

**City of Davison
City Council Meeting
February 25, 2013
7:30 PM
City Council Chambers**

- I. Call to Order and Pledge of Allegiance**
- II. Approval of the Regular Agenda**
- III. Brief Public Comments on Agenda Items**
- IV. Approval of Consent Agenda (att.)**
 - A. Sewer Committee Meeting January 14, 2013 – Draft (att.)
 - B. Sewer Committee Meeting January 24, 2013 – Draft (att.)
 - C. Sewer Committee Meeting February 6, 2013 – Draft (att.)
 - D. Planning Commission Minutes February 12, 2013 - Draft (att.)
 - E. Sewer Committee Meeting February 12, 2014 – Draft (att.)
 - F. Policy Committee Minutes February 13, 2013 – Draft (att.)
- V. Approval of Minutes**
 - A. February 2, 2013-Goals & Objectives (att.)
 - B. February 7, 2013- Economic Development/Council Meeting (att.)
 - C. February 11, 2013 (att.)
- VI. Communications to the Council**
- VII. City Manager Report**
- VIII. Council Committee Reports**
- IX. Unfinished Business**
 - A. Main Street Engineering Report & Update (att.)
 - B. Open Issues Log (att.)
 - C. Policy Committee – Ordinance Review & Revision (att.)
- X. New Business**
 - A. Resolution 2013-03 TIP Plan - West Clark Street/Dayton Street/Rising Street (att.)
 - B. Resolution 2013-04 TIP Plan - East Clark Street (att.)
 - C. Resolution 2013-05 Fund the Repairs of Michigan’s Roads & Transportation Systems (att.)
 - D. Resolution 2013-06 2013 Capital Improvement Bonds – Water Main (att.)
 - E. City of Davison Flag Purchase (att.)
 - F. Street Parking City Wide
 - G. Any Items Removed from Consent Agenda
- XI. Public Comments not included on the agenda**
- XII. Announcements**
- XIII. Adjournment**

Joint Sewer Committee Meeting
January 14, 2013
First Floor Conference Room, City Hall

Present for the Township: Kurt Soper (Township Supervisor), Karen Miller (Township Clerk), Randy Stewart (Township Building and Planning Official)

Present for the City: Joan Snyder (Chairwoman, and Councilwoman), Alex Fabian (Councilman), and Michael Hart (City Manager)

The meeting was called to order at 4:32pm by Chairwoman Joan Snyder. The City requested that due to both parties having meetings later that evening that the meeting be restricted to about ninety minutes. The Township agreed to the City's request.

The City asked about the Township's request to have the City's sewer system televised; the major concern being cost. The City explained to the Township that the City has a purchasing ordinance and that if the City were to have an independent contractor come in to televise the sewer system, the City would be required to go out to bid for that service. The Township did not find this to be acceptable, explaining that the Township had already brought its own independent contractor up to speed. The Township's contractor knows the Township's rating system for leaks, and knows which ones to repair.

The Township then presented an abbreviated plan to the City assuming the operation and maintenance of the City's Sewer System.

The first step would be to look at the two billing systems. The City would be changed over to the Township's billing system for sewer only. The DPW would still read the meters inside of the City, and the City would maintain complete control of the City's water system. The City would still be responsible for both sewer and water billing.

The second portion of the plan would be to bring in the Township's independent contractor to evaluate the City's sewer system. This would establish a base-line of what shape the City's sewer system is in.

Finally the Township would develop a ten year plan to bring the City's sewer system up to snuff.

To be noted the second portion of the plan marked a major change from the Township's previous position of the City bearing the whole cost of the independent contractor televising the City's sewer system; Randy Stewart indicated that the cost for televising the system would become a part of the project born at a later date. The Township also stated that its independent contractor would fix all major leaks as it went through the City's sewer system.

The Township indicated that under their plan the City would become a subdivision of the Township in respect to the sewer system.

The Township indicated that it had little interest in doing anything outside of what was stated in the Spicer Report. The Township is interested in full control and does not want to ask for permission from the City to make changes to the sewer system.

Michael Hart raised the question of liability. The Township indicated that initially the City would keep all of its liability, but that through a gradual process the Township would assume some or all of the liability of the sewer system. Michael Hart indicated that this would have to occur quickly.

Joan Snyder requested that the Township provide the last ten years of financial data as it relates to the Township's sewer system. Randy Stewart indicated that only the last eight years of data was available, but that he would supply that data to the City.

Both the City and the Township seem to be in agreement that the current County interceptors are undersized. The estimated cost to increase the size of the interceptor is between 12 and 15 million dollars. According to the Township the County has plans to build a new Court Street interceptor and this may be beneficial to both the Township and the City if it is possible to build a pump station connecting the older interceptor to the new Court Street interceptor.

The Joint Sewer Committee meeting was adjourned at 5:59pm as the committees had reached their agreed upon time limits.

Next City Sewer Committee Meeting: January 24, 2013 2:30pm, First Floor Conference Room (Meeting with the Drain Commissioner's office)

Respectfully submitted,

Alex Fabian

(Acting Secretary)

January, 24, 2013 Minutes
Davison Special Sewer Committee Meeting with Genesee County Drain Commission
First Floor Conference Room Davison City Hall

In attendance for the city: Joan Snyder (Chairwoman/Councilwoman), Alex Fabian (Councilman), Michael Hart (City Manager).

In attendance for the Drain Commission: Jeff Wright (Drain Commissioner), John O'Brien, Tim Davidek

The meeting was called to order at 2:30pm by Chairwoman Joan Snyder.

Jeff Wright opened up the dialogue. He praised the City for the efforts that the City has made to reduce inflow and infiltration. He went on to explain that the County has installed a 42 inch round pipe for relief to the City's sewer system and that there has (had) not been a backup in the City's system since the 42 inch relief line had been installed. John O'Brien and Tim Davidek were quick to point out that we as a City had not had a major rain event in January since the installation and that would be the real test for the system and the new relief line.

Jeff Wright then stated that both the City and the Township have room for improvement when it comes to inflow and infiltration.

Chairwoman Joan Snyder asked if the County had the chance to review the Spicer Report. Jeff Wright indicated that he had assigned that task to John O'Brien. Jeff Wright went on to say that in his estimation any real savings to the City (per the report) would be through elimination of the DPW, or at least some positions within the DPW.

Jeff Wright then explained that the County offers maintenance and operation to seventeen Genesee County communities. Jeff Wright offered to give the City a quote to maintain and operate the City's system. The Committee agreed to this for the purpose of comparison to the Township's Spicer Report Proposal.

Mr. Wright went on to explain some practices that he has witnessed as drain commissioner. He warned the sewer committee that independent contractors often offer low bids to municipalities with their own equipment, and after those municipalities have sold off their equipment raise their prices.

Jeff Wright then asked the committee as a whole how we (The City and The County) had come to be in this meeting. Michael Hart offered a brief synopsis of how the special sewer committee had come to be. Michael Hart explained that when he initially met with the Township and received the Spicer Report that he explained to them (the Township), and in turn to City Council that it would take eighteen to twenty-four months for the City to know where it stood with its own sewer system. Michael explained that council had formed a committee to keep the lines of communication open and that the purpose of the committee was to investigate the Spicer Report and then in turn give a report(s) to council.

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Davison Special Sewer Committee Meeting with Genesee County Drain Commission
First Floor Conference Room Davison City Hall

Upon questioning Jeff Wright, he stated that the County was on board with the possible sharing of services. Jeff Wright then stated that the Township had only been maintaining their system for two years. Jeff Wright said that the County had maintained and operated the Township's sewer system prior to that.

Jeff Wright asked if the City had financial data for the Township's sewer operation and maintenance. Joan Snyder responded that she had requested that information, but that all that was available was the previous eight years, and that the City had not yet received the information. The committee had previously asked for ten years of financial data as it related to the Township's operation of its sewer system.

Jeff Wright then asked if the committee was considering an EVIP grant for the City's sewer system. He stated that Oakland County had recently purchased a sewage treatment facility from Pontiac for fifty-six million dollars, and had not received one penny of state revenue. Jeff Wright seemed to believe that if any sewer project would have qualified for an EVIP grant that this one would have been it.

Jeff Wright questioned the ability of the Township to maintain their sewer system at a lower cost than that provided by the County.

Jeff Wright indicated that liability would remain with the City as owner of the system, regardless of who maintained the sewer system.

The floor was then turned over to Mr. O'Brien. John stated that the County has 30 years of experience in sewer operation and maintenance. The real price of maintenance (through the County) is \$2.95 a linear foot over a **seven** year period. This is then broken up into monthly payments. Additionally the County charges a monthly fee of \$395.00 per pumping station, for maintenance and small repairs, each municipality is responsible for the electricity to run the pumps and major repairs to the pumps.

John stated that the Township thought it would save money on a "pay as you go basis," but John doubted this to be true.

John then turned to the Spicer report. He opened up with the thought that it contained no cost savings to the City, but a redistribution of finance and a transfer of capacity (without compensation) from the City to the Township.

A focus was put on the Northeast quadrant of the Township. The Township has sold 420 units to Sugar Bush.

Michael Hart asked if the Black Creek Interceptor was redesigned if capacity could be increased. The County felt this idea would be too disruptive to the City for this type of project and that the answer lay in their redesign, for the Township to route around the City and disconnect from the Black Creek Interceptor; providing significant relief to the City's sewer system.

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The question was then posed that the redesign was estimated at 35 million dollars, and expert's guess-estimated the redesign of the Interceptor (through the City) between 12 and 15 million dollars. Again the County responded that the redesign included two projects, a 7 million dollar project for the N.E. Quadrant (this is the only one that has any effect on the City) and a 28 million dollar project in the Southwest Quadrant of the Township for commercial development solely on Township property. The 7 million dollar project involves disconnecting the Township's sewer system from the City's sewer system as it relates to the Black Creek Interceptor.

Jeff Wright went on to explain that due to the age of the City's interceptor, there were buildings and roads built over the sewer lines and a redesign would result in great disruption throughout the City's residents and businesses. The County's proposed design (paid for through grants for design) would result in minimal disruption. Jeff Wright offered to supply the City with the plans for the Township to by-pass the City. The Committee then requested that the County supply the plans.

A question was then posed as to the changing of our billing system to REU's, like the Township. The County stated the REU billing system would never be available to the City. The City Manager then asked if the County would give the City a reduced rate based on partnering with the Township. The County replied absolutely not, and the way to reduce the money paid to the County was to get Inflow and Infiltration under control. The City could be put in a system that bills per what the water treatment facility pumps out and the master meter eliminated if the City gets its Inflow and infiltration under control.

The City has a Master Meter because of the age of its system and the timing of when it came into the County's system. Previously the City had its own waste water treatment plant. Two other communities have a master meter (Livingston and Birch Run Counties) and two others are on restrictor plate systems (Fenton and Swartz Creek).

The County suggested a permanent emergency back-up system be installed in regard to the water system. The County thanked the City for its help during a previous crisis and showed great interest in partnering with the City on a permanent emergency basis.

The County also suggested that the City consider televising its entire system on a one-time basis. (This is exactly what the County has done with the seventeen communities it operates and maintains.) The County pays \$0.65 to \$0.70 per linear foot. After the first flush the City could develop a plan to televise its own system, utilizing its own equipment and manpower to maintain similar standards to the County.

The County then discussed grant money. Jeff Wright stated that at one time he had procured 10 million dollars of stimulus money through Senator Carl Levin and the communities involved had backed out causing great embarrassment to the Senator. Since that time the County has been very careful about getting commitments from communities seeking grant money.

At 4:00pm the County was excused from the meeting for a pre-bid meeting across town.

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Davison Special Sewer Committee Meeting with Genesee County Drain Commission
First Floor Conference Room Davison City Hall

The committee as a whole found the meeting with the County to be very informative.

The committee discussed the possibility of bringing Andrea Schroeder (City Clerk) and Ed Brown (DPW Supervisor) to discuss the impact on their departments if the Spicer Report Proposal was adopted. It was agreed that the discussion would be beneficial and that Michael Hart would make the necessary arrangements. The committee further agreed to limit each interview to 15 or 30 minutes in consideration of the department head's time.

Previous minutes were then discussed. A motion to approve the December 4, 2012 minutes, with the correction of *the minutes being approved on November 27, 2012* rather than November 21, 2012, was made, supported, and passed.

A motion to approve the minutes from January 9, 2013 with modification was made, supported, and passed.

The January 14, 2013 minutes were to be reworked and resubmitted at the next special Sewer Committee Meeting for approval.

It was agreed that the Clerk and DPW Supervisor would attend the next Sewer Committee Meeting during the week of February 4, 2013.

There being no further business, the meeting was adjourned at 6:01pm.

Respectfully Submitted,

Alex Fabian (acting secretary)

**SEWER COMMITTEE MINUTES
FEBRUARY 6, 2013
FIRST FLOOR CONFERENCE ROOM**

PRESENT: Joan Snyder, Chairwoman/Councilwoman, Alex Fabian, Councilman Michael Hart, City Manager. Andrea Schroeder, City Clerk, Edward Brown, Department of Public Works (DPW) Supervisor

The meeting was called to order at 4:00 p.m.

The purpose of the meeting was to discuss the Spicer Group Report and other related issues, with Mrs. Schroeder and Mr. Brown. It is felt that input from each of these employees was crucial due to their respective positions and expertise. Mr. Brown has considerable experience in the area of public works, as well as water/sewer areas. Mrs. Schroeder is on the Board of the Michigan Rural Water Association, and has knowledge of the water/sewer system. Mrs. Schroeder was also directly involved in past litigation against the City of Davison related to sewage backups in the City.

Mr. Brown was the first to be interviewed.

Chairwoman Snyder asked Mr. Brown to discuss the Spicer Group Report, and how the loss of the Sewer Fund would impact the Department of Public Works.

Mr. Brown cautioned that a report drafted at the request of one local unit of government may not benefit the other; and, he feels the recommendations contained within the Spicer Group Report did not benefit the City of Davison. He also raised concerns whether the current high level of service the DPW provides to City residents would be impacted should control of our sewer system be relinquished to the Township. He feels a private contractor would not provide the same high level of service to which our residents are accustomed. The City of Davison DPW is familiar with the city's systems, as well as our residents and neighborhoods. Also, the DPW responds quickly to any emergency situations such as water/sewage backups, water main breaks, and other related emergency events.

Mr. Brown noted the Spicer Group Report recommended the City continuing its responsibility for operation and maintenance of the storm drain systems, without benefit of revenues generated by the Sewer Enterprise Fund. He also noted that the loss of revenue from this fund represented revenue currently utilized to help offset salary and legacy costs. And, that he felt that the loss of the Sewer Enterprise Fund could result in the City being placed in receivership within 3-5 years resulting in financial disaster. He stated, "once this fund is gone, it is gone, and it is never coming back." He then reiterated "no funds, no ability, no stability." Mr. Brown then raised the question, "How can we recoup the revenue?"

Mr. Brown also expressed funding concerns with regard to PA 51, stating the revenue generated by this fund is decreasing yearly, and the continued loss of funding would also burden the City financially.

Mr. Brown then reviewed the manner in which the City bills for water usage. He reported customers are billed per 1,000 gallons of water, and that he felt the City would be in a much better position to control costs once the inflow and infiltration were under control.

Mr. Brown suggested that perhaps a way to assist the Township as they develop outside capacity would be to allow them to use some of our system in exchange for additional revenues generated from any new developments they may generate.

He then discussed how the City of Saginaw generates additional revenue. The City does not have an income tax, however, businesses are assessed an income tax for water/sewer usage, as well as a tap-in fee charge based upon the size of the pipe.

Andrea Schroeder was then interviewed.

Chairwoman Snyder asked Mrs. Schroeder to discuss the Spicer Group Report, and how the loss of the Sewer Fund would impact the Department of the Clerk.

Mrs. Schroeder stated that she had attended an informational meeting at Davison Township last year wherein the Spicer Group Report was discussed. She indicated she had expressed concerns at the time of the meeting with regard to the proposal. She felt it would not be accepted as written as the water/sewer funds work together. Loss of the sewer fund would negatively affect staffing and customers. Loss of the fund would also affect the entire City, and would impact the budget, resulting in layoffs, office staff layoffs, DPW staffing reductions, and customer service would be severely impacted by the staff shortages. She stated that current staffing levels were reduced in half from prior levels of 7-8 full time office employees. Any further reduction in the current level of four (4) office staff employees would be detrimental to the City, causing a spiraling downward affect.

Mrs. Schroeder stated, "She did not feel the report was in the best interest of the City." She also stated, "She felt other options should have been outlined within the report."

She then discussed previous litigation against the City related to sewage backups in residences.

Rain events over-time were also reviewed and discussed, as it relates to inflow and infiltration. Mrs. Schroeder stated additional work must be done on all fronts. She then recommended a vote of the people be conducted prior to implementation of any changes as they relate to City resident services/customer service.

Mrs. Schroeder was then excused.

The meeting continued with review of minutes.

The minutes of the January 14, 2013 meeting were presented for approval. Motion by Joan Snyder, supported by Alex Fabian to approve the minutes as revised. Motion carried.

The minutes of the January 24, 2013 meeting were presented for approval. Motion by Joan Snyder, supported by Alex Fabian to approve the minutes as revised. Motion carried.

The next meeting will be February 12, 2013, at 4:30 p.m. Agenda items will include review of the Black Creek Interceptor Agreement, financial data received from the Township related to operational and maintenance costs, as well as information received from the Genesee County Drain Office.

The meeting adjourned at 7:00 p.m.

Respectfully submitted,

**Joan Snyder, Chairperson
Acting Secretary**

DRAFT

**CITY OF DAVISON
PLANNING COMMISSION
REGULAR MEETING MINUTES
February 12, 2013**

PRESENT: Chairperson Nate Whiting, Alex Fabian, Mary Stearns, Craig Carlton, T.J. Bauswell, Richard Fridline, Gerald Kennedy, Christopher Hinkley

ABSENT: None

STAFF PRESENT: City Manager Michael Hart, Barbara McCrea

OTHERS PRESENT: 4

1. CALL TO ORDER:

Chairperson Whiting called the meeting to order at 7:00 p.m.

2. APPROVAL OF AGENDA:

Motion made by Mr. Fridline, seconded by Mr. Bauswell, to approve the agenda as presented for February 12, 2013. **Motion carried.**

3. APPROVAL OF MEETING MINUTES:

Motion made by Mr. Fabian, seconded by Mr. Bauswell, to approve the meeting minutes as presented from January 8, 2013 . **Motion carried.**

4. PUBLIC COMMENTS & COMMUNICATIONS CONCERNING ITEMS ON THE AGENDA:

Comments and concerns were made regarding the Medical Marijuana Moratorium/Ordinance.

5. UNFINISHED BUSINESS:

A. Medical Marijuana Ordinance: After lengthy discussion, the Planning Commission will wait until communication from the City Attorney becomes available regarding the subject.

6. NEW BUSINESS:

7. COMMITTEE AND SPECIAL REPORTS:

8. OTHER BUSINESS:

9. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:

Additional comments from the public regarding Medical Marijuana.

10. NEXT SCHEDULED MEETING MARCH 12, 2013

DRAFT

11. ADJOURNMENT:

Motion made by Mr. Hinkley, seconded by Ms. Stearns, to adjourn the meeting at 7:52 p.m.

Motion carried.

Nate Whiting, Chairperson

Barbara McCrea, Planning Commission
Coordinator

**SEWER COMMITTEE MEETING
MINUTES
FEBRUARY 12, 2013
FIRST FLOOR CONFERENCE ROOM**

D R A F T

**PRESENT: Councilman Alex Fabian, Chairperson & Councilwoman Joan Snyder
Michael Hart, City Manager**

CALL TO ORDER

Chairperson Snyder called the meeting to order at 4:30 p.m.

APPROVAL OF MINUTES

The minutes of the February 6, 2013 meeting were presented for approval. Motion by Alex Fabian, supported by Joan Snyder to approve the minutes as revised. Motion carried.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Black Creek Interceptor Agreement

A decision was made to review the agreement for the next meeting to permit sufficient time for the committee to review.

Davison Township Sewer and Water Maintenance and Operational Costs

At the request of Chairperson Snyder, the Township provided data of maintenance and operational costs for the period of 2005-2012. The data reflected considerable increases in costs during this period of time. Total costs in 2007 were \$3,541,494, and total costs in 2012 were \$4,570,756. It was noted additional maintenance costs of \$192,220 totaling \$323,176 were incurred in 2012 (See attached).

Concerns were identified and expressed concerning this upward increase in costs associated with the financial data.

**Genesee County Drain Office
North Central and Black Creek Interceptor Agreements
Flow Capacity History for City of Davison & Surrounding Communities**

The information provided a historical review of cubic feet per second (CFS) ownership and distribution or sale to another local unit of government from 1964 until March 2000. For clarification purposes, 1 CFS = 646,272 gallons per day.

The original agreement in 1964 reflected a 3.17 CFS purchase by the City of Davison; however, over the years the City has sold various amounts of its capacity. Consequently, this historical practice of selling capacity has created two problems. The first problem is the City trying to put more through the system than agreed upon by the County. The second problem is the City must continue to improve inflow and infiltration problems as well as short-term flooding.

The City is in receipt of a proposal for working with the Genesee County Drain Office to operate our system.

A brief discussion ensued concerning inflow and infiltration. Televising the sewer system was also discussed.

The Department of Public Works has taken steps to repair the sewer televising equipment.

On the agenda for the next meeting will be review of the Black Creek Interceptor Agreement, as well as the Master Agreement.

Next meeting will be Wednesday, February 20, 2013, at 4:30 p.m.

The meeting adjourned at 6:55 p.m.

Respectfully submitted,

Joan Snyder, Chairperson
Acting Secretary

Draft

POLICY COMMITTEE MEETING MINUTES February 13, 2013

Meeting called to order at 7:36 PM by Chairman Hammond.

Present: Jack Abernathy, Gary Peppin, Paul Hammond, Manager Hart, and Nate Whiting, Chairman of the Planning Commission.

Approval of the Agenda

It was moved by Councilman Peppin and supported by Councilman Abernathy to approve the Agenda as presented. Motion carried unanimously.

Approval of Minutes

It was moved by Councilman Abernathy and seconded by Councilman Peppin to approve the minutes of the regular committee meeting on 1/9/13. Motion carried unanimously.

Dumpster Ordinance Rewrite Presentation and Discussion

Planning Commission Chairman Whiting was presented six guidelines for a Planning Commission rewrite of the Dumpster ordinance.

From the 1/9/13 Minutes these were:

1. There should be a uniform ordinance for the entire City.
2. Dumpster enclosures should be attractive. It was generally agreed that chainlink fences could be made attractive.
3. Owner responsibility for dumpster maintenance must be a part of any new ordinance.
4. Economy of construction of dumpster enclosures should be a prime consideration in any new ordinance.
5. Any new ordinance should consider dumpster use for special occasions.
6. With construction costs at a minimum, any new ordinance should require enclosures of all dumpsters that are deemed to need enclosures, no grandfathered dumpsters.

Chairman Whiting accepted these guidelines. There was a free ranging discussion of the dumpster situation in the City and the history of the current Dumpster ordinances. Following this thorough discussion, Chairman Whiting left for another commitment.

Ordinance Review

It was moved by Councilman Abernathy and supported by Councilman Peppin to recommend to Council at the 2/25/13 meeting that the Policy Committee be authorized to conduct a selected ordinance review utilizing citizens who have interest and perhaps expertise in particular areas. All results would be forwarded to Council for disposition. Motion carried unanimously.

Recommendation:

Ordinance Review and Revision Recommendation to Council

The Policy Committee recommends to City Council a process for selective ordinance review and revision:

That City residents be appointed to sub-committees through the current selection procedure, under the supervision of the Policy Committee, for selective ordinance review and revision of ordinances as directed by the Policy Committee and listed on the Open Issues Log. Such review or revision to be sent to City Council for its disposition.

Respectfully submitted this _____ day of _____, 2013.

Jack Abernathy, member

Gary Peppin, member

Paul Hammond, chairman

Charter Upgrades

There was general discussion of the need to make some amendments to the Charter. It was agreed by consensus that the committee was

not in a position to work on these at this time.

Council Rules and Procedures

There was general discussion of the need to review the Council Rules and Procedures. It was decided by consensus that this item should be added to the Open Issues Log as a secondary priority.

Open Issues Log

It was decided by consensus that Chairman Hammond would update the Policy Committee Open Issues Log, removing the firewood permit item since it is completed and adding Council Rules and Procedures with a priority of 2. The Policy Committee Open Issues Log would then be submitted to Council at the 2/25/13 meeting for replacement of the current Policy Committee section of the Council Open Issues Log.

Adjournment

It was moved by Councilman Abernathy and seconded by Councilman Peppin that the meeting be adjourned. Motion carried unanimously. The meeting was adjourned by Chairman Hammond at 9:45 PM.

Meeting Reconvened

Immediately after adjournment, Councilman Peppin remembered that he would be unavailable for the March 13 meeting. The meeting was reconvened by Chairman Hammond.

After some discussion, it was decided by consensus to reschedule the March 13 meeting to March 5, 2013 at 7:30 PM in the first floor conference room. Manager Hart will handle all necessary postings. After this, the meeting was re-adjourned by the chairman at approximately 9:50 PM.

Draft

**City of Davison
City Council
Goals & Objectives
February 2, 2013
8:00 AM
Davison Senior Center**

Present: Mayor Tim Bishop, Joan Snyder, David Martin, Alex Fabian, Jack Abernathy, and Gary Peppin, Paul Hammond

Staff: City Manager Michael Hart, City Clerk Andrea Schroeder, Police Chief Bill Brandon, Treasurer Cindy VanMegroet, DPW Supervisor Ed Brown

Others: General public

CALL TO ORDER

Mayor Bishop called the meeting to order at 8:00 a.m.

DEPARTMENTAL GOALS & OBJECTIVES

Ed Brown – DPW

- Reliability Study
- Water Rate Study
- Park Committee

Chief Bill Brandon – Police

- Improve traffic safety – Reduce overall crashes
- Maintain current reduced staffing levels
- Relieve lack of street parking throughout the City

Andrea Schroeder – Clerk/Office Manager

- Continuation of ways to stay fiscally responsible while maintain levels of benefits and services
- Work on Davison's image
- More Citywide involvement
- Communication
- Continuing new ways of doing business

Cindy VanMegroet – Treasurer

- Treasurer Transition

Department Supervisors excused at 8:40 a.m.

FEBRUARY 2, 2013
CITY COUNCIL GOALS & OBJECTIVES
PAGE TWO

CITY MANAGER GOALS & OBJECTIVES

- Prioritization
- Succession
- Infrastructure
- Budget
- Inflow & Infiltration
- Communication
- Ongoing Education
- Fluid & Flexible

CITY COUNCIL GOALS & OBJECTIVES

City Council Members presented their list of ideas and thoughts individually.

The following are the main goals expressed by Council:

- Compost Site
- Consolidating Services
- Traffic Safety
- Resolution on canopies downtown
- Inflow & Infiltration

PUBLIC COMMENTS NOT INCLUDED ON AGENDA

ANNOUNCEMENTS

ADJOURNMENT

Mayor Bishop adjourned the meeting at 3:35 p.m.

Tim Bishop, Mayor

**CITY OF DAVISON
ECONOMIC DEVELOPMENT MEETING/COUNCIL MEETING
FEBRUARY 7, 2013**

PRESENT: Paul Hammond, Gary Peppin, Pat Stetson, Tim Bishop, and Jack Abernathy

STAFF: City Manager Michael Hart

OTHERS: Nate Scramlin – MEDC, Leanne Panduren - Rowe Engineering

CALL TO ORDER

Meeting was called to order at 8:00 a.m.

THE PRIMARY ITEMS ON THE AGENDA WERE:

- Canopy Removal – DDA \$20,000
- MDOT – Mill Street Access Management Program
- Davison Oil & Gas property – D.E.Q.
- Farmers' Market – grant eligible

AJOURNMENT

Meeting was adjourned at 9:57 a.m.

Tim Bishop, Mayor

**City of Davison
City Council Meeting
February 11, 2013
7:30 PM
City Council Chambers**

Present: Mayor Tim Bishop, Jack Abernathy, David Martin, Gary Peppin, Alex Fabian, Joan Snyder and Paul Hammond

Staff: City Manager Michael Hart, Deputy City Clerk Beth Holm, Treasurer Cindy VanMegroet, Police Chief Bill Brandon and DPW Supervisor Ed Brown

Others: 10 General public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bishop called the meeting to order at 7:30 p.m.

MOTION 26-13 APPROVAL OF THE REGULAR AGENDA

Motion by Mr. Abernathy, and seconded by Mr. Peppin, to approve the regular agenda for February 11, 2013 as amended adding the DDA appointment under new business. Motion carried.

PUBLIC COMMENTS

APPROVAL OF CONSENT AGENDA

- A. Sewer Committee Meeting Minutes November 27, 2012 - Draft
- B. Sewer Committee Meeting Minutes January 9, 2013 - Draft
- C. Personnel Committee Minutes February 5, 2013 - Draft

MOTION 27-13 APPROVAL OF CONSENT AGENDA

Motion by Mr. Abernathy, and seconded by Ms. Snyder to approve consent agenda as presented. Motion carried unanimously by roll call vote.

APPROVAL OF MINUTES

MOTION 28-13 APPROVAL OF JANUARY 28, 2013 REGULAR MEETING MINUTES

Motion by Ms. Snyder, and seconded by Mr. Martin to approve the January 28, 2013 regular meeting minutes as amended. Motion carried.

MOTION 29-13 BILLS PRESENTED FOR PAYMENT

Motion by Ms. Snyder, and seconded by Mr. Fabian to approve invoices for payment in the amount of \$952,304.56. Motion carried.

COMMUNICATION TO THE COUNCIL

2013 Siren Warning Schedule
ISO Rating
FANG

**PAGE 2
COUNCIL MEETING
FEBRUARY 11, 2013**

APPOINTED OFFICERS REPORT

Mr. Hart presented the Monthly Permits, Inspections and Zoning Violation Report for January 2013.

Mr. Brown presented the Monthly DPW Report for January 2013.

MOTION 30-13 WAIVE ORDINANCE 250.01 NEPOTISM TO HIRE CHRIS BRANDON FOR DPW POSITION

Motion by Mr. Hammond, and seconded by Mr. Peppin, to authorize the hiring of Chris Brandon for the DPW and to waive Ordinance 250.01 Nepotism. Motion carried unanimously by roll call vote.

Chief Brandon presented the Monthly Police Report for January 2013.

Ms. VanMegroet presented the Revenue and Expenditure Report for January 2013.

CITY MANAGER REPORT

Mr. Hart stated that the Joint Council/DDA Main Street Road Project Committee will be meeting to go over the project. There was a Main Street preconstruction meeting so things are ramping up. Code Enforcement Officer Ken Skunda will be back tentatively the third week of February. So there will be a catch up report presented in March. The State of Michigan has outlawed marijuana dispensaries outside of caregivers. He attended the Michigan Managers conference.

COUNCIL COMMITTEE REPORT

Mr. Martin: Metro Alliance to meet on the 20th.

Mr. Abernathy: Economic Development meeting with Nate Scramlin from MEDC was informative.

Mr. Fabian: Planning Commission meets tomorrow – to discuss medical marijuana

Ms. Snyder: Senior Center meeting was cancelled. Sewer committee meets tomorrow

Mr. Peppin: Small Cities met, County Clerk John Gleason was the speaker

Mr. Hammond: Policy Committee meets Wednesday night to discuss revised dumpster ordinance, charter upgrades, ordinance review

Mayor Bishop: DDA meets in a couple of weeks. Personnel committee report under new business.

UNFINISHED BUSINESS

ENGINEERING REPORT

MOTION 31-13 APPROVAL OF WADE TRIM CONTRACT FOR 2013 MAIN STREET WIDENING & RESURFACING

Motion by Mr. Abernathy, and seconded by Ms. Snyder to approve the contract with Wade Trim for construction phase services for the 2013 Main Street Widening and Resurfacing Project. Motion carried unanimously by roll call vote.

PARK COMMITTEE

MOTION 32-13 PARK ADVISORY COMMITTEE

Motion by Mr. Abernathy, and seconded by Ms. Snyder that the Quad Unit establish a park advisory committee, we would still maintain all of the decisions for the city parks, this committee is on an advisory basis only. Motion carried.

ANY ITEM REMOVED FROM THE CONSENT AGENDA

**PAGE 3
COUNCIL MEETING
FEBRUARY 11, 2013**

NEW BUSINESS

MOTION 33-13 GENESEE COUNTY HOUSEHOLD HAZARDOUS WASTE CONTRIBUTION

Motion by Mr. Martin and seconded by Ms. Snyder to approve \$2,000 for the household hazardous waste collection. Motion carried.

MOTION 34-13 APPROVAL OF COMPENSATION COMMISSION RECOMMENDATION

Motion by Mr. Abernathy, and seconded by Mr. Snyder to approve compensation commission recommendation. Motion carried.

MOTION 35-13 APPROVAL OF PERSONNEL COMMITTEE RECOMMENDATION – TREASURER SEARCH TIMELINE

Motion by Mr. Hammond, and seconded by Mr. Fabian to proceed with the personnel committee's recommendation and timeline for the treasurer search. Motion carried.

MOTION 36-13 QUAD-UNIT SHARED SERVICES COMMITTEE

Motion by Mr. Fabian, and seconded by Mr. Martin to appoint Jack Abernathy and Joan Snyder to the Quad Unit Shared Services Committee. Motion carried.

MOTION 37-13 APPOINTMENT OF CHRIS STRITMATTER TO DDA

Motion by Mr. Abernathy, and seconded by Ms. Snyder to appoint Chris Stritmatter to the DDA, term ending September 1, 2013. Motion carried.

PUBLIC COMMENTS NOT INCLUDED ON THE AGENDA

County Commissioner Pegge Adams is looking for members for the Road Commission and the Land Bank Advisory Committee.

ANNOUNCEMENTS

Martin: Taking pledges for a bowl-a-thon for the Boys and Girl Club.

Mayor: Donate 3 cans of food and get a free paczki at VG's tomorrow. He will also be defending his paczki title against the Mayors of Flint and Burton.

MOTION 38-13 ADJOURNMENT

Motion by Mr. Peppin, and seconded by Mr. Abernathy to adjourn the meeting at 9:06 p.m. Motion carried.

Mayor Tim Bishop

Deputy City Clerk Elizabeth J. Holm



ROWE PROFESSIONAL SERVICES COMPANY

Large Firm Resources. Personal Attention.sm

City of Davison Monthly Engineering Report February 20, 2013

Current Project Updates:

East Flint Street (M-15 to East City Limits)

- ROWE is in the process of working with the city, contractor and MDOT to complete all final paperwork on the project.

Main Street Resurfacing and Widening

- Pre-construction meeting was held and the contract award is working through the MDOT process.
- A public meeting will be scheduled with the city and Wade Trim in June prior to the start of construction.

Water Reliability Study

- The water model has been created and calibrated.
- Work will now begin on reviewing scenarios and identifying system upgrades.

Transportation Funding Applications

- Applications were submitted on January 31, 2013 for two future city projects:
 - W. Rising (M-15 to Dayton), Dayton (Rising to Clark) and Clark (Dayton to Main)
 - E. Clark (Main to E. City Limits)
 - Resolutions are needed from council for both potential projects. Copies of the full applications have been provided to the city.

2013 CIP Update

- The draft CIP will be sent out via email to Council and Planning Commission by 2/22/13. Comments will need to be emailed or provided back to ROWE by 3/6/13.
- The plan will be discussed at the Planning Commission meeting on 3/12/13 with the goal of a recommendation for council approval at their 3/25/13 meeting.

Other Updates:

M-15/Flint Street Left-Turn Signals

- MDOT has gathered the traffic count data but has not yet completed the warrant study for the intersection per an email to the city from MDOT last week.

Main/Flint Intersection:

- We have no new information at this time.

OPEN ISSUES LOG
JANUARY 2013

PERSONNEL COMMITTEE

(Tim Bishop, Joan Snyder & David Martin)

<u>Date</u>	<u>Issue</u>	<u>Action Taken</u>	<u>Priority</u>	<u>Expected Committee Completion Date</u>
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POLICY COMMITTEE

(Paul Hammond, Gary Peppin & Jack Abernathy)

<u>Date</u>	<u>Issue</u>	<u>Action Taken</u>	<u>Priority</u>	<u>Expected Committee Completion Date</u>
9/24/2012	Firewood Permit	Sent to Council		January, 2013
9/24/2012	Sidewalk Construction & Maintenance	On hold	2	April, 2014
1/9/2013	Dumpster Ordinance Revision	Forwarded to Council for approval to work with Planning Comm	1	2013
1/9/2013	Ordinance Review	Working on how to proceed	1	2013

FINANCE COMMITTEE

(Gary Peppin, Alex Fabian & Jack Abernathy)

<u>Date</u>	<u>Issue</u>	<u>Action Taken</u>	<u>Priority</u>	<u>Expected Committee Completion Date</u>
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Date	Issue	Action Taken	Priority	Committee Expected Completion
1/9/13	Sidewalk Construction and Maintenance	On hold	2	April, 2014
2/13/13	Dumpster Ordinance Revision	Criteria given to Planning Commission chairman	1	2013
2/13/13	Ordinance Review	Request to Council, 2/25/13	1	2013
2/13/13	Council Rules and Procedures	Beginning to review	2	2013

OPEN ISSUES LOG
Policy Committee
2/13/13

Ordinance Review and Revision Recommendation to Council

The Policy Committee recommends to City Council a process for selective ordinance review and revision:

That City residents be appointed to sub-committees through the current selection procedure, under the supervision of the Policy Committee, for selective ordinance review and revision of ordinances as directed by the Policy Committee and listed on the Open Issues Log. Such review or revision to be sent to City Council for its disposition.

Respectfully submitted this 14th ^{and 15th} day of February, 2013.



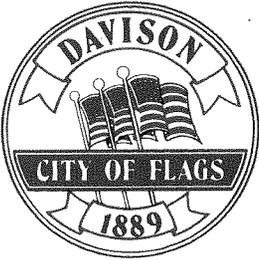
Jack Abernathy, member



Gary Peppin, member



Paul Hammond, chairman



City of Davison

200 E. FLINT STREET, SUITE 2
DAVISON, MICHIGAN 48423-1246

TELEPHONE (810) 653-2191
FAX (810) 653-9621

RESOLUTION 2013-03

WHEREAS, the City of Davison, a Michigan municipal corporation, maintains a system of roads to facilitate the transportation needs of its residents, its businesses, and the region, as a whole; and,

WHEREAS, the aforementioned roads are subject to ordinary use by vehicles of varying weights and to large variances in temperatures; and,

WHEREAS, the City of Davison has developed a long-term plan for the maintenance and replacement of the aforementioned roads in order to continue to meet the increasing needs of a modern transportation system; and,

WHEREAS, while the City can bear the cost of such maintenance through the use of state tax disbursements, the replacement of major roads within the City of Davison is cost prohibitive if solely borne.

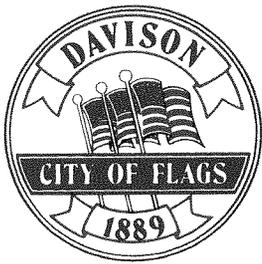
THEN NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Davison does hereby declare its support for the following project for the inclusion in Genesee County's 2014 -2017 Transportation Improvement Plan (TIP):

West Clark Street/Dayton Street/Rising Street

AND, FURTHERMORE, the City of Davison will provide for the necessary funding to supplement the construction of the aforementioned project.

CONSIDERED AND APPROVED at a regular City Council meeting of the City of Davison on February, 25, 2013.

Andrea L. Schroeder, City Clerk



City of Davison

200 E. FLINT STREET, SUITE 2
DAVISON, MICHIGAN 48423-1246

TELEPHONE (810) 653-2191
FAX (810) 653-9621

RESOLUTION

2013-04

WHEREAS, the City of Davison, a Michigan municipal corporation, maintains a system of roads to facilitate the transportation needs of its residents, its businesses, and the region, as a whole; and,

WHEREAS, the aforementioned roads are subject to ordinary use by vehicles of varying weights and to large variances in temperatures; and,

WHEREAS, the City of Davison has developed a long-term plan for the maintenance and replacement of the aforementioned roads in order to continue to meet the increasing needs of a modern transportation system; and,

WHEREAS, while the City can bear the cost of such maintenance through the use of state tax disbursements, the replacement of major roads within the City of Davison is cost prohibitive if solely borne.

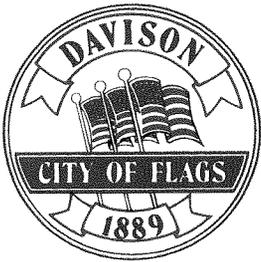
THEN NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Davison does hereby declare its support for the following project for the inclusion in Genesee County's 2014 -2017 Transportation Improvement Plan (TIP):

East Clark Street

AND, FURTHERMORE, the City of Davison will provide for the necessary funding to supplement the construction of the aforementioned project.

CONSIDERED AND APPROVED at a regular City Council meeting of the City of Davison on February, 25, 2013.

Andrea L. Schroeder, City Clerk



City of Davison

200 E. FLINT STREET, SUITE 2
DAVISON, MICHIGAN 48423-1246

TELEPHONE (810) 653-2191
FAX (810) 653-9621

CITY OF DAVISON

RESOLUTION

2013-05

RESOLUTION EXPRESSING THE IMMEDIATE NEED TO FUND THE REPAIRS OF MICHIGAN'S ROADS AND TRANSPORTATION SYSTEMS TO HELP MAKE MICHIGAN COMMUNITIES VIBRANT IN THE 21ST CENTURY

WHEREAS, Let it be known that Michigan is losing \$3 million per day and more than \$1 billion per year in maintenance costs and increased wear and tear on our roads and bridges; and

WHEREAS, Michigan's roads are consistently ranked among the nation's worst; and

WHEREAS, one-third of all fatal and serious traffic crashes in Michigan can be linked, in part, to poor road conditions; and

WHEREAS, developing effective public transit options in Michigan is a necessary tool for attracting and retaining residents, workers, and businesses; and

WHEREAS, research shows that people across the nation are choosing communities that offer various modes of transportation, easy access to places they live, work, and play, and allow them to travel without having to rely on a car; and

WHEREAS, Michigan's gas tax – the user fee that is the primary source of transportation funding – has not increased since 1997. At the same time, the gas tax revenue collected today, adjusted for inflation is equal to that which was collected in 1974; and

WHEREAS, we risk a future fiscal crisis if we do not increase our investment in transportation. Currently 32 percent of Michigan's roads are ranked as being in poor condition. By 2018 this number is expected to jump to more than 65 percent; and

WHEREAS, if properly funded the percentage of roadways in poor condition would greatly improve; and

WHEREAS, bringing a road from poor to good pavement condition cost six times more than it does to bring a road from fair to good condition; and

WHEREAS, investing \$10 billion over the next ten years to fix Michigan's roads and bridges would create 12,000 jobs and prevent 100 crash-related deaths per year.

THEN NOW, THEREFORE, BE IT RESOLVED, the City of Davison City Council hereby urges Governor Snyder and Michigan legislators to make the necessary investments to Michigan's transportation network to save taxpayer dollars, save lives and improve our economy.

CONSIDERED AND APPROVED at a regular City Council meeting of the City of Davison on February, 25, 2013.

Andrea L. Schroeder, City Clerk

**RESOLUTION AUTHORIZING
2013 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)**

City of Davison
County of Genesee, State of Michigan

Minutes of a regular meeting of the City Council of the City of Davison, County of Genesee, State of Michigan, held on the 25th day of February, 2013 at 7:30 p.m., prevailing Eastern Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City Council of the City of Davison, County of Genesee, State of Michigan (the "City") caused a notice of intent (the "Notice of Intent") to issue bonds in an amount not to exceed Five Hundred Thousand Dollars (\$500,000) for the purpose of paying part of the cost of acquiring and constructing water main improvements along Main Street between downtown and Clark Street, together with all necessary structures, equipment, and all appurtenances and attachments therefore (the "Project") to be published in the *Davison Index* on November 29, 2012; and

WHEREAS, the Notice of Intent was published in accordance with Act 34, Public Acts of Michigan, 2001, as amended ("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 no petition was filed within said time; and

WHEREAS, the City Council determines that it is necessary and appropriate at this time to issue capital improvement bonds pursuant to Act 34 in an amount not to exceed Five Hundred Thousand Dollars (\$500,000).

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. Bonds of the City, designated 2013 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") shall be issued in the aggregate principal sum of not to exceed Five Hundred Thousand Dollars (\$500,000) for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The Bonds shall be issued in fully-registered form in denominations 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, or such other date as is

approved at the time of sale of the Bonds. The Bonds may be issued as serial bonds, term bonds, or both, and shall bear interest, mature, be payable, and be subject to redemption prior to maturity at the times and in the manner set forth in Sections 6 and 7 hereof; *provided that* the Bonds shall bear interest at a rate or rates not exceeding 5.00% per annum.

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. Principal shall be payable at a bank or trust company located in Michigan and qualified to act as bond registrar, paying agent and transfer agent (the "Transfer Agent"), or in the alternative, the Treasurer of the City may serve as Transfer Agent with respect to the Bonds. The City, by resolution, may appoint a successor Transfer Agent upon notice mailed to the registered owner of the Bonds not less than sixty (60) days prior to any interest payment date. The Mayor, City Clerk and the City Manager (each, an "Authorized Officer"), are each individually hereby authorized to select and appoint a successor Transfer Agent.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the facsimile signatures of the Mayor and the City Clerk and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. 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 City Treasurer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer Agent; 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 principal and interest on the

Bonds. The City each year shall budget the amount of the debt service coming due in the next fiscal year on the principal and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefore, 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 City Treasurer is authorized and directed in accordance with Act 34 to open a separate depository account with a bank or trust company designated by the City Council to be known as the 2013 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"). Moneys deposited into the Debt Retirement Fund are specifically pledged and shall be used solely for the purpose of paying principal of and interest on the Bonds as they mature except as otherwise permitted by law.

In the event cash or direct obligations of the United States or obligations the principal 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 amount 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 Bond 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 City Treasurer is authorized and directed to open a separate account to be known as the 2013 CAPITAL IMPROVEMENT BONDS CONSTRUCTION FUND (the "Construction Fund"). The City Treasurer shall deposit 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 Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form with such changes as may be required to conform to the final terms of the Bonds established by the Sale Order:

R-1
UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE

CITY OF DAVISON

2013 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

REGISTERED OWNER:

PRINCIPAL AMOUNT: Five Hundred Thousand Dollars (\$500,000)

INTEREST RATE:

DATE OF ORIGINAL ISSUE: _____, 2013

The City of Davison, County of Genesee, 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 payment dates and in the principal installment amounts specified on Schedule A attached hereto and made a part hereof, 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 October 1, 2013 and semiannually thereafter. Both principal of and interest on this bond are payable in lawful money of the United States of America to the registered owner at the address shown on the City's registration books by check or draft mailed to the registered owner at the address shown on the registration books of the City. 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 aggregating the principal sum of \$500,000 issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), and a resolution duly adopted by the City Council of the City for the purpose of paying the cost of capital improvements in the City. This bond, including the interest hereon, 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.

Bonds or portions of bonds of this issue in multiples of \$5,000 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 October 1, _____, 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.

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, 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.

IN WITNESS WHEREOF, the City of Davison, County of Genesee, State of Michigan, by its City Council, has caused this bond to be signed in its name with the facsimile signatures of its Mayor and its City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF DAVISON
County of Genesee
State of Michigan

By _____
Its Mayor

By _____
Its City Clerk

(SEAL)

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

7. Negotiated Sale. The City Council has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34 determines that a negotiated sale of the Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City, and will provide the City with greater flexibility in structuring bond maturities and adjust terms for the Bonds.

8. Delegation to Authorized Officer; Sale Order. The Authorized Officers are each hereby authorized to solicit proposals from banks and sophisticated investors and select a purchaser for the Bonds, execute a Sale Order accepting the bid of the purchaser and specifying the final terms of the Bonds and take all other necessary actions required to effectuate the sale, issuance and delivery of the Bonds within the parameters authorized in this resolution.

9. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Bonds and in pursuance of the foregoing is each authorized to exercise the authority and make the determinations pursuant to Sections 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights and other matters within the parameters established by this resolution; *provided that* the interest rate on the Bonds shall not exceed 5% per annum and the Bonds shall mature in no more than twenty-five annual installments.

10. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than twenty-five (25) years.

11. Tax Covenant; Qualified Tax-Exempt Obligations. The City agrees, to the extent permitted by law, to 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, including but not limited to actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and money deemed to be Bond proceeds. The Bonds are hereby designated as "qualified tax-exempt obligations" for the purpose of deduction of interest expense by financial institutions.

12. Appointment of Bond Counsel. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby approved, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of potential parties to the issuance of the Bonds.

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.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Davison, County of Genesee, State of Michigan, at a regular meeting held on February 25, 2013, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

City Clerk

20,824,200.1\021585-00026

City of Davison Council Action Request

FROM: Michael A. Hart, City Manager (and Andrea Schroeder, Clerk)

DATE: February 20, 2013

ISSUE: Purchase of City Flags

BUDGETED ITEM: YES NO **ATTACHMENT:** YES NO

BACKGROUND: The City of Davison last ordered a total of 100 flags in 2001 from Klee Manufacturing & Distribution Company, Inc. These flags are used for City purposes and are also sold to the public upon request. They are made in America which is important to the City.

PROPOSED ACTION: We have included the prices for quantities of 100 or 50 flags.
100 x \$39.20 each = \$3,920.00
50 x \$50.80 each = \$2,540.00

Our desire is to purchase 100 at the price of \$39.20 each for a total of \$3,920.00. This is a \$11.60 cost savings per flag versus the 50 quantity.

FISCAL IMPLICATIONS: As stated above, the saving per flag to purchase 100 instead of 50 would be \$11.60 per flag which totals \$1,160.00. This is not a budgeted item. The line items it would come from are: City Hall Buidling & Grounds Maintenance 101-265-931.000 = \$980.00, Park Building & Grounds Maintenance 101-722-931.000 = \$980.00, Secertary of State Building 101-936-937.000 = \$980.00, Park Ballfield Maintenance 101-722-931.001 = \$490.00, and Community Relations 101-101-886.000 = \$490.00.

MANAGER'S RECOMMENDATION: I recommend the City Council support the purchase of 100 City Flags at a total price of \$3,920.00 plus shipping and handling.

RECOMMENDED MOTION: An action by the City Council to make a motion for the purchase of 100 flags at a total price of \$3,920.00 plus shipping and handling from Klee Manufacturing & Distribution Company, Inc.