

**LAPEER CITY COMMISSION  
MINUTES OF A REGULAR MEETING  
JUNE 1, 2015**

A regular meeting of the Lapeer City Commission was held June 1, 2015 at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at 6:30 p.m.

**ROLL CALL**

Present: Mayor Sprague.  
Commissioners Bennett, Gates, Robinet, Bostick-Tullius.  
City Attorney Representative Denis McCarthy.

Absent: Commissioner Lyons (excused).  
City Manager Dale Kerbyson (excused).

Mayor Sprague led the Pledge of Allegiance.

**AGENDA APPROVAL**

**102 2015 06-01**

Moved by Robinet. Seconded by Gates.

Approve the Agenda for June 1, 2015 with the addition of Item G.5. Authorizing Resolution for 2015 General Obligation Bonds.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED.

**MINUTES**

**103 2015 06-01**

Moved by Gates. Seconded by Bennett.

Approve the minutes from the regular meeting held May 18, 2015 as presented.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED.

Minutes from various Boards and Commissions were received into record.

**PUBLIC COMMENTS**

Georgeann Courser, Fish Lake Road, gave invocation.

**CONSENT AGENDA**

**104 2015 06-01**

Moved by Bostick-Tullius. Seconded by Gates.

Approve the Consent Agenda for June 1, 2015, resulting in the following:

1. Special Event Request from Lapeer City Police Officers Charitable Fund, Cops For Community 5K, July 11, 2015, Lake Drive, ,Prairies and Ponds, pathways.
2. Special Event Request from Families Against Narcotics, Run Drugs Out Of Town, August 23, 2015, Rowden Park.
3. Application and Permit for Lapeer Area Chamber of Commerce for the July 4<sup>th</sup> Fireworks provided by Wolverine Fireworks Display, Inc. and authorize the Mayor or City Manager to sign required documents.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED.

**BILL LISTING FOR JUNE 1, 2015**

**105 2015 06-01**

Moved by Robinet. Seconded by Gates.

Approve the Bill Listing for June 1, 2015 in the amount of \$464,510.09.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED.

## **PROCLAMATIONS, RECOGNITIONS AND RESOLUTIONS**

None.

## **PUBLIC HEARINGS**

None.

## **ADMINISTRATIVE REPORTS**

DEQ Scrap Tire Grant – Calhoun Street Mill and Resurface Project.

DEQ Project #: CI-1544048.

### **106 2015 06-01**

Moved by Bostick-Tullius. Seconded by Gates.

Approve the Municipal Resolution State of Michigan Department of Environmental Quality Scrap Tire Market Development Grant Contract.

City of Lapeer  
Municipal Resolution  
State of Michigan  
Department of Environmental Quality  
Scrap Tire Market Development Grant Contract

WHEREAS, the City of Lapeer submitted an application for a State of Michigan Department of Environmental Quality (DEQ) Scrap Tire Market Development Grant; and

WHEREAS, the City of Lapeer has been informed that said grant application has been recommended for funding in the amount of \$80,000.00; and

WHEREAS, the City of Lapeer has targeted Calhoun Street to be a mill and resurface project for said grant.

BE IT RESOLVED THAT:

1. The City of Lapeer has been awarded a State of Michigan Department of Environmental Quality (DEQ) Scrap Tire Market Development Grant Contract and is committed to a match amount of 50% in conjunction with said grant contract.
2. The Lapeer City Commission authorizes City Manager Dale Kerbyson to act as the City's authorized representative to sign all required documents and fulfill all terms of said grant contract.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

2015-2016 Component Unit Budgets.

### **107 2015 06-01**

Moved by Robinet. Seconded by Bostick-Tullius.

Approve the 2015-2016 Operating Budgets for the Brownfield Redevelopment Authority, Tax Increment Finance Authorities 1, 2 and 3, Local Development Finance Authority, and Economic Development Corporation.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED.

2015-2016 Solid Waste Licenses.

**108 2015 06-01**

Moved by Robinet. Seconded by Bennett.

Approve the 2014-2015 Solid Waste Licenses for Republic Services, Rick Rhein Disposal, Smith's Disposal, Inc. and Deerfield Disposal

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

MOTION CARRIED.

Zoning Ordinance Amendment.

Commissioner Robinet introduced the proposed amendment to Chapter 7 (Zoning Ordinance), Article 7.15 of the General Ordinances of the City of Lapeer.

THE CITY OF LAPEER ORDAINS:

Article 7.15 General Site Development Requirements

Section 7.15.01(c) Exterior Building Design – delete subsection (4); renumber subsections (5) and (6) to (4) and (5)

Section 7.15.02(b)(2) Applicability – add to end of paragraph: “In the case of an Administrative Review, the Planning Department may grant an exception based on the same site conditions.”

Section 7.15.02(b)(3) – delete subsection (l); renumber subsections (m) and (n) to (l) and (m); revise (m) to add “or Planning Department” after Planning Commission.

Section 7.15.02(c) Replacement of Removed Trees – add to end of first sentence: “and for additions to or expansion of existing development.”

Section 7.15.02(d) Incentives to Preserve Existing Trees – revise to read: “The standards listed below are intended to encourage the preservation of quality and mature trees within a development area by providing credits toward required landscaping components.”

Section 7.15.02(e) Greenbelts

- (1) Second sentence, delete “The Planning Commission may allow such planting” and replace with “Such plantings may”.
- (3) Add “whenever possible” after comma in mid-sentence.
- (4) Second sentence, delete “The Planning Commission may approve the substitution of evergreen trees” and replace with “Evergreen trees may be substituted”.
- (7) Second sentence, delete “the Planning Commission may adjust the location of the required materials” and replace with “the location of the required materials may be adjusted”.

Section 7.15.02(g)(8) Parking Lot Landscaping – delete from second and third sentences: “as determined by the Planning Commission. The Planning Commission may approve”; begin third sentence with “A privacy fence may be approved”

Add new Section 7.15.02(h) “Foundation Plantings. A portion of the on-site landscaping shall abut the walls of the main building so that the vegetation combined with the architectural features significantly reduce the visual impact of the building mass as viewed from the street.”

Renumber existing Sections 7.15.02(h) through (m) to (i) through (n)

Section 7.15.02(k)(4) (revised to 7.15.02(l)(4)) – delete “by the Planning Commission”

Section 7.15.02(m) (revised to 7.15.02(n)) Compliance for Existing Sites – delete “as determined by the Planning Commission”

Authorizing Resolution for 2015 General Obligation Bonds.

**109 2015 06-01**

Moved by Bostick-Tullius. Seconded by Bennett.

Approve the Resolution Authorizing 2015 Capital Improvement Bonds (Limited Tax General Obligation).

RESOLUTION AUTHORIZING  
2015 CAPITAL IMPROVEMENT BONDS  
(LIMITED TAX GENERAL OBLIGATION)

CITY OF LAPEER  
COUNTY OF LAPEER, STATE OF MICHIGAN

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WHEREAS, the City does hereby determine that it is necessary to pay all or part of the cost of capital improvement items in the City including but not limited to making major and/or local street improvements including the reconstruction and/or resurfacing of all or portions of Oregon, Lincoln, Demille, Whitney, Monroe and Calhoun Streets, and any related infrastructure improvements including but not limited to water and sewer improvements on Oregon and Lincoln Streets; acquisition and construction of Saginaw Street bridge improvements; together with all appurtenances and attachments thereto (the "Projects"); and

WHEREAS, the cost of the Projects are estimated to be approximately Two Million Five Hundred Thousand Dollars (\$2,500,000); and

WHEREAS, to finance the cost of the Projects, the City Commission deems it necessary to borrow the principal amount of not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") to pay the cost of the Projects; and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication and as of this date no petition has been filed with the Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2015 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) for the purpose of paying the cost of the Projects, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery. The Bonds shall bear interest, mature and be payable at the times and in the manner set forth in Sections 6 and 7 hereof.

The Bonds shall be sold at public sale at a price not less than 98.0% of the principal amount thereof.

The Bonds shall be subject to redemption prior to maturity in the manner and at the times and prices set forth in Sections 6 and 7 hereof and if term bonds are selected by the original purchaser of the bonds, then the bonds will be subject to mandatory redemption in accordance with the foregoing maturity schedule at par.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15<sup>th</sup> day of the

month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan who is hereby selected to act as the transfer agent for the bonds (the "Transfer Agent").

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Manager and Director of Financial Services are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Director of Financial Services of the City upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. 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.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the City Commission, to be designated 2015 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Commission, to be designated 2015 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Projects and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF LAPEER

**CITY OF LAPEER**  
2015 CAPITAL IMPROVEMENT BOND  
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	November 1, _____	_____, 2015	

Registered Owner:  
Principal Amount:

Dollars

The City of Lapeer, County of Lapeer, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on May 1, 2016 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of The Bank of New York Mellon Trust Company N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15<sup>th</sup>) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$2,500,000, issued for the purpose of paying the cost of certain capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the City.

Bonds of this issue maturing in the years 2016 to 2025, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in

multiples of \$5,000 maturing in the year 2026 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after November 1, 2025, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

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 and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Lapeer, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF LAPEER  
County of Lapeer  
State of Michigan

By: \_\_\_\_\_  
Its: Mayor

(SEAL)

By: \_\_\_\_\_  
Its: City Clerk

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

The Bank of New York Mellon Trust Company, N.A.  
Detroit, Michigan  
Transfer Agent

By: \_\_\_\_\_  
Authorized Signatory

[Bond printer to insert form of assignment]

7. Notice of Sale. The City Clerk is authorized to fix a date of sale for the Bonds and to publish a notice of sale of the Bonds in ***The Bond Buyer***, New York, New York, which notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

\$2,500,000  
(Preliminary, subject to change)  
CITY OF LAPEER  
COUNTY OF LAPEER, STATE OF MICHIGAN  
2015 CAPITAL IMPROVEMENT BONDS  
(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the Offices of the Director of Financial Services located at the Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan 48446 on Wednesday, the 24th day of June, 2015 until 11:00 a.m., prevailing Eastern Time, at which time and place said bids will be publicly open and read.

SEALED BIDS will also be received in the alternative on the same date and until the same time at the offices of the Municipal Advisory Council of Michigan (the "MAC"), Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, when, simultaneously, the bids will be opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the City at fax number (810) 664-2610, Attention: City Clerk and 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 "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, Second Floor, New York, New York 10010, (212) 849-5021. 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 SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, numbered in order of registration, and will bear interest from their date payable on May 1, 2016, and semiannually thereafter.

The bonds will mature on the 1<sup>st</sup> day of November in each of the years, as follows:

2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024

2025  
2026  
2027  
2028  
2029  
2030  
2031  
2032  
2033  
2034  
2035

ADJUSTMENT TO MATURITY: The City reserves the right to increase or decrease the amount of any principal maturity of the bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of \$5,000.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed four percent (4%) per annum. THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE PRECEDING SERIAL OR TERM BOND MATURITY. No proposal for the purchase of less than all of the bonds or at a price less than 98.0% of their par value will be considered.

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2016 to 2025 inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2026 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after November 1, 2025, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from November 1, 2016 through the final maturity as term bonds and the consecutive maturities on or after the year 2016 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on November 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond 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 bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the

purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15<sup>th</sup> day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are authorized for the purpose of paying the cost of acquiring and constructing certain capital improvements for the City. The bonds will be a first budget obligation of the City, payable from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$50,000 payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser 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 check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds 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 (compounded on May 1, 2016 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to July 15, 2015, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

"QUALIFIED TAX EXEMPT OBLIGATIONS": The City has designated the bonds as "Qualified Tax Exempt Obligations" for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

**LEGAL OPINION:** Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

**DELIVERY OF BONDS:** The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern Time, on the 45<sup>th</sup> day following the date of sale, or the first business day thereafter if said 45<sup>th</sup> day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

**OFFICIAL STATEMENT:** A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Robert W. Baird & Co. Incorporated, financial advisors to the City, at the address and telephone listed under FINANCIAL ADVISOR below. Robert W. Baird & Co. Incorporated, will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Robert W. Baird & Co. Incorporated, upon request and agreement by the purchaser to Robert W. Baird & Co. Incorporated, within 24 hours of the time of sale.

**BOND INSURANCE AT PURCHASER'S OPTION:** If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any and all increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the City has requested and received a rating on the Bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.**

**CONTINUING DISCLOSURE:** As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the sixth month after the end of each fiscal year commencing with the fiscal year ended June 30, 2015, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year,

generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

**FINANCIAL CONSULTANT:** Further information relating to the bonds may be obtained from Robert W. Baird & Co. Incorporated, 1001 Bay Street, Traverse City, Michigan 49684. Telephone (231) 933-8447. Fax (231) 933-8448.

**ENVELOPES** containing the bids should be plainly marked "Proposal for 2015 Capital Improvement Bonds (Limited Tax General Obligation)."

Donna Cronce  
City Clerk  
City of Lapeer

8. **Useful Life of Project.** The estimated period of usefulness of the Projects is hereby declared to be not less than twenty (20) years.

9. **Tax Covenant.** The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

10. **Official Statement; Qualification for Insurance; Ratings.** The City Manager and Director of Financial Services are each authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure qualification of the Bonds for a policy of municipal bond insurance; and to obtain ratings on the Bonds.

11. **Continuing Disclosure.** The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the City Manager and Director of Financial Services are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

12. **Authorization of Other Actions.** The City Manager and Director of Financial Services are each hereby authorized to adjust the final Bond 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 within the parameters described in this resolution. The City Manager and Director of Financial Services are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

13. **Award of Sale of Bonds.** The City Manager and Director of Financial Services are each hereby authorized on behalf of the City to award the sale of the Bonds to the bidder whose bid meets the requirements of law and which produces the lowest true interest cost to the City computed in accordance with the terms of the Official Notice of Sale as published.

14. **Rescission.** All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Ayes: Bennett, Gates, Robinet, Bostick-Tullius.

Nays: None.

Absent: Lyons.

**MOTION CARRIED. RESOLUTION DECLARED ADOPTED.**

**CITY MANAGER’S REPORT**

None.

**CITY ATTORNEY’S REPORT**

None.

**UNFINISHED BUSINESS**

**110 2015 06-01**

Appointed by Mayor Sprague. Moved by Bennett. Seconded by Gates.  
Catherine Bostick-Tullius Downtown Development Authority, term ending 01-01-18.  
Ayes: Bennett, Gates Robinet.  
Nays: None.  
Absent: Lyons.  
Abstain: Bostick-Tullius.  
MOTION CARRIED.

**DEPARTMENTAL COMMUNICATIONS**

None.

**PUBLIC COMMENTS**

None.

**MAYOR/COMMISSIONER COMMENTS**

Commissioner Robinet commented on National Police Week editorial, apology to newspaper, thank you for article.

Mayor Sprague commented on Memorial Day Parade; sound off articles in paper regarding budgeted funds for road repair and the possibility of having an editorial on road projects.

**ADJOURNMENT**

**111 2015 06-01**

Moved by Bennett.  
Adjourn the regular meeting.  
Ayes: Bennett, Gates, Robinet, Bostick-Tullius, Lyons.  
Nays: None.  
Absent: None.  
MOTION CARRIED.

The regular meeting adjourned at 6:40 p.m.

\_\_\_\_\_  
William J. Sprague, Mayor

\_\_\_\_\_  
Donna L. Cronce, City Clerk

\_\_\_\_\_  
Tracey S. Russell, Deputy City Clerk