

February 6, 2008
CITY COMMISSION
AGENDA
WEDNESDAY, FEBRUARY 6, 2008
6:15 P.M.

- A. CALL TO ORDER OF REGULAR CITY COMMISSION MEETING, PLEDGE OF ALLEGIANCE, ROLL CALL
- B. PUBLIC COMMENTS (non-agenda items)
- C. OLD CITY BUSINESS
 - 1. Utility Billing Commercial Meter Installation/Removal Charge: Recommend \$150.00 for each
 - 2. Revised Water and Sewer Rates
 - 3. Authorize Mayor and City Clerk to Sign the Water and Sewer Project Contracts
- D. NEW CITY BUSINESS
 - 1. Approve Loan Resolution for Water
 - 2. Approve Loan Resolution for Sewer
 - 3. Authorization to Advertise for Bid Cherry St.-Alley Behind City Hall Project
 - 4. 98.3 Radio Station Request - City of License Change Review
 - 5. Arbitration Settlement
 - 6. Authorization to put Gas/Diesel Fuel out for Bid
 - 7. Approve City Commission Meeting Minutes 1/21/2008
 - 8. Check Register - List of Bills
 - 9. City Manager Report
- E. CORRESPONDENCE
- F. PUBLIC COMMENTS (non-agenda items)
- G. ADJOURNMENT

CITY COMMISSION

Official Proceedings

- A. CALL TO ORDER OF REGULAR CITY COMMISSION MEETING, PLEDGE OF ALLEGIANCE, ROLL CALL

The Regular Meeting of the City Commission was duly called and held on Wednesday, **February 6, 2008**, in the City Commission Meeting Room of City Hall. Mayor DesJardins called the Regular Meeting to order at 6:15 p.m.

PRESENT: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg and Mayor DesJardins
ABSENT: None

- B. PUBLIC COMMENTS (non-agenda items)

There were none.

- C. OLD CITY BUSINESS

- 1. Utility Billing Commercial Meter Installation/Removal Charge: Recommend \$150.00 for each

Moved by Commissioner Scholtz to charge \$150.00 for commercial meter installation and removal. Supported by Commissioner Bornslaeger.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg and Mayor DesJardins

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Nays: None

2. Revised Water and Sewer Rates

Moved by Commissioner Bornslaeger to adopt the Water and Sewer rates as revised and presented to the Commission. Supported by Commissioner Lovellette.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg
and Mayor DesJardins
Nays: None

Sewer Rates: Fixed charge \$2.00, Consumption per 1000 gallons \$11.01
Water Rates: Fixed charge \$11.50, Consumption per 1000 gallons \$3.24

3. Authorize Mayor and City Clerk to Sign the Water and Sewer Project Contracts

Moved by Commissioner Lovellette to authorize the Mayor and the City Clerk to sign the Water and Sewer Project contracts. Supported by Commissioner Scholtz.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg
and Mayor DesJardins
Nays: None

D. NEW CITY BUSINESS

1. Approve Loan Resolution for Water

Moved by Commissioner Scholtz to approve the Loan Resolution for Water in the amount of \$3,627,000.00. Supported by Commissioner Lovellette.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg
and Mayor DesJardins
Nays: None

LOAN RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE MUNISING CITY OF 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 WATER FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the MUNISING CITY OF (herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of **THREE MILLION SIX HUNDRED TWENTY-SEVEN THOUSAND AND XX/100 DOLLARS (\$3,627,000.00)** pursuant to the provisions of **Public Act No. 94, of P.A. of 1933, as amended; and**

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.

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4. To indemnify the Government for any payment made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive or normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose

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of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.

17. To accept a grant in an amount not to exceed \$0.00 under the terms offered by the Government; that Mayor and Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas: 5 Nays: 0 Absent: 0

IN WITNESS WHEREOF, the City Council of the MUNISING CITY OF has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 7th day of February, 2008

MUNISING CITY OF

BY: Rod DesJardins, Mayor

Attest:
Sue Roberts, City Clerk

2. Approve Loan Resolution for Sewer

Moved by Commissioner Bornslaeger to approve the Loan Resolution for Sewer in the amount of \$8,500,000.00. Supported by Commissioner Lovellette.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg and Mayor DesJardins
Nays: None

LOAN RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE MUNISING CITY OF 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 ITS JURISDICTION TO

WHEREAS, it is necessary for the MUNISING CITY OF (herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of **EIGHT MILLION FIVE HUNDRED THOUSAND AND XX/100 DOLLARS (\$8,500,000.00)** pursuant to the provisions of **Public Act No. 94, of P.A. of 1933, as amended; and**

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4,

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"Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.

4. To indemnify the Government for any payment made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive or normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and

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legal, such person shall have a direct right of action against the Association or public body.

- 16.To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17.To accept a grant in an amount not to exceed \$1,602,000.00 under the terms offered by the Government; that Mayor and Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas: 5 Nays: 0 Absent: 0

IN WITNESS WHEREOF, the City Council of the MUNISING CITY OF has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 7th day of February, 2008

MUNISINGCITY OF

BY: Rod DesJardins, Mayor

Attest:
Sue Roberts, City Clerk

At this time Bruce Hawkinson of Mead & Hunt gave a short update on the Water/Sewer Project.

3. Authorization to Advertise for Bid Cherry St.-Alley Behind City Hall Project

Moved by Commissioner Bornslaeger to table this item until the March 5, 2008 meeting. Supported by Commissioner Scholtz.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg and Mayor DesJardins
Nays: None

4. 98.3 Radio Station Request - City of License Change Review

Moved by Commissioner Lovellette to authorize the City Manager to file a complaint with the FCC, that the City of Munising does not want to lose the FM station. Supported by Commissioner Bornslaeger.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg and Mayor DesJardins
Nays: None

5. Arbitration Settlement

Moved by Commissioner Scholtz to authorize the City Manager to pay Danny Chartrand according to the arbitration settlement as submitted. Supported by Commissioner Swanberg.

Approved: Yeas: Commissioners: Scholtz, Bornslaeger, Swanberg and Mayor DesJardins
Nays: Commissioner: Lovellette

6. Authorization to put Gas/Diesel Fuel out for Bid

Moved by Commissioner Lovellette to authorize the City Manager to advertise for gas/diesel fuel bids with 24-hour accessibility. Supported by Commissioner Scholtz.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg

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and Mayor DesJardins
Nays: None

7. Approve City Commission Meeting Minutes 1/21/2008

Moved by Commissioner Lovellette to approve the City Commission Meeting Minutes of 1-21-08 with one correction "gaming". Supported by Commissioner Bornslaeger.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg
and Mayor DesJardins
Nays: None

8. Check Register - List of Bills

Moved by Commissioner Scholtz to approve and pay the Check Register/list of bills as submitted. Supported by Commissioner Bornslaeger.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg
and Mayor DesJardins
Nays: None

9. City Manager Report

City Manager Bovin stated that he was in the process of setting up a meeting with the Brownfield Authority, the County and the Mayor regarding funding for certain projects. He then gave a handout with January's Leachate revenue figures. Bovin then reminded the Commission of the MML Conference April 1st and 2nd and all interested should get their information to him or Donna. Next he gave out information on being one of the Best Places to be for the 3rd year in a row. He then gave a hand out on Youth Priorities 08-09 in Marquette and Alger County for healthy development.

E. CORRESPONDENCE

Correspondence included a letter from the Department of Treasury regarding Neenah Paper, Inc. new personal property tax exemption for the next 12 years. Also, included in correspondence was the ad regarding Marquette, Alger counties one of nation's best, this was discussed in his report.

F. PUBLIC COMMENTS (non-agenda items)

Commissioner Lovellette asked about the tax exemption and if Neenah Paper had purchased any new equipment and done any of the upgrades they spoke of regarding the personal property tax exemption. It was stated that Neenah Paper does not have to do anything, but if they do within the next 12 years new personal property would be exempt. All personal property currently being assessed would still get taxed.

G. ADJOURNMENT

Moved by Commissioner Lovellette to adjourn the Regular Meeting of the City Commission. Supported by Commissioner Swanberg.

Approved: Yeas: Commissioners: Lovellette, Scholtz, Bornslaeger, Swanberg
and Mayor DesJardins
Nays: None

The Regular Meeting of the City Commission adjourned at 7:31 p.m.

Rod DesJardins, Mayor

Sue Roberts, City Clerk

LIST OF BILLS

18700)CITY OF MUNISING-PETTY CASH	154.40
18701)UPPER PENINSULA RECREATION INC.	1000.00
18702)ADAMSON INDUSTRIES CORP	191.90
18703)ALGER COUNTY HUMANE SOCIETY	325.00
18704)DOUG BOVIN, INC.	7250.18
18705)CELLULAR ONE	252.06
18706)HALLSTROM CO.	142.50

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18707)HI-WHITE ELECTRIC, INC.	400.00
18708)HYDRITE CHEMICAL COMPANY	439.74
18709)MARK MAKI	1000.00
18710)MICHIGAN ASSOCIATION OF MAYORS	100.00
18711)MICHIGAN MUNICIPAL	35.00
18712)NORTHERN MICHIGAN UNIVERSITY	40.00
18713)PARAGON LABORATORIES, INC.	180.00
18714)RANGE TELECOMMUNICATIONS	106.50
18715)ROLAND MACHINERY COMPANY	644.97
18716)SCHULTZ EQUIPMENT & PARTS COM.	346.98
18717)STAMP FULFILLMENT SERVICES	920.00
18718)STANDARD INSURANCE COMPANY	744.20
18719)STREICHER'S -MINNEAPOLIS	19.99
18720)U.P. POWER COMPANY	12.00
18721)USA BLUE BOOK	47.78
18722)WEST PAYMENT CENTER	444.00
18723)WILLEYS TIRE SHOP	228.00
18724)ALGER PARKS & RECREATION-PETTY CASH	38.44
18725)BOB'S IGA	15.18
18726)U.S. POSTMASTER-MUNISING	83.50