

Regular Council Meeting of the City of Melvindale was held in the Council Chambers on Wednesday, October 21, 2015 at 7:30 p.m.

The meeting was called to order by Mayor, Stacy L. Striz and roll call was taken:

PRESENT COUNCIL MEMBERS: Hess, Louvet, Balderas, Marsee, Barnes, Cybulski

ALSO PRESENT: Diana Zarazua, City Clerk; Richard S. Ortiz, City Administrator/Finance Director; Lawrence Coogan, Corporation Counsel; Chad Hayse, Police Chief; Joseph Murray, Fire Chief; Ardys Bennett, Chief Building Official.

The Pledge of Allegiance was led by Mayor Striz.

15-10-250 Moved by Louvet and supported by Balderas, to approve the Healthcare Stop Loss Insurance Coverage for the City of Melvindale to the lowest qualified bidder best suited for the City, TRANSAMERICA, as follows:

BE IT RESOLVED, that Council award the bid for the City's Healthcare Stop Loss Insurance Coverage to the lowest qualified bidder best suited for the City, TRANSAMERICA, 200 Brickstone Square, Suite 103, Andover, MA 01810 with an effective date of November 1, 2015; and

BE IT FURTHER RESOLVED, the Stop Loss Medical Coverage for the City will be at a Specific Deductible of \$75,000 individual retention. The premium will be as follows: Single \$137.44, Family \$286.38, and Aggregate coverage \$13.20. The Aggregate Retention factors will be \$763.38, Single and \$2,148.43, Family. The total fixed costs will be \$244,558.75. The total estimated retention at \$1,400,388.77 and the maximum annual cost of \$1,689,346.27; and

BE IT FURTHER RESOLVED, that the City will retain **Automated Benefit Services**, 8220 Irving Road, Sterling Heights, Michigan 48312 as the City's Third Party Administrator; and authorize the City Administrator to sign any and all documents for same.

Passed Unanimously

15-10-251 Moved by Louvet and supported by Balderas,

WHEREAS, it is hereby determined that it is necessary to borrow the sum of not to exceed Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000), in anticipation of the collection of the unpaid operating taxes for the next succeeding fiscal year of the City beginning January 1, 2016 (the "Operating Taxes"), which Operating Taxes are first due and payable on July 1, 2016, 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 through the issuance of general obligation notes in anticipation of the collection of the unpaid Operating Taxes for the next succeeding fiscal year in an amount not to exceed fifty percent (50%) of the operating tax levy for the current fiscal year when the Operating Taxes for the next fiscal year are not as yet known; and

WHEREAS, the amount included for Operating Taxes in the budget for the fiscal year ending December 31, 2015 was \$4,529,589; and

WHEREAS, the City has received an offer from Comerica Bank to purchase the general obligation notes in the form attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City borrow for the above purpose the sum of not to exceed Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000), issue the general obligation notes of the City (the "Notes") in anticipation of the collection of the Operating Taxes for the fiscal year beginning January 1, 2016. The Notes shall be in the denomination of at least \$100,000 each.

2. The Notes shall bear interest at a rate not to exceed 6% per annum, be dated as of the date of delivery, and be due and payable September 1, 2016, which is the estimated time of collection of a sufficient amount of the Operating Taxes for the fiscal year beginning January 1, 2016, 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 thereof, 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, 2016, 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 the 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 the Notes and in case of the insufficiency of the Operating Taxes pledged for the payment thereof, the City shall pay the Notes from any funds legally available therefor, 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/Finance Director of the City who shall deliver the Notes to the purchaser thereof upon the receipt of the purchase price therefor. 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/Finance Director. The foregoing officers are hereby authorized to execute and deliver a temporary note or notes and exchange, when available, final printed notes therefor at the request of the original purchaser. The Notes may be issued in book-entry only form.

6. The City Council hereby declares that it has pursued a negotiated sale of the Notes because of the flexibility provided in adjusting the timing of the sale of the Notes and the terms of the Notes at the time of sale. The offer of Comerica Bank, as attached hereto as Exhibit A, is hereby approved and accepted. The City Administrator/Finance Director is authorized to sign the offer and to negotiate the sale of the Notes to Comerica Bank within the parameters authorized in this resolution.

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 adjust the final Note details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of the Note issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Bonds shall not exceed six percent (6%), and the Note shall mature in not more than one (1) annual installment.

9. The Mayor, City Clerk, and City Administrator/Finance Director 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 be and the same hereby are rescinded.

AYES: Hess, Louvet, Balderas, Marsee, Barnes, Cybulski

NAYS: None

RESOLUTION DECLARED ADOPTED:

15-10-252 Moved by Barnes and supported by Louvet, to approve the **Regular** City Council Meeting Minutes dated October 7, 2015.

Passed Unanimously

15-10-253 Moved by Balderas and supported by Barnes, to remove from table the request to transfer the vacant land on Francis Street to the City.

Passed Unanimously

15-10-254 Moved by Hess and supported by Balderas, to concur with the request from the Economic Development Corporation, to transfer the vacant land on Francis Street to the City.

Yeas: Hess, Balderas, Barnes, Mayor Striz

Nays: Louvet, Marsee, Cybulski

Resolution Adopted.

Audience Participation was offered.

15-10-255 Moved by Louvet and supported by Marsee, to concur with the request of Police Chief Chad Hayse to change the curfew on October 30, 2015 from 10:00 p.m. to 8:00 p.m.

Passed Unanimously

15-10-256 Moved by Marsee and supported by Hess, to concur with the request of Police Chief Chad Hayse to hire a Part Time Ordinance Officer to work at the discretion of Chief Hayse.

Yeas: Hess, Balderas, Marsee, Barnes, Cybulski

Nays: Louvet

Resolution Adopted

15-10-257 Moved by Hess and supported by Marsee, to concur with the recommendation of Commission of Public Safety to replace and/or repair the Fire Hydrant located at 17305 Hanna because of the safety issue and liability; and further the Director of Public Works Richard Browning will submit a proposal for the cost of the repair and/or replacement of the Fire Hydrant at the next Council Meeting.

Passed Unanimously

15-10-258 Moved by Louvet and supported by Cybulski, to concur with the recommendation of the Chief Building Inspector, Ardys Bennett to appoint Gary Brozek as the Substitute Plumbing Inspector.

Passed Unanimously

15-10-259 Moved by Cybulski and supported by Louvet, to concur with the request of City Administrator Richard Ortiz, to seek a new third party electrical service, from the Michigan Choice Program list, for the Field House, located at 4300 S. Dearborn Street.

Passed Unanimously

15-10-260 Moved by Marsee and supported by Louvet, to concur with the request of the City Administrator Richard Ortiz, to approve the payout for Police Officer Nicholas Cellini retirement, effective November 28, 2015, in two payments, as follows:

To be paid on December 3, 2015:

Unused Sick Hours: 480 @ 24.5977 = **\$11,806.90**

To be paid on August 13, 2016:

Unused Sick Hours: 440 @ 24.5977 = **\$10,822.99**

Grand Total: \$22,629.89

Passed Unanimously

15-10-261 Moved by Marsee and supported by Hess, to concur with the recommendation of the City Administrator Richard Ortiz, as follows: pursuant to the request from interested parties to purchase vacant land in the City, Council hereby approves to offer to sell vacant parcels of land at .50 per square foot, as a counter offer for residential only.

Passed Unanimously

15-10-262 Moved by Hess and supported by Balderas, to authorize the first reading by title only, ORDINANCE NO. 770, as follows:

AN ORDINANCE TO AMEND ARTICLE II OF CHAPTER 4 [ANIMALS AND FOWL] BY ADDING SECTION 4-59 RELATING TO ANTI-TETHERING

Passed Unanimously

15-10-263 Moved by Marsee and supported by Balderas, to concur with the recommendation of Corporation Counsel, to waive the normal bid specs so that the Demolition Company, Lyle Trucking Inc., 4860 South Huron River Drive, Flat Rock, MI, 48134, for the emergency demolition at 18065 Harman, Melvindale, MI 48122; with demolition to begin as soon as the gas and electric is disconnected.

Passed Unanimously

15-10-264 Moved by Marsee and supported by Balderas, to waive the customary bid procedure for the demolition of the house at 18065 Harman, due to emergency circumstances.

Passed Unanimously

15-10-265 Moved by Hess and supported by Cybulski, to request that the City be reimbursed, by the Economic Development Corporation, for the difference in the amount of the check tendered by the Insurance Company, for the house that will be demolished, at 18065 Harman and the actual cost for the demolition by Lyle Trucking Inc., 1860 South Huron River Drive, Flat Rock, MI. 48134.

Passed Unanimously

15-10-266 Moved by Louvet and supported by Hess, to receive and place on file the resignation from Nancy Kibby, serving on the Civil Service Commission, and to send her a thank you letter for her years of service.

Passed Unanimously

15-10-267 Moved by Marsee and supported by Louvet, to receive and place on file the resignation from Jeff Greenwald, serving on the Downtown Development Authority, and to send him a thank you letter for his years of service.

Passed Unanimously

Second Audience Participation was offered.

15-10-268 Moved by Louvet and supported by Hess, to receive and place on file the invoices and cover sheet and to authorize the payment of approved invoices totaling \$616,290.33, and the electronic fund transfers totaling \$125,863.47.

Passed Unanimously

15-10-269 Motion by Barnes and supported by Cybulski, that the meeting be adjourn at 8:57 p.m. , all in favor, no objections, so ordered.

Passed Unanimously

Stacy L. Striz, Mayor

Diana Zarazua, City Clerk