

**MINUTES OF A REGULAR MEETING
OF THE
LAPEER CITY COMMISSION**

June 19, 2006

A regular meeting of the Lapeer City Commission was held on June 19, 2006 at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at approximately 6:30 p.m.

Present: Mayor Treece
Commissioners Turkelson, Marquardt, Sprague, Farrington, and Robinet.
City Attorney Ron Shamblin
City Manager Dale Kerbyson

Absent: None.

Mayor Treece led the Pledge of Allegiance.

AGENDA APPROVAL

126 2006 06-19

Moved by Sprague. Seconded by Farrington.

To approve the agenda for June 19, 2006 with the deletion of Item E-1 IFT Request – Oxford Biomedical Research, Inc. MOTION CARRIED.

MINUTES

127 2006 06-19

Moved by Robinet. Seconded by Turkelson.

To approve the minutes of the regular meeting of the City Commission held on June 5, 2006 as presented. MOTION CARRIED.

Minutes from the Various Boards and Commissions received through June 15, 2006 were received into record.

PUBLIC COMMENTS

No public comments.

CONSENT AGENDA

128 2006 06-19

Moved by Robinet. Seconded by Marquardt.

To approve the Consent Agenda for June 19, 2006 resulting in the following:

1. Approval of the 2006 Seal Coating Project to Pavement Maintenance Systems, Inc. in the amount of \$54,977.30.
2. Approval of the 2006 Street Marking Project to M&M Pavement Marking in the amount of \$6,278.00.
3. Approval of the 2006-2007 Solid Waste Licenses for Allied Waste Services, Rick Rhein Disposal, Waste Management, Smith's Disposal, Inc., and Deerfield Disposal Services.
4. Approval to amend the Investment Policy dated November 2, 1998.
5. Approval of the July 4th Fireworks Permit with Melrose Pyrotechnics, Inc.
6. Approval of Fire Donations from Lapeer County Credit Union and Sky Electric and budget adjustment from 101-000-675010 (\$1,150) to 101-336-956200 (\$1,150) for appropriation of funds.

MOTION CARRIED.

PUBLIC PROCLAMATIONS, RECOGNITIONS AND RESOLUTIONS

None.

PUBLIC HEARINGS

No public hearings. Item E-1 IFT Request – Oxford Biomedical Research, Inc. was deleted from the agenda. Oxford Biomedical Research, Inc. has withdrawn the request at this time.

ADMINISTRATIVE REPORTS

Special Event Request from Lapeer Area Merchants – Sprit of 24.

Police Chief Alexander provided a review of the Special Event Request from Lapeer Area Merchants for Spirit of 24.

Joe Passey, Chairman of the Lapeer Area Merchants, commented on the various aspects of the event.

Discussion was held regarding approval of landowners, room availability, parking, associated City costs, and that the proceeds will be donated to charities.

129 2006 06-19

Moved by Marquardt. Seconded by Sprague.

To approve the Special Event Request from Lapeer Area Merchants for Sprit of 24 to be held July 29, 2006 from 11:00 AM to 11:00 PM at the Lapeer Market Place and to waive the associated City costs at this time.

MOTION CARRIED.

Liquor License Request – GB Enterprises LLC to Hill Rose, Inc.

130 2006 06-19

Moved by Sprague. Seconded by Farrington.

To approve the State of Michigan Department of Consumer & Industry Services Liquor Control Commission Resolution to transfer license from GB Enterprises LLC to Hill Rose, Inc.

REQ ID #357236

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
LIQUOR CONTROL COMMISSION

RESOLUTION

Moved by Commissioner Sprague and supported by Commissioner Farrington that the request from Hill Rose, Inc. to transfer ownership of 2006 Class C licensed business with Dance-Entertainment Permit, located in escrow at 440 N. Saginaw, Lapeer, MI 48446, Lapeer County, from GB Enterprises, L.L.C. (Step 1).

be considered for approval.

	APPROVAL		DISAPPROVAL
Ayes:	Commissioners Sprague, Farrington, Turkelson, Marquardt, Robinet	Ayes:	None
Nays:	None	Nays:	None
Absent:	None.	Absent:	None

It is the consensus of this legislative body that the application be recommended for issuance.

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

Liquor License Request – Hill Rose, Inc. to GNU Enterprises, Inc.

131 2006 06-19

Moved by Sprague. Seconded by Marquardt.

To approve the State of Michigan Department of Consumer & Industry Services Liquor Control Commission Resolution to transfer license from Hill Rose, Inc. to GNU Enterprises, Inc.

REQ ID #357238

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
LIQUOR CONTROL COMMISSION

RESOLUTION

Moved by Commissioner Sprague and supported by Commissioner Marquardt that the request from GNU Enterprises, Inc. to transfer ownership of 2006 Class C licensed business with Dance-Entertainment Permit, located in escrow at 440 N. Saginaw, Lapeer, MI 48446, Lapeer County, from Hill Rose, Inc. (Step 2).

be considered for approval.

	APPROVAL		DISAPPROVAL
Ayes:	Commissioners Sprague, Marquardt, Turkelson, Farrington, Robinet.	Ayes:	None
Nays:	None	Nays:	None
Absent:	None.	Absent:	None

It is the consensus of this legislative body that the application be recommended for issuance.

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

Notice of Intent Resolution for Special Assessment and General Obligation Bonds.

132 2006 06-19

Moved by Turkelson. Seconded by Robinet.

To approve the Special Assessment and General Obligation Bonds Notice of Intent Resolution.

Special Assessment/General Obligation
NOTICE OF INTENT RESOLUTION
City of Lapeer
County of Lapeer, Michigan

WHEREAS, the City Commission of the City intends to authorize the issuance of special assessment bonds for the purpose of defraying part of special assessment districts' share of the cost in connection with certain public improvements in the City and general obligation bonds to pay the City's cost in connection with said improvements;

AND WHEREAS, notice of intent to issue bonds must be published at least forty-five (45) days before the issuance of the same in order to comply with the requirements of Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in a newspaper of general circulation in the City, as a display advertisement at least one-quarter page in size.

2. Said notice of intent so published shall be in substantially the following form:

OFFICIAL NOTICE TO ELECTORS AND TAXPAYERS
OF THE CITY OF LAPEER
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING
POWER OF THE CITY AND RIGHT OF REFERENDUM THEREON

PLEASE TAKE NOTICE that the City Commission of the City of Lapeer, County of Lapeer, Michigan, intends to issue special assessment bonds of the City, in total principal amount of not to exceed \$600,000, for the purpose of defraying part of special assessment districts' share of the cost of local public improvements in the City and general obligation bonds in the principal amount of not to exceed \$600,000 to pay the City's share of the cost of said improvements. Said bonds shall mature serially in not to exceed twenty (20) annual installments with interest payable on the unpaid balance at a rate of not to exceed 6% per annum or such higher rate as may be permitted by law.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL AND INTEREST OF THE SPECIAL ASSESSMENT BONDS shall be payable primarily from collections of an equal amount of special assessments and the bonds shall also pledge the limited tax full faith and credit of the City of Lapeer.

IN CASE OF THE INSUFFICIENCY OF THE SPECIAL ASSESSMENTS, THE PRINCIPAL AND INTEREST ON SAID BONDS SHALL BE PAYABLE FROM THE GENERAL FUNDS OF THE CITY LAWFULLY AVAILABLE FOR SUCH PURPOSE.

THE PRINCIPAL AND INTEREST OF THE GENERAL OBLIGATION BONDS shall be payable from the general funds of the City lawfully available for such purposes including property taxes levied within applicable statutory, charter and constitutional limitations.

RIGHT OF REFERENDUM

THE BONDS will be issued without vote of the electors unless a PETITION requesting an election on the question of issuing either or both series of bonds, signed by not less than 10% OF THE REGISTERED ELECTORS in the City, or 15,000, whichever is the lesser, is filed with the City Clerk by depositing with the City Clerk WITHIN FORTY-FIVE (45) DAYS after publication of this notice. If such a petition is filed, the bonds affected cannot be issued without an approving vote by a majority of electors voting on the question.

THIS NOTICE is given pursuant to the requirements of Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended. Further information concerning the matters set out in this notice may be secured from the City Clerk's office.

Donna L. Cronce, CMC
City Clerk, City of Lapeer

3. The City Commission does hereby determine that the foregoing form of notice of intent to issue bonds and the manner of publication directed is adequate notice to the electors and taxpayers of the City and is well calculated to inform them of the intention of the City to issue the bonds, the purpose of the bond issues, the security for the bonds and the right of referendum of the electors with respect thereto under all of the circumstances, and that the provision of forty-five (45) days within which to file a referendum petition is necessary and adequate to insure that the City's electors may exercise their right of referendum with respect to the bonds.

4. 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 Turkelson, Robinet, Marquardt, Sprague, and Farrington.
NAYS: Members None.
MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

Resolution Authorizing Declaring Intent to Reimburse for Expenditures.

133 2006 06-19

Moved by Turkelson. Seconded by Robinet.

To approve the Resolution Declaring Intent To Reimburse For Public Road Improvement Expenditures.

RESOLUTION DECLARING INTENT TO REIMBURSE
FOR PUBLIC ROAD IMPROVEMENT EXPENDITURES

City of Lapeer
County of Lapeer, Michigan

WHEREAS, the City intends to authorize the issuance and sale of obligations pursuant to applicable state law (the "Bonds"), for the purpose of paying the cost of acquiring and constructing public road improvements together with and all appurtenances and attachments relating thereto (the "Projects"); and

WHEREAS, the City intends, at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Projects prior to issuance of the obligation.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to be reimbursed for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring the Projects which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt presently expected to be issued for the Projects, including issuance costs, is \$1,200,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Projects are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Projects to reimburse the City for a capital expenditure made pursuant to this resolution.
- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg.

§ 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

- (g) Expenditures for the Projects to be reimbursed for the proceeds of the borrowing for purposes of this Resolution do not include costs for the issuance of the debt or an amount not in excess of the lesser of \$100,000 or five percent of the proceeds of the borrowing, or preliminary expenditure not exceeding twenty (20) percent of the issue price of the borrowing, within the meaning of Treas. Reg. § 1.150-2(f) (such preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to construction of the Projects, but do not include land acquisition, site preparation, and similar costs incident to commencement of construction).

2. 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: Turkelson, Robinet, Marquardt, Sprague, and Farrington.

NAYS: Members: None.

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

CITY MANAGER'S REPORT:

Resolution Authorizing the S2 Grant Agreement – Wastewater Treatment Plant.

134 2006 06-19

Moved by Farrington. Seconded by Turkelson.

To approve the Resolution Authorizing the S2 Grant Agreement and the Wastewater System Improvement Phase I S2 Grant Engineering Services Proposal/Contract with Tetra Tech, Inc. and authorize the City Manager to sign the required documents.

City of Lapeer
County of Lapeer

Resolution Authorizing the S2 Grant Agreement

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204a that the Michigan Municipal Bond Authority (the "Authority") in consultation with the Michigan Department of Environmental Quality (the "DEQ", collectively with the Authority, the "State") shall establish a strategic water quality initiatives grant program to provide assistance to governmental units to complete the application for a loan under the State Revolving Fund ("SRF") program or Strategic Water Quality Initiatives Fund ("SWQIF") program; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended (the "Act"), Part 52, and other applicable provisions of law, the Authority, the DEQ, and a governmental unit (the "Governmental Unit") that is a grant recipient shall enter into a grant agreement (the "S2 Grant Agreement") that requires the Governmental Unit to repay the grant under certain conditions as set forth in MCL 324.5204a; and

WHEREAS, the Governmental Unit does hereby determine it necessary to undertake planning and/or design activities related to a future project for which an SRF or SWQIF loan will be sought; and

WHEREAS, it is the determination of the Governmental Unit that at this time, a grant in the aggregate principal amount not to exceed \$460,000 ("Grant") be requested from the Authority and the DEQ to pay for the planning and/or design activities; and

WHEREAS, the Governmental Unit shall obtain this Grant by entering into the S2 Grant Agreement with the Authority and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Dale Kerbyson and Paul H. Boucher, Jr. are each designated as an Authorized Representative for purposes of the S2 Grant Agreement.
2. The proposed form of the S2 Grant Agreement between the Governmental Unit and the State (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the S2 Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. As Stated in the S2 Grant Agreement, the Grant shall become a repayable obligation (the "Repayable Obligation") if any of the following occur:
 - (a) the Governmental Unit fails to submit an administratively complete loan application for assistance from the SRF or the SWQIF for the project within 3 years of the Grant award;
 - (b) the project has been identified as being in the fundable range and the Governmental Unit declines loan assistance from the SRF or the SWQIF in that fiscal year; or
 - (c) the Governmental Unit is unable to, or decides not to, proceed with constructing the project or opts to finance construction by means other than a loan from the SRF or the SWQIF.
4. The Governmental Unit hereby pledges its limited tax full faith and credit for payment of the Repayable Obligation subject to applicable constitutional, statutory and Governmental Unit tax rate limitations.
5. The Governmental Unit shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for general local government administrative activities or activities performed by municipal employees.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the State in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the State or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Governmental Unit acknowledges that the S2 Grant Agreement is a contract between the Governmental Unit and the State.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Commissioners Farrington, Turkelson, Marquardt, Sprague, and Robinet.

NAYS: None:

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

City Manager Kerbyson commented on the review of Kirk Construction fees regarding ESE Engineering, website update, Gallery 194 art festival, and that the Train Depot open house is scheduled for July 13.

Diane Larkin thanked the Commission for the waiving of fees and a special thank you to the Department of Public Works for the hanging of banners that were made by the children that attended.

Liability Insurance Renewal

City Manager Kerbyson provided information regarding the City's liability insurance renewal.

135 2006 06-19

Moved by Sprague. Seconded by Robinet.

To accept the one year proposal from the Stevens Company representing the Michigan Township Participating Plan, for the City of Lapeer's Property and Liability Insurance with a five million dollar non-aggregate policy coverage at a cost of \$172,146.00 per year.

MOTION CARRIED.

City Manager Kerbyson commented that Senator Candace Miller voted against HB 4252 regarding cable franchise and that the bill has passed the House and is going to the Senate.

CITY ATTORNEY'S REPORT:

City Attorney Shamblin provided an update regarding Michael's restaurant and the Louis C. Cramton home.

BILL LISTING

136 2006 06-19

Moved by Sprague. Seconded by Robinet.

To approve the Bill Listing for June 19, 2006 in the amount of \$541,639.21.

MOTION CARRIED.

UNFINISHED BUSINESS:

No Board Appointments were made.

DEPARTMENTAL COMMUNICATIONS:

Departmental Monthly Reports and the Monthly Financial Report for April 2006 were received into record.

MAYOR/COMMISSIONER COMMENTS:

Brief comments were made regarding a card received by Reverend Larry Crabtree from Calvary Bible Church, Gallery 194 art festival, weed mowing, and the City Manager's innovation in applying for the Wastewater Treatment Plant grant.

Mayor Treece thanked County Commissioner Len Schneider for being a leading man with the state regarding MDOT issues.

PUBLIC COMMENTS:

Diane Larkin invited the Commission to Audubon Park for a celebration opening Friday afternoon at 5:15 p.m.

ADJOURNMENT

137 2006 06-19

Moved by Robinet. Seconded by Turkelson.

To adjourn the meeting. MOTION CARRIED.

The meeting adjourned at 7:15 p.m.

Charles D. Treece, Mayor

Donna L. Cronce, City Clerk