

Regular Council Meeting of the City of Melvindale was held in the Kessey Fieldhouse Banquet Hall on Wednesday, November 2, 2016 at 7:30 p.m.

The meeting was called to order by Mayor Pro Tem Wheeler T. Marsee and roll call was taken:

PRESENT COUNCIL MEMBERS: Marsee, Barnes, Louvet, Cybulski, Densmore

The Pledge of Allegiance was led by Mayor Pro Tem Wheeler T. Marsee

ALSO PRESENT: Diana Zarazua, City Clerk; Lawrence J. Coogan, Corporation Counsel; Richard S. Ortiz; City Administrator/Finance Director; Joseph Murray, Fire Chief; James Hamel, Chief Building Official/Building Inspector; Larrie Ordus, DPW Director; Jake Wolan, Fieldhouse Supervisor

Councilwoman Michelle Said Land was absent and excused.
Treasurer Kalley Hess was absent and excused.

A moment of silence for Retired Melvindale Fire Department Captain Mark Winger.

16-11-327 Moved by Cybulski and supported by Louvet,

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, 2017 (the "Operating Taxes"), which Operating Taxes are first due and payable on July 1, 2017, 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, 2016 was \$4,565,507; and

WHEREAS, the City expects to receive an offer from Comerica Bank to purchase the general obligation notes.

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, 2017.

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, 2017, which is the estimated time of collection of a sufficient amount of the Operating Taxes for the fiscal year beginning January 1, 2017, 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 \$5,000 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, 2017, 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 City Administrator/Finance Director is authorized to negotiate the sale of the Notes 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. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. as note counsel is hereby approved, notwithstanding Miller, Canfield's periodic representation of the potential parties to the transaction, including Comerica Bank, in unrelated matters.

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and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

AYES: Members: Marsee, Barnes, Louvet, Cybulski, Densmore

NAYS: Members: None

RESOLUTION DECLARED ADOPTED

Proclamation was read into the minutes declaring November 2016: National American Indian Heritage Month.

16-11-328 Moved by Barnes and supported by Louvet, to approve the **Regular** City Council Meeting Minutes dated October 21, 2016.

Yeas: Marsee, Barnes, Louvet, Cybulski

Nays: None

Abstain: Densmore

Motion Passes

Audience Participation was offered.

16-11-329 Moved by Louvet and supported by Cybulski, to accept the memo of understanding regarding Michigan Homeowner assistance Nonprofit Housing Corporation Help for the Hardest Hit Blight Program.

Passed Unanimously

16-11-330 Moved by Louvet and supported by Cybulski, to accept the Captured Assessed Value Sharing Agreement between the City of Melvindale Downtown Development Authority and the City of Melvindale commencing with July 2015 through July 2020.

Passed Unanimously

16-11-331 Moved by Louvet and supported by Barnes, to remove from table and confirm the nomination of Keith Lozar to the Parks and Recreation commission to fill the expired term of Uriel Garza, term expires November 21, 2018.

Passed Unanimously

Second Audience Participation

16-11-332 Moved by Barnes and supported by Louvet, to receive and place on file the invoices and cover sheet and to authorize the payment of the approved invoices totaling \$672,349.47.

Passed Unanimously

16-11-333 Moved by Barnes and supported by Cybulski, to adjourn at 8:41 p.m., no objections, so ordered.

Passed Unanimously

Wheeler T. Marsee, Mayor Pro Tem

Diana Zarazua, City Clerk