herein offered and any additional notes of equal standing hereafter issued in anticipation of said taxes. In case of the insufficiency of the taxes pledged for the payment thereof the City is required to pay the notes from any funds legally available therefore including subsequent tax levies of the City. The City does not have the power to levy taxes for the payment of the notes in excess of applicable constitutional, charter and statutory tax rate limitations. The rights or remedies of note holders may be affected by bankruptcy laws or other creditor's rights legislation now existing or hereafter enacted.

ADDITIONAL NOTES: The City has reserved the right to issue additional notes of equal standing with the notes offered herein, subject to the limitations provided by law.

BOOK-ENTRY ONLY OPTION: At the option of the purchaser, the Notes may be issued in book-entry only form as one fully registered note per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the notes will be made in book-entry-only form in the denomination of \$100,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in notes purchased if issued in book-entry form.

GOOD FAITH: A certified or cashier's check, or a Financial Surety Bond, in either instance in the amount of \$ _____ drawn upon an incorporated bank or trust company and payable to the order of the City's Treasurer is required for each bid as a guarantee of good faith on the part of the bidder, to be forfeited as a portion of the City's damages if such bid be accepted and the bidder fails to take up and pay for the notes. If a check is used, it must accompany the bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such Financial Surety Bond must be submitted to the Municipal Advisory Council of Michigan, prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the notes are awarded to a bidder utilizing a Financial Surety Bond, then the purchaser is required to submit its good faith deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City) not later than Twelve o'clock Noon, Eastern Standard Time, on the next business day following the award. If such good faith deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the good faith deposit requirement. In the event the purchaser of the notes fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith checks, and checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by registered mail. The good faith check of the successful bidder will be immediately cashed, and payment for the balance of the purchase price of the notes shall be made at the closing.

AWARD OF NOTES: The Notes will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate necessary to discount the debt service payments from January 6, 2010 to September 1, 2010 in an amount equal to the price bid, excluding accrued interest.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan ("Note Counsel"), which will be furnished without expense to the purchaser of the notes at the delivery thereof. The fees of Note Counsel for services rendered in connection with such approving opinion are expected to be paid from note proceeds. Except to the extent necessary to issue their approving opinion as to the validity of the above notes and the exemption of the notes and the interest thereon from taxation, Note Counsel has made no inquiry of any City officials or other persons as to any financial information, documents, statements or materials and has not independently verified any such financial information, documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the notes, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, documents, statements or materials.

TAX EXEMPTION: In the opinion of Note Counsel, the Notes will be exempt from taxation in the State of Michigan and interest on the notes will be excluded from adjusted gross income for Federal income tax purposes, subject, in both cases, to certain exceptions described in Note Counsel's opinion. **THE NOTES WILL NOT BE "PRIVATE ACTIVITY BONDS"**.

"QUALIFIED TAX-EXEMPT OBLIGATIONS": The City has designated the Notes as "Qualified Tax Exempt Obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986, as amended.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

PRINTING AND DELIVERY OF NOTES: The City will furnish printed notes and Note Counsel's legal opinion at its expense. Notes will be delivered without expense to the purchaser through DTC, New York, New York, or such other place as may be agreed upon with the purchaser. The City will furnish the purchaser with the usual closing documents including a certificate that no litigation is pending affecting the right of the City to issue the notes. Payment for the notes shall be made in immediately available funds.

ENVELOPES: Containing the bids should be plainly marked "Proposal for Notes."

Kelly L. Spence
City Clerk
City of Melvindale, Michigan

7. The City Council hereby designates the notes to be "qualified tax exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code").

8. Any of the following: City Administrator, Finance Director and City Clerk of the City, are each hereby authorized to exercise the authority and make the determinations authorized pursuant to Section 315(l) (d) of Act 34 within the parameters established by this Resolution, including the awarding of the Notes pursuant to a Sale Order to the bidder whose bid produces the lowest true interest cost to the City.

9. The City Administrator, Mayor, Finance Director and City Clerk of the City are each authorized to file any and all applications with the Michigan Department of Treasury so as to seek approval for the Notes and to file such other documents as may be required to secure such approval.

10. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the notes from adjusted gross income for general federal income tax purposes under the Code, including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of note proceeds and moneys deemed to be note proceeds.

11. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are and the same hereby are rescinded.

Passed Unanimously

Receive and place of file the resignation letter of Dawn Murphy to the Board of Compensation effective immediately.

Receive and place on file the Memo from Mayor Cadez; let the record reflect that Mayor Cadez declined her raise from the Board of Compensation.

09-10-241: Moved by Rowe and support by Striz to authorize the 2nd reading by title only, Ordinance #742:

ORDINANCE #742

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES FOR THE CITY OF MELVINDALE BY THE REPEAL OF SECTION 3-99 AND RE-ADOPTION OF SECTION 3-99 OF ARTICLE IV AMUSEMENT DEVICE ARCADES IN CHAPTER 3 AMUSEMENTS AND ENTERTAINMENTS TO PROVIDE FOR THE ESTABLISHMENT OF LICENSE FEES BY COUNCIL RESOLUTION

Passed Unanimously

09-10-242: Moved by Rowe and supported by Herman to adopt Ordinance #742

Passed Unanimously

09-10-243: Moved by Herman and supported by Striz to receive and place on file the recommendation of the Local Officers of Compensation Board, and reject recommended increase in the salary of the office of Mayor.

MOTION FAILED. RECOMMENDATION OF THE BOARD ADOPTED.

09-10-244: Moved by Striz and supported by Rowe to adjourn at 9:20pm

Passed Unanimously

Valerie A. Cadez, Mayor

Kelly L. Spence, City Clerk
