

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

NOVEMBER 17, 2008

A regular meeting of the Lapeer City Commission was held November 17, 2008 at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at 6:30 p.m.

Present: Mayor Sprague
Commissioners Bennett, Marquardt, Robinet, and Bostick-Tullius.
City Manager Dale Kerbyson.
City Attorney Mike Nolan.

Absent: Commissioner Farrington

Mayor Sprague led the Pledge of Allegiance.

AGENDA APPROVAL

271 2008 11-17

Moved by Robinet. Seconded by Marquardt.
To approve the Agenda for November 17, 2008.
MOTION CARRIED.

MINUTES

272 2008 11-17

Moved by Marquardt. Seconded by Robinet.
To approve the minutes from the Regular Meeting held on November 3, 2008 and Goals and Objectives Workshop held November 7, 2008.
MOTION CARRIED.

Minutes from the various Boards and Commissions were received into record.

CONSENT AGENDA

273 2008 11-17

Moved by Robinet. Seconded by Bostick-Tullius.
To approve the Consent Agenda for November 17, 2008 resulting in the following:
1. Approval of the Resolution Authorizing Installment Purchase Agreement for the Financing of the Arial Platform Truck.

CITY OF LAPEER
COUNTY OF LAPEER, STATE OF MICHIGAN
RESOLUTION AUTHORIZING INSTALLMENT
PURCHASE AGREEMENT

WHEREAS, the City Commission of the City of Lapeer, County of Lapeer, State of Michigan (the "City") determines it to be necessary for the public health, safety and welfare of the City and its residents to acquire a platform fire truck (the "Equipment") which together with issuance costs will require financing in an amount not to exceed Three Hundred Thousand Dollars (\$300,000); and

WHEREAS, under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the City is authorized to enter into any contracts or agreements for the purchase of the Equipment to be paid for in installments over a period of not to exceed the useful life of the Equipment acquired as determined by resolution of the City; and

WHEREAS, the outstanding balance of all purchases by the City under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal property in the City at the date of such contract or agreement; and

WHEREAS, purchase of the Equipment pursuant to an installment purchase agreement or lease purchase agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, it is necessary for the City to arrange for the financing of the Equipment; and

WHEREAS, the City Commission wishes to delegate to the City Manager and the Director of Financial Services to arrange for the financing of the Equipment with a financial institution pursuant to an installment purchase agreement or lease purchase agreement within the parameters set forth herein.

NOW THEREFORE, BE IT RESOLVED THAT;

1. The City Manager and the Director of Financial Services are each hereby authorized to arrange for the financing of the Equipment with a financial institution pursuant to an installment purchase agreement or lease purchase agreement. Interest on the agreement shall not exceed 6% per annum, the principal amount of the agreement shall not exceed Three Hundred Thousand Dollars (\$300,000), and the term of the agreement shall not exceed the useful life of the Equipment. The Mayor, City Manager, Director of Financial Services or their designee are each hereby authorized to execute the agreement, when in final form, and deliver them to the financial institution.
 2. The useful life of the Equipment is hereby determined to be not less than ten (10) years.
 3. The Mayor, City Manager, Director of Financial Services or their designee are each authorized to execute such additional documentation as shall be necessary to effectuate the closing contemplated by the agreement.
 4. The City hereby agrees to include in its budget for each year, commencing with the present fiscal year, a sum which will be sufficient to pay the principal of and the interest coming due under the agreement during such fiscal year.
 5. The City covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the agreement from adjusted gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.
 6. The acquisition of the Equipment and the approval of the agreement hereby are found and declared to be for a valid public purpose and in the best interest of the health and welfare of the residents of the City.
 7. The City hereby designates the agreement as a "qualified tax exempt obligation" for purposes of deduction of interest expense by financial institutions pursuant to the Code.
 8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded to the extent of such conflict.
2. Approval of the Contract with Diane Forfar to perform Housing Choice Voucher Rental Inspections and authorize the Mayor and the City Manager to execute said contract.
 3. Approval of the Resolution Adopting Goals and Objectives for Fiscal Year July 1, 2009 – June 30, 2010.

RESOLUTION ADOPTING GOALS & OBJECTIVES
Fiscal Year July 1, 2009 - June 30, 2010

WHEREAS, the future prosperity of the City of Lapeer is dependent upon rational, purposeful and foresighted leadership; and

WHEREAS, the City of Lapeer is committed to the allocation of resources to the fundamental needs of the City while continuing to pursue higher level needs such as cultural enhancements and assets that contribute to the quality of life of the City and greater Lapeer community; and

WHEREAS, such leadership requires identification, review and prioritization of the City needs so that appropriate resources and activities are devoted toward the fulfillment of said needs; and

WHEREAS, the establishment of goals and objectives promotes unity of purpose between the City Commission and the staff.

NOW, THEREFORE, BE IT RESOLVED THAT: The City Commission adopts the following Goals and Objectives for FY 2009-2010, Mission Statement and Vision Statements and Guiding Principles.

4. Approval of the Financial Consultant Agreement with Raymond James and Associates regarding the M-24/I-69 Utility Project and authorize the City Manager to sign the requested documents
5. Approval of the Property Tax Remittance Agreement with Lapeer Community Schools and authorization for the Director of Finance to sign said agreement
6. Approval of the Engineering Agreement between Rowe Incorporated and the City of Lapeer and acceptance of the MDOT CMAQ Genesee Street Non-motorized Pathway Grant Project # 105089, with the deletion of Article 2B and authorize the City Manager to sign required documents.

MOTION CARRIED. RESOLUTIONS DECLARED ADOPTED.

BILL LISTING FOR NOVEMBER 17, 2008

274 2008 11-17

Moved by Robinet. Seconded by Marquardt.

To approve the Bill Listing for November 17, 2008 in the amount of \$430,215.47.

MOTION CARRIED.

PUBLIC COMMENTS

None.

PUBLIC PROCLAMATIONS AND RECOGNITIONS

Proclamation in recognition of Rebecca Minto

275 2008 11-17

Moved by Robinet. Seconded by Marquardt.

To approve the Proclamation in Recognition of Rebecca Minto.

PROCLAMATION
CITY OF LAPEER
In Recognition of Rebecca Minto

WHEREAS, Rebecca Minto began her employment with the City of Lapeer as a part-time Clerk Typist on February 17, 1976, became full-time on May 2, 1977 as a Patrolman, promoted to Sergeant in September 1995, and upon retirement served as a Sergeant III in the City of Lapeer Police Department; and

WHEREAS, Rebecca Minto is an individual of great personality and skill and has given conscientious service to the citizens of the City of Lapeer and Lapeer County; and

WHEREAS, Rebecca Minto is an individual of personal integrity who took the oath to

serve the citizens of the City of Lapeer and answered a vital calling and acceptance of a profound responsibility with professionalism and competence; and

NOW, THEREFORE, BE IT RESOLVED, that I, Mayor William J. Sprague, and the Lapeer City Commission, take this opportunity on behalf of the people of the City of Lapeer to express official gratitude and deep appreciation to Rebecca Minto for her efforts and devotion to public service and wish her continued success in all future endeavors.

Dated this 17th day of November, 2008.

MOTION CARRIED. PROCLAMATION DECLARED ADOPTED.

PUBLIC HEARINGS

None.

ADMINISTRATIVE REPORTS

New Hires MERS Retiree Health Care Savings Program.

276 2008 11-17

Moved by Robinet. Seconded by Bostick-Tullius.

To approve the Uniform Resolution Adopting the New Hires MERS Retiree Health Care Savings Program, Addendum A and MERS Health Care Savings Program Participation Agreement and authorize the City Manager to sign the required documents.

WHEREAS, the Municipal Employees' Retirement System ("MERS") Plan Document of 1996, effective October 1, 1996, authorized the Municipal Employees' Retirement Board ("Board") to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 36(2)(a)); MCL 38.1536(2)(a));

WHEREAS, the Board has authorized MERS' establishment of the health care savings program ("HCSP" or "Program"), which a participating municipality or court, or another eligible public employer that is a political subdivision of the State which constitutes a "municipality" under MERS Plan Document Section 2B(4); MCL 38.1502b(2) ("Eligible Employer"), may adopt for its Eligible Employees;

WHEREAS, MERS has been determined by the Internal Revenue Service to be a tax-qualified "governmental plan" and trust under section 401(a) of the Internal Revenue Code of 1986, and all trust assets within MERS reserves are therefore exempt from taxation under Code section 501(a) (IRS Letter of Favorable Determination dated June 15, 2005).

WHEREAS, the Board has established a governmental trust (the "Trust Fund") to hold the assets of the HCSP, which Trust Fund shall be administered under the discretion of the Board of fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed Program Administrator;

WHEREAS, 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 *et seq.* ("PA 149") provides for the creation by a public corporation of a public employee health care fund, and its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries;

WHEREAS, a separate MERS health care trust fund created under PA 149 also constitutes a governmental trust established by a public corporation ("municipality") as an Eligible Employer, provided that all such employers shall be the State of Michigan, its political subdivisions, and any public entity the income of which is excluded from gross income under Section 115 of the Internal Revenue Code; provided further, that the PA 149 trust shall not accept assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code;

WHEREAS, the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality and court enrolled in MERS defined benefit programs, Health Care Savings Program, the Retiree Health Funding Vehicle, and the Investment Services Pool Program, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 45; MCL 38.1545.

WHEREAS, the Board also acts as investment fiduciary for those participating employers who are non-MERS participating municipalities and courts that have adopted the MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Service Pool Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the Annual meeting under Plan Section 45; MCL 38.1545.

WHEREAS, adoption of this Uniform Resolution and Participation Agreement (the "Uniform Resolution") by each Eligible Employer is necessary and required in order that the benefits available under the MERS HCSP may be extended;

- It is expressly agreed and understood as an integral and nonseverable part of extension or continuation of coverage under this HCSP Resolution that Section 43B of the MERS Plan Document shall not apply to this Uniform Resolution Adopting MERS HCSP, the Participation Agreement, the Trust Plan Document, the Trust Agreement, and their administration or interpretation.
- In the event any alternation of the language, terms conditions stated in this Uniform Resolution Adopting MERS HCSP is made or occurs, under MERS Plan Document Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, an whose authority is nondelegable, shall have no obligation or duty: to administer (or to have administered) the Trust; or to continue administration by the Program Administrator or by MERS directly.

WHEREAS, concurrent with this HCSP Uniform Resolution, and as a continuing obligation, this governing body has completed, approved, and submitted to MERS documents necessary for participation in and implementation of the HCSP. This obligation applies to any documents deemed necessary to the operation of the Trust by the Program Administrator;

NOW, THEREFORE, BE IT RESOLVED that the governing body adopts (or readopts) the MERS HCSP as provided below.

SECTION 1. HCSP PARTICIPATION

EFFECTIVE November 17, 2008, the MERS HCSP is hereby adopted by the City of Lapeer.

CONTRIBUTIONS, Basic Employer contributions, Mandatory Salary Reduction Contributions, Mandatory Leave Conversion Contributions, and Post-tax Employee Contributions shall be remitted pursuant to MERS by the Eligible Employer, and credited to the Eligible Employer's separate fund within the MERS Trust Fund. Employer contributions may be made as a percentage of salary and/or by a specified dollar amount.

INVESTMENT of funds accumulated and held in the Health Care Savings Program Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to the Public Employee Retirement System Investment Act ("PERSIA"), 1965 PA 314, as provided by MERS Plan Document Section 39; MCL 38.1539, and PA 149.

THE ELIGIBLE EMPLOYER shall abide by the terms of the HCSP, including all investment, administration, and service agreements, and all applicable provisions of the Code and other law. It is affirmed that no assets from any defined benefit health account

established under Section 401(h) of the Internal Revenue Code shall be transferred to, or accepted by, MERS.

SECTION 2. IMPLEMENTATION DIRECTIONS FOR MERS AS HCSP INVESTMENT FIDUCIARY AND TRUSTEE

(A) The governing body of this Eligible Employer desires that all assets placed in its MERS HCSP Trust Fund (as a sub-fund within all pooled HCSP trust funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under Public Employee Retirement System Investment Act, pursuant to PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.

(B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS HCSP Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all HCSP funds held in trust for all Eligible Employers.

(C) All monies in the MERS HCSP Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of "Eligible Employees" who shall constitute "qualified persons" who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.

(D) The Eligible Employer will fund on a defined contribution, individual account, basis its MERS HCSP Trust sub-fund to provide funds for health care benefits for "Eligible Employees" who shall constitute "qualified persons." Participation in and any coverage under HCSP shall not constitute nor be construed to constitute an "accrued financial benefit" under Article 9 Section 24 of the Michigan Constitution of 1963.

(E) The Eligible Employer designates and incorporates as "Eligible Employees" who shall constitute "qualified persons" under this HCSP Resolution those who are "Eligible Employees" as defined in the HCSP Participation Agreement under this HCSP.

(F) Director of Financial Services shall be the Eligible Employer's HCSP Coordinator; shall designate in writing the "qualified persons" on whose behalf trust fund monies shall be made available under any MERS (or non-MERS) retiree health care benefit program, including, but not limited to, MERS HCSP, or MERS Premier Health; receive necessary reports, notices, etc.; shall act on behalf of the Eligible Employer; and may delegate any administrative duties relating to the Fund to appropriate departments.

(G) Fees and Expenses for the MERS HCSP are contained in Addendum A to this Resolution.

SECTION 3. EFFECTIVENESS OF THIS HCSP UNIFORM RESOLUTION

This Resolution shall have no legal effect until a certified copy of this adopting Resolution shall be filed with MERS, and MERS determines that all necessary requirements under MERS Plan Document Section 36(2)(a), 1999 PA 149 and other relevant laws, and this Resolution have been met. Upon MERS' determination that all necessary documents have been submitted, MERS shall record its formal approval upon this Resolution, and return a copy to the Eligible Employer's HCSP Coordinator as identified above.

In the event an amendatory resolution or other action by the Eligible Employer is required by MERS, such Resolution or action shall be deemed effective as the date of the initial Resolution or action where concurred in by this governing body and MERS (and the Program Administrator if necessary). Section 54 of the MERS Plan Document shall apply to this Resolution and all acts performed under its authority. The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

Resolution to Authorize the Sale of Capital Improvement Bonds.

277 2008 11-17

Moved by Robinet. Seconded by Bostick-Tullius.

To approve the Resolution authorizing Limited Tax General Obligation Bonds, Series 2008 for the M-24/I-69 Corridor Utility Project.

RESOLUTION AUTHORIZING
LIMITED TAX GENERAL OBLIGATION BONDS,
SERIES 2008
City of Lapeer
County of Lapeer, State of Michigan

WHEREAS, the Issuer does hereby determine that it is necessary to acquire and construct certain capital improvements consisting of improvements to the City's water and sanitary sewer systems together with all necessary and related appurtenances and attachments therefore to be situated in City Special Assessment District 2008-04 (the "Project"); and

WHEREAS, the cost of the initial portion of the Project is estimated not to exceed Three Million Three Hundred Seventy Thousand Dollars (\$3,370,000); and

WHEREAS, to finance the initial the cost of the Project, this City Commission deems it necessary to borrow the principal sum of not to exceed Three Million Three Hundred Seventy Thousand Dollars (\$3,370,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001 ("Act 34"), to pay all or part of the initial cost of the Project; and

WHEREAS, a notice of intent 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 Issuer 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

WHEREAS, the referendum period has expired and no petition for referendum has been filed.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the Issuer designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2008 (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Three Million Three Hundred Seventy Thousand Dollars (\$3,370,000) for the purpose of paying the initial cost of the Project, 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 delivery of the Bonds. The Bonds shall bear interest at a rate of not to exceed seven (7%) per annum, mature in the principal amounts and be payable as to principal and interest at the times and in the manner as shall be determined at the time of the sale of the Bonds and may be subject to redemption prior to maturity as shall be determined at the time of sale of the Bonds.

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 Issuer to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable upon presentation and surrender to the Transfer Agent (as defined below).

Bonds of this issue shall not be subject to redemption prior to maturity.

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Clerk and Treasurer 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.

The Bank of New York Mellon Trust Company, National Association, Detroit, Michigan be and is hereby appointed to serve as bond registrar, paying agent and transfer agent (the "Transfer Agent") for this issue. The Issuer reserves the right to replace the Transfer Agent at any time upon written notice to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the Clerk of the Issuer and shall have the seal of the Issuer, 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 Underwriter (as herein after defined) in accordance with instructions from the Treasurer of the Issuer upon payment of the purchase price for the Bonds in accordance with the Agreement (as hereinafter defined).

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the Issuer. 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 Issuer 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.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The Issuer hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The Issuer 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 or other funds lawfully available therefore including the collections of the principal of and interest due and owing on City of Lapeer Special Assessment Roll 2008-04, or, if necessary, levy taxes upon all taxable property in the Issuer 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 LIMITED TAX GENERAL OBLIGATION BONDS DEBT RETIREMENT FUND, SERIES 2008 (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. Proceeds of Bond Sale. The City Treasurer is authorized and directed to open a separate depository account with a bank or trust company to be designated by the City Commission to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2008 CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest and premium, 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 Project and the costs of issuance of the Bonds. Following the completion of the Project, any amounts remaining in the Construction Fund shall be transferred to the Debt Retirement Fund.

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
LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2008

Interest <u>Rate</u> Registered Owner: Principal Amount:	Maturity <u>Date</u>	Date of <u>Original Issue</u>	<u>CUSIP</u>
			Dollars

The City of Lapeer City, County of Lapeer, State of Michigan (the "Issuer"), 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 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 _____ 1, 20__ and semiannually thereafter. Principal of this bond is payable at the designated office of The Bank of New York Mellon Trust Company, National Association, Detroit, Michigan, or such other transfer agent as the Issuer 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 (15th) day of the month preceding the interest payment date as shown on the registration books of the Issuer 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 Issuer are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$_____, issued for the purpose of paying all or part of the cost of certain capital improvements for the Issuer. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, and a duly adopted resolution of the Issuer.

Bonds of this issue shall not be subject to redemption prior to maturity.

This bond is transferable only upon the registration books of the Issuer 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 or other lawfully available funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional, charter and statutory 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 Issuer, including this bond, does not exceed any constitutional and statutory 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 Issuer, by its City Commission, has caused this bond to be signed in the name of the Issuer by the facsimile signatures of its Mayor and 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 _____ [facsimile] _____
Its Mayor

(SEAL)

By _____ [facsimile] _____
Its 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.

Transfer Agent

By _____
Authorized Signatory

Bond printer to insert form of assignment]

7. Negotiated Sale. It is hereby determined that in order reduce the costs of issuance of the Bonds, to reduce interest costs on the Bonds and to achieve efficiencies of sale that the Bonds be sold by means of private negotiation. Robert W. Baird & Co. be and is hereby selected as the underwriter (the "Underwriter"). The City Manager is authorized to negotiate a bond purchase agreement (the "Agreement") with the Underwriter subject to the approval of the City Commission.

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than thirty (30) years.

9. Tax Covenant. The Issuer 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 be and are hereby designated as qualified tax exempt obligations for purposes of deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

10. Authorization of Other Actions. The Mayor, City Clerk, City Manager and the City Director of Financial Services each is authorized to take all other actions necessary or advisable including the purchase of municipal bond insurance, and to make such other filings with the Michigan Department of Treasury, bond insurers, rating agencies or with other parties, to enable the sale and delivery of the Bonds as contemplated herein.

11. The City Manager is authorized to approve the circulation of a preliminary official statement describing the Bonds.

12. The City hereby covenants to comply with Securities and Exchange Commission Rule 15c2-12 (the "Rule") and appoints its Director of Financial Services as its Disclosure Representative in accordance with the Rule. The Director of Financial Services be and is hereby directed to provide annual disclosure in accordance with the Rule.

13. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.
MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

CITY MANAGER'S REPORT

City Manager, Dale Kerbyson gave a brief overview of the Revenue Comparison of the 2008/2009 City of Lapeer Budget, quarter ending September 30, 2008. Mayor Sprague would like a one-page executive summary for the next report.

City Manager, Dale Kerbyson requested a Special Meeting to Award the Sale of the Bonds for the M-24/I-69 Corridor Utility Project, Special Assessment District 2008-04; it was the consensus of the City Commission to set the date for a Special Meeting on December 12, 2008 at 12:00 p.m.

City Manager, Dale Kerbyson commented on the Audit booklets and Director of Finance, Paul Boucher will distribute said booklets to the City Commission after the meeting.

CITY ATTORNEY'S REPORT

None.

UNFINISHED BUSINESS

No appointments to the Boards and Commissions were made.

PUBLIC COMMENTS

Teri Stiles, Oxford Commission and Producer for Lake Orion Community Public Access Channels, gave a review of how public broadcasting is operated in the Oxford/Lake Orion communities; she indicated that all you really need is a video camera, a DVD recorder and an editing software program. Mayor Sprague, the City Commissioners and the City Manager had various questions and thanked Ms. Stiles for sharing her information.

DEPARTMENTAL COMMUNICATIONS

Departmental Monthly Reports were received into record.

MAYOR/COMMISSIONER COMMENTS

Commissioner Bennett commented on the Kroger roadway design; that he would like to see the City Commission seriously consider reviewing availability of the Public Education Government Access channels and that he would be willing to look into donations for equipment.

ADJOURNMENT

278 2008 11-03

Moved by Robinet. Seconded by Bennett.
To adjourn the meeting.
MOTION CARRIED.

The meeting adjourned at 7:07 p.m.

William J. Sprague, Mayor

Donna L. Cronce, CMC City Clerk