



CITY COUNCIL

September 19, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, September 19, 2016. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: William Fraser, Mayor
Kate Marshall, City Councilmember
John Murphy, City Councilmember
Grant Dittmar, City Councilmember
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Downtown Director Becky Goodman, Public Safety Director Matthew Breed and Public Safety Officer Dan Smith.

Hear MEDC Presentation Regarding RRC Program & Approve MOU

The City Manager reviewed that as part of the Redevelopment Ready Communities (RRC) program, the MEDC requires each participating municipality to pass a Memorandum of Understanding (MOU) defining the responsibilities of each party; and that to receive assistance through the RRC and to promote and market up to three redevelopment sites in the community, the City must pass an MOU.

MEDC representative Karen Wieber gave a brief presentation on the RRC program; reviewed where Petoskey is to-date in the process; that this is a kick-off of evaluation process; reviewed 6 key economic and evaluation areas; that the public participation strategy was completed in 2016; and that the zoning is user-friendly.

MEDC representative Dan Leonard also discussed what has gone on with the City on proposed sites for redevelopment.

City Councilmembers inquired if City would have overall approval or if surrendering any authority through this MOU process; what MEDC offers to City with RRC status; how the RRC logo will be used; and inquired on what marketing tools could be used.

MEDC representatives indicated that the MOU only looks at the City's process to make sure complete; that the MOU does not tie City to anything and that the City must support; that the status puts City ahead of noncertified communities and helps with planning; that the logo can be used as a marketing tool and used on City's website which will let developers know Petoskey is certified; and reviewed various marketing tools.

City Councilmember Wills moved that, seconded by City Councilmember Marshall to approve the MOU with MEDC concerning the RRC program.

Said motion was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Resolution No. 18990
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of September 19, 2016, City Councilmember Marshall moved that, seconded by City Councilmember Murphy adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the August 15, 2016 regular-session and September 12, 2016 special-session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since August 15 for contract and vendor claims at \$11,953,890.32, intergovernmental claims at \$10,160,875.70, and the August 25 and September 8 payrolls at \$394,442.26, for a total of \$22,509,208.28 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Resolution No. 18991
Confirm Appointments

Mayor Fraser reviewed that City Council consider possible appointments to the Downtown Management Board, Parks and Recreation Commission and Zoning Board of Appeals. City Councilmember Wills moved that,

seconded by City Councilmember Marshall, adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby approves the appointment of Craig Bell, 57 Harbor Lane, to fill a vacated term of December 1, 2017, which was created by the resignation of Jim Reid, III; and

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Amy McMullen, 901 Sunset Court, and Roy Pulaski, 449 Pearl Street, both for two-year terms ending January 2018:

BE IT FURTHER RESOLVED that the City Council does and hereby approves the reappointment of Jim Knibbs, 616 Bay Street, and Noah Marshall-Rashid, 414 Grove Street, both for three-year terms ending April 2018 and 2019.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Hear Public Comment

Mayor Fraser asked for public comments and heard from George Ramey, Alanson, who commended the State Street underground wiring crew and that it has been a

smooth process.

The City Manager reviewed that there was graffiti on the

Hear City Manager Updates

break wall and that it has been cleaned; that staff is looking at website development and there may be an update in 2017; that a draft donation policy will be presented to Council in October; that sidewalk repairs are being addressed throughout the community; that Great Lakes Center for the Arts construction has begun with infrastructure including parking lot and fire suppressions; that partnering with the schools for Washington Street lot may be difficult due to bidding process and might be better to go through a third party; and reviewed that pension changes will be presented to non-union staff with plans moving from a B-4 to B-3 and a defined contribution plan for new hires.

City Councilmembers inquired if the City Attorney had reviewed the donation policy; if there was a new City Manager evaluation form policy; and reviewed that several citizens have called and voiced concerns to Councilmembers regarding loud music coming from football games at the new stadium.

Discuss 2017-2022 Capital Improvements Plan

The City Manager reviewed that copies of the proposed 2017-2022 CIP were distributed to City Council and Planning Commission in advance of this meeting. The Plan was unanimously accepted and recommended for City Council approval by the Planning Commission on August 18, 2016.

The City Manager reviewed that during the joint DMB/City Council meeting, both the DMB and City Council voiced an interest in completing an expansion/renovation to the downtown restrooms in 2017 as opposed to 2018 where the project is currently scheduled; that one option could be to commence the \$3,500 preliminary engineering and design work this year that was scheduled in the CIP for 2017; and that the DMB and Council could share these engineering costs 50/50 with the DMB discussing this item at their September 20 meeting; and reviewed that monies are available for this cost in the City budget.

The City Manager reported that the proposed 2017-2022 CIP totals \$39.7M, with capital spending in 2017 proposed at \$8.6M, with approximately 10% coming from grants and other outside sources of revenue; reviewed PASER ratings and compared 2013 to 2016 ratings noting the poor streets were less in number; reviewed major projects in 2017 including Emmet Street reconstruction, wastewater treatment plant improvements, Bear River East Lift Station upgrades and Greenway Corridor plans; and reviewed preliminary designs for Park Avenue sidewalk, marina decking, stair tower, Wheelway and Pennsylvania Park public restrooms. The City Manager reviewed that the Chamber of Commerce office would remain in the same building as the new restrooms vs. relocating if renovations are done; reviewed view sheds along highway and possibly thinning out trees to provide a view; that there is \$50,000 needed in spot repairs along the Little Traverse Wheelway; and SAW Grant work would continue.

The City Manager further reviewed 2018-2022 projects and discussed funding sources for those projects. He also reported that the 2017-2022 CIP contains slightly more than \$1.5M in identified, long-term infrastructure needs for which no funding mechanism currently exists. Most of these infrastructure needs exist today, or have already been deferred in recent years as a result of declining revenues.

City Councilmembers commented that the City should discuss parking deck with County before paving Park Garden Lot in 2019 and that without infrastructure there is no economy.

City Councilmembers deferred action on the proposed CIP until after the DMB meets and will discuss at the next regular scheduled meeting.

The City Manager reviewed that City Council at their

Resolution No. 18992 – Approve
Property Tax Millage Rate – Public
Safety Firefighting Equipment

February 15, 2016 meeting approved ballot language for a proposed millage in the amount of 0.7500 mills for the five year period of 2016 through 2020. The purpose of the millage is to provide funding for much needed firefighting equipment. The ballot proposal was placed on the August 2, 2016 Primary Election ballot and voters approved the millage by a vote of 816 yes votes to 298 no votes.

City Council was now being asked to formally approve the Public Safety millage rate in the amount of 0.7500 mills for firefighting equipment to be placed on the December 2016 winter tax roll. Property tax revenue of \$354,800 is estimated to be provided by the proposed millage and is based on the 2016 taxable value of \$473,131,087 established in March and is not subject to TIF captures. Although, the beginning taxable value is subject to adjustments due to decisions made by the July and December Board of Reviews and Michigan Tax Tribunal.

City Councilmembers commented that they were pleased for the voter's support.

City Councilmember Wills moved that, seconded by City Councilmember Murphy, adoption of the following resolution:

WHEREAS, the City Council on February 15, 2016 adopted a resolution establishing language for a millage proposal in the amount of 0.7500 mills for the five year period of 2016 through 2020, for the purpose of purchasing fire-fighting equipment; and

WHEREAS, the 0.7500 millage request for five years was placed on the August 2, 2016 Primary ballot; and

WHEREAS, voters approved the millage request for fire-fighting equipment by a total of 816 yes votes to 298 no votes:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby directs that there shall be raised through a general tax upon the taxable real and personal property within the City on the next winter tax levy for the year commencing January 1, 2016, a millage in the amount of 0.7500 for the purpose of purchasing fire-fighting equipment; and, when collected, proceeds from such levy are hereby appropriated to the General Fund; and

BE IT FURTHER RESOLVED that this millage so ordered to be levied shall be certified by the City Clerk-Treasurer to the City Assessor and shall be levied and collected upon the taxable value of all taxable property within the City.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Approve Purchase of 2016 Sutphen
100'Aerial Ladder Truck

The City Manager reviewed that Sutphen Corporation, Columbus, Ohio, contacted the City in late August that a 2016 100' demo aerial ladder truck was available for purchase. Sutphen has been the manufacturer of the previous four fire apparatus purchased by the City. The demo apparatus is approximately five months old and was displayed at a national trade show in Indianapolis and has traveled to various fire departments across the country as a demonstrator.

Department of Public Safety staff traveled to Sutphen on September 6 and 7 to inspect, drive and operate the apparatus. The apparatus meets all City specifications and would be similar to a

new apparatus built from the ground up using our specifications. The City Manager reviewed that the apparatus is the latest production model and includes all required National Fire Protection Association safety standards available; that the apparatus currently has approximately 15,000 miles, which are from traveling across the country and are not a concern to staff; that the apparatus has never operated at a fire; that once delivered the apparatus will have the same warranty as a brand new apparatus; and that as a condition of the sale, new winter tread tires will be installed along with all fluids changed.

The City Manager reviewed that the purchase price is \$1,100,414 and staff had originally budgeted for \$1,200,000 when preparing costs prior to the public safety millage approval. Sutphen prepared a cost estimate for the same apparatus built specifically for the City and purchasing the demo will save approximately \$100,000 over waiting until a late 2017 delivery. The City Manager reported that Sutphen agreed to take the current 1984 100' aerial ladder on trade with a trade in value of \$30,000; that an additional \$15,875 in equipment will be needed to put the apparatus in service; and that the total cost for the delivered apparatus with equipment and credit for the trade-in value is \$1,086,289 with delivery approximately four weeks after Council approval.

The City Manager further reviewed funding for the purchase of the new firetruck which will be provided through a transfer from the Electric Fund; that repayment of the transfer will occur as property taxes from the voter approved millage are received; that property taxes will be levied beginning with the December 2016 tax roll and will provide approximately \$350,000 annually; and that interest at a rate of 1% will be applied against the outstanding balance owed to the Electric Fund, with repayment taking approximately three years.

Mayor Fraser asked for public comments and heard a comment that research was done previously on used trucks to purchase and nothing was available, but fortunate that a demo is now available.

City Councilmember Wills then moved that, seconded by City Councilmember Murphy to authorize the purchase of a 2016 Sutphen 100' aerial ladder truck in the amount of \$1,086,289.

Said motion was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

First Reading of Proposed Ordinance
Amending Zoning Sections 1704-1706

The City Planner reviewed that in 2011, the Planning Commission made a recommendation to Council on amendments to Section 1704 of the Zoning Ordinance. The Commission worked on the amendment for several years, with the intent of creating flexibility to address a land use that has a large community footprint, is often underutilized, and has significant impacts on storm water runoff. At that time, the City Manager and City Attorney had concerns with some of the ordinance language and the ability for enforcement and it did not make it to Council for review. Staff worked to address concerns and the revised language was reviewed by the Planning Commission and the amendments are again being recommended. The City Attorney also reviewed the language and his suggested changes have been incorporated.

The City Planner reviewed the amendments including the first major change was to combine the information in section 1705, Off-street parking layout, standards, construction and maintenance into Section 1704 so that all parking lot construction standards were in a single section; that the ordinance format has been simplified so that it is clear what requirements apply to residential vs. commercial uses; that most of the elements to increase flexibility (shared parking agreement, use of on-street parking for a portion of parking requirements) have been used in other communities and are now encouraged through the Redevelopment Ready Communities program; that the ordinance requires bicycle parking for lots of a certain size; limits the amount of parking area in a front yard of

a residence; restricts a residence to a single curb cut; decreased the required size of parking spaces; changes the calculation of parking requirements for some commercial uses from net useable floor area to gross floor area; and that parking requirement changes are minimums and maximums and would therefore require a variance to exceed the required number.

City Council discussed the proposed ordinance amendments and will conduct a second reading at the October 3, 2016 meeting.

Resolution No. 18993 - Authorize
Bond Refinancing – Marina Expansion
and Bear River Valley Recreation Area

Bendzinski & Co., Detroit, the City's financial advisors on bond matters, informed the City that sufficient enough savings would result from refinancing the Series 2010 Limited Tax General Obligation Bonds. Interest savings on the refunding are estimated at \$300,000 or \$25,000 per year over the remaining life of the bonds.

The City Manager reviewed that in 2010, the Building Authority issued \$3,900,000 in General Obligation Bonds as part of the financing for development of the Bear River Valley Recreation Area and expansion of the Bayfront Park Marina. Based on current market conditions,

Similar to the refinancing of the Water and Sewer bonds and the Library bonds in past years, the refinancing would proceed as a negotiated sale to provide the optimal structure of the bond issue and timing of the sale based on current market conditions. State law does require a sufficient enough savings in interest to cover all bond costs and still provide a savings in interest costs over the remaining life of the bonds, which mature in 2029. The refinancing will be issued by the City instead of the Building Authority, since recent changes in laws make it more efficient for the issue to be refunded directly through the City.

The City Manager reviewed that the resolution will authorize the issuance of refunding bonds; will set forth the terms and form of the Refunding Bonds and provides for a negotiated sale of the Refunding Bonds to Robert W. Baird & Co. (the underwriter); and authorizes the City Manager and Director of Finance to take necessary actions to issue, sell and deliver the Refunding Bonds and to finalize the terms of the bonds upon sale and execute a Bond Purchase Agreement with the Underwriter.

City Councilmember Marshall moved that, seconded by City Councilmember Murphy adoption of the following resolution prepared by Miller, Canfield, Paddock & Stone P.L.C., Detroit, the City's special legal counsel for financial matters:

**RESOLUTION AUTHORIZING ISSUANCE OF
2016 REFUNDING BONDS
(LIMITED TAX GENERAL OBLIGATION)
CITY OF PETOSKEY**

County of Emmet, State of Michigan

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), authorizes the City of Petoskey, County of Emmet, Michigan (the "City") to refund or advance refund all or any part of its outstanding securities; and

WHEREAS, the Building Authority of the City of Petoskey, County of Emmet, State of Michigan (the "Authority") has previously issued its Building Authority Bonds, Series 2010 (Limited Tax General Obligation), dated May 4, 2010, in the original principal amount of \$3,900,000 (the "Prior Bonds") which were issued to provide funds to pay all or a portion of the costs to acquire, construct, furnish and equip certain buildings and recreational facilities, together with all appurtenances and attachments thereto; and
WHEREAS, the City and the Authority have entered into a certain Limited Tax Full Faith and Credit General Obligation Contract of Lease, as amended, dated December 1, 2009 (the "Contract"), by which the City has agreed to pay contractual payments to the

Authority in amounts sufficient to pay the debt service on the Prior Bonds, and has pledged the City's limited tax full faith and credit therefor; and

WHEREAS, the Prior Bonds and the Contract are "outstanding securities" of the City within the meaning of Act 34; and

WHEREAS, the City has been advised that it may be able to accomplish a net savings of debt service costs by refunding all or a portion of the outstanding Prior Bonds through the issuance of refunding bonds by the City; and

WHEREAS, the City desires to issue refunding bonds pursuant to Act 34 in an aggregate principal amount of not to exceed Three Million Three Hundred Thousand Dollars (\$3,300,000) for the purpose of paying all or part of the cost of refunding all or part of the Prior Bonds in order to achieve interest cost savings for the benefit of the City and its taxpayers; and

WHEREAS, the City desires to negotiate the sale of the Bonds to Robert W. Baird & Co. (the "Underwriter") within the parameters established by this Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. Bonds of the City shall be issued in the aggregate principal amount of not to exceed Three Million Three Hundred Thousand Dollars (\$3,300,000), as finally determined upon sale thereof, to be designated 2016 REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds"), for the purpose of paying the cost of refunding all or a portion of the Prior Bonds and issuance costs of the Bonds.

The Bonds shall consist of bonds registered as to principal and interest of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of such maturity. The Bonds will be dated as of the date of delivery, or such other date as determined by the City Manager or Director of Finance (each, an "Authorized Officer"), be payable on April 1 (or such other date as determined at the time of sale thereof) in the years and in the annual amounts determined at the time of sale, provided that the final maturity date of the Bonds shall not be later than 2029. The Bonds shall bear interest at a rate or rates to be determined upon negotiated sale thereof, payable semi-annually on April 1 and October 1, first payable as determined by an Authorized Officer at the time of sale, *provided that* the interest rate on the Bonds shall not exceed 6.00% per annum and the Bonds shall be sold at a price not less than 98.00% of their par value. The underwriter's discount shall not exceed 1.00% of the par amount of the Bonds. The Bonds may be issued as serial or term bonds or both and may be subject to redemption prior to maturity as determined at the time of sale.

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. The principal of the Bonds shall be payable at the designated corporate trust office of The Huntington National Bank, N.A., Grand Rapids, Michigan, as a registrar and transfer agent for the Bonds (the "Transfer Agent"), provided that in the event that the Bonds are purchased by a single institutional investor the City may act as its own Transfer Agent.

Interest on the Bonds shall be paid by check drawn on the Transfer Agent mailed to the registered owner of the Bonds at the registered address, as shown on the registration books of the City maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to

the payment date for each interest payment. The 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.

2. Execution of Bonds; Book-Entry Only Form. The Bonds shall be signed by the facsimile signatures of the Mayor and the City Clerk and shall have the facsimile seal of the City printed on the Bonds. No Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by it to the purchaser in accordance with instructions from the City Treasurer upon payment of the purchase price for the Bonds in accordance with the offer therefor when accepted. Executed blank certificates for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

The Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC") and the Authorized Officers are authorized to execute such custodial or other agreements with DTC as may be necessary to accomplish the issuance of the Bonds in book entry only form and to make such change in the Bond Form within the parameters of this Resolution as may be required to accomplish the foregoing. The City shall deliver the Bonds within 45 days from the date of sale thereof.

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 redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on 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.

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

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

authorized and directed to open a separate fund with a bank or trust company designated by the City Council to be known as the 2016 REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION) DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. Into said fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds.

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 the principal of and interest on the Bonds when due, 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 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. Issuance Fund; Escrow Account; Proceeds of Bond Sale. Proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds to be refunded (the "Refunded Bonds") as provided in this paragraph. Upon receipt of the proceeds of sale of the Bonds, the accrued interest and premium, if any, shall be deposited in the Debt Retirement Fund for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2016 REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION) BOND ISSUANCE FUND (the "Bond Issuance Fund"), which may be established by the City or an escrow agent. The moneys in the Bond Issuance Fund shall be used solely to pay the costs of issuance of the Bonds. Any amounts remaining in the Bond Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds. The balance of the proceeds of the Bonds, together with other available funds of the City, if any, shall be deposited in an escrow fund (the "Escrow Fund") consisting of cash or cash and investments in direct obligations of or obligations the principal of and interest on where are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the "Escrow Securities") and used to pay the principal of and interest on all or a portion of the Refunded Bonds as determined by an Authorized Officer at the time of sale. The Escrow Fund shall be held by the Huntington National Bank, N.A., Grand Rapids, Michigan (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to call the Refunded Bonds for redemption on the first date such Refunded Bonds may be called for redemption. Each Authorized Officer is authorized and directed to appoint an Escrow Agent and execute the Escrow Agreement on behalf of the City. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Refunded Bonds when due at maturity or call for redemption as required by this section. Each Authorized Officer is authorized and directed to purchase or cause to be purchased, Escrow Securities, including but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

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:

UNITED STATES OF AMERICA
STATE OF MICHIGAN

COUNTY OF EMMET
CITY OF PETOSKEY
2016 REFUNDING BOND
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	April 1, ____	_____, 2016	

Registered Owner:
Principal Amount:

Dollars

The City of Petoskey, County of Emmet, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360 day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, at the Interest Rate per annum specified above, payable on April 1, 2017 and semiannually thereafter. Principal of this bond is payable upon presentation and surrender of this bond at the corporate trust office of The Huntington National Bank, N.A., Detroit, Michigan, as registrar and transfer agent for the Bonds or such other transfer agent as the City may hereafter designate (the "Transfer Agent") by notice mailed to the registered owner not less than sixty (60) days prior to an interest payment date. Interest on this bond is payable to the person or entity which is the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent, by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address.

This bond is one of a series of bonds of even date of original issue aggregating the principal sum of \$_____, issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and a resolution duly adopted by the City Council of the City for the purpose of paying all or part of the cost of refunding certain outstanding securities of the City.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory, and charter tax rate limitations. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

[Bonds maturing in the years 20__ through 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 20__ and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after April 1, 20__, at par and accrued interest to the date fixed for redemption.]

[Insert Term Bond redemption provisions, if necessary.]

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

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

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 upon the payment of the charges, if any, prescribed in the resolution authorizing this bond, 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. Neither the City nor the Transfer Agent shall be required to transfer or exchange this bond or portion of this bond either during the period of fifteen (15) days immediately preceding the date of the mailing of any notice of redemption or (except as to the unredeemed portion, if any, of this bond) after this bond or any portion of this bond has been selected for redemption.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

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

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

CITY OF PETOSKEY
County of Emmet
State of Michigan

By: _____
Its Mayor

By: _____
Its City Clerk

(SEAL)

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Registration:

Certificate of Authentication

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

The Huntington National Bank
Grand Rapids, Michigan

Transfer Agent

By: _____

Authorized Signature

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, based on the advice of its financial advisor, determines that a negotiated sale of the Bonds to the Underwriter will result in the most efficient and expeditious means of selling the Bonds and will result in the lowest interest cost to the City and hereby approves the Underwriter as the purchaser of the Bonds.

8. Bond Purchase Agreement; Delegation to Authorized Officers; Sale Order. The Authorized Officers are each hereby authorized to negotiate the sale of the Bonds with the Underwriter, negotiate and execute a Bond Purchase Agreement, execute a Sale Order 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 forgoing are each authorized to exercise the authority and make the determinations pursuant to Section 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 principal amount of Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Bonds shall not exceed six percent (6.00%) per annum, the maximum underwriter's discount shall not exceed 1.00% of the principal amount of the Bonds, the Bonds shall be sold at a price not less than 98.00% of their par value, and the refunding of the Prior Bonds shall result in present value savings to the City.

10. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of 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 any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

11. Qualified Tax-Exempt Obligations. Each Authorized Officer is hereby authorized to designate the Bonds as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions.

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

13. Authorization of Other Actions. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) approve the circulation of a final official statement describing the Bonds and to execute the same on behalf of the City; (c) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds; (d) obtain ratings for the Bonds; (e) pay costs of issuance including but not limited to transfer agent fees, escrow agent fees, verification agent fees, municipal advisor fees, bond counsel fees, rating agency fees, placement agent fees, costs of printing the Bonds and the preliminary and final official statements or private placement memorandum or offering circular, publication of notices, and any other costs necessary to accomplish sale and delivery of the Bonds; and (f) do all other acts, take all other necessary procedures, and make such filings with any parties, including the Michigan Department of Treasury, necessary or desirable to effectuate the sale, issuance and delivery of the Bonds.

14. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby appointed to serve as bond counsel for the Bonds, notwithstanding the periodic representation in unrelated matters of parties or potential parties to the transaction contemplated by this resolution, including the Underwriter.

15. Financial Advisor. Bendzinski & Co. Municipal Finance Advisors is hereby appointed as the Registered Municipal Advisor with respect to the Bonds.

16. 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.

Alan Terry
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 Petoskey, County of Emmet, State of Michigan, at a regular meeting held on September 19, 2016, 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.

Alan Terry
City Clerk

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)
NAYS: None (0)

Resolution No. 18994 – Approve Liquor License Transfer for T.J. Wilder Enterprises, Inc. – 434 East Mitchell St.

The City Manager reviewed that T.J. Wilder Enterprises Inc., 434 East Mitchell Street, applied to the LCC for the transfer of ownership of an escrowed 2016 Class C, together with a SDM license, as well as a Sunday Sales Permit, Dance-Entertainment Permit, Outdoor Service (2 areas) and (2) Bars. The liquor license transfer of ownership is from Leo's Lounge, Inc. City Council approval was being requested for the new ownership of T.J. Wilder Enterprises, Inc., to have an Outdoor Service Area to be located on municipal property. The Director of Public Safety recommended approval of this transfer.

City Councilmember Murphy moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, officials of the Michigan Department of Labor and Economic Growth's Liquor Control Commission have informed the City staff of receipt of applications from T.J. Wilder Enterprises, Inc., 434 East Mitchell Street, for transfer of an escrowed 2016 Class C and SDM license; a Sunday Sales Permit; Dance-Entertainment Permit; Outdoor Service (2 areas) and (2) bars that currently is owned by Leo's Lounge, Incorporated, Petoskey; and

WHEREAS, the City's Department of Public Safety staff has completed investigations that are required to be performed by local governmental units under provisions of the Michigan Liquor Control Act; and

WHEREAS, the Department of Public Safety staff has reported to the City Manager that, based upon findings of the Department's investigations, the City Manager could recommend that the City Council confirm the City's approval of the application by T.J. Wilder Enterprises, Inc. for transfer of the escrowed 2016 Class C liquor license and associated permits that would permit sales of alcoholic beverages in an outdoor service area located on municipal property:

NOW, THEREFORE, BE IT RESOLVED that the City Manager be and is hereby directed to report to the Michigan Department of Labor and Economic Growth's Liquor Control Commission, upon forms that have been provided by the Liquor Control Commission, confirmation of the City Council's approval of the application by T.J. Wilder Enterprises, Inc., 434 East Mitchell Street, for transfer of an escrowed 2016 Class C liquor and SDM license; a Sunday Sales Permit; a Dance-Entertainment Permit; Outdoor Service (2 areas) and (2) Bars that currently is owned by Leo's Lounge, Incorporated.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)
NAYS: None (0)

Hear Council Comments

Mayor Fraser asked for Council comments and City Councilmember Wills commented that he was glad to be back after a few missed meetings due to personal

matters.

There being no further business to come before the City Council, this September 19, 2016, meeting of the City Council adjourned at 8:55 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer