



MARSHALL CITY COUNCIL AGENDA

MONDAY – 7:00 P.M.

June 17, 2019

- 1) **CALL TO ORDER**
- 2) **ROLL CALL**
- 3) **INVOCATION** – Ralph McCarty, East Eckford Community Church
- 4) **PLEDGE OF ALLEGIANCE**
- 5) **APPROVAL OF AGENDA** – Items can be added or deleted from the Agenda by Council action.
- 6) **PUBLIC COMMENT ON AGENDA ITEMS** – Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any agenda item.
- 7) **CONSENT AGENDA**

A. Marshall House Apartment Remodeling P. 4

City Council will consider the recommendation to approve the bid from Maple Lake Builders of Paw Paw, MI in the amount of \$33,250 for a 1-bedroom remodel and \$35,000 for the ADA remodel contingent upon HUD's approval of the project and the release of Replacement Reserve Funds to fund the project. It is also recommended to approve the \$88,000 budget in account 536-900-970.00, Marshall House Capital Outlay, for FY2019 be carried over into FY2020.

B. Mill & Pave and Crack Fill & Sealcoating Projects P. 6

City Council will consider the recommendation to approve the bid from Asphalt Solutions of Marshall, MI for the amount of \$198,500 with a contingency amount of \$72.50/cubic yard for as needed subgrade undercutting and also approve the \$24,000 that was budgeted for PSB parking lot repairs in 101-900-970.00 in FY2019 be carried over into FY2020.

C. City Council Minutes P. 8

Regular Session..... Monday, May 20, 2019

D. City Bills P. 27

Regular Purchases.....	\$ 821,148.19
Regular Purchases.....	\$ 176,504.81
Weekly Purchases – 5/17/19.....	\$ 226,016.44
Weekly Purchases – 5/24/19.....	\$ 9,560.01
Weekly Purchases – 5/31/19.....	\$ 2,421.77
Weekly Purchases – 6/7/19.....	\$ 19,391.65
Total	\$ 1,255,042.87

Mayor:

Joe Caron

Council Members:

Ward 1 - Scott Wolfersberger

Ward 2 - Nick Metzger

Ward 3 - Jacob Gates

Ward 4 - Michael McNeil

Ward 5 - Ryan Underhill

At-Large - Ryan Traver



8) PRESENTATIONS AND RECOGNITIONS

A. Marshall House Grant Presentation

Richard Lindsey, representative of Oaklawn Hospital, and Helen Guzzo, Calhoun County Senior Services Manager, will present a grant for exercise equipment for Marshall House Apartments.

9) INFORMATIONAL ITEMS

A. Event Report – Blues Fest

P. 34

B. Event Report – Cruise at the Fountain

P. 35

10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION

11) OLD BUSINESS

12) REPORTS AND RECOMMENDATIONS

A. Marshall Township Master PA 425 Conditional Land Transfer Agreement Revision P. 37

City Council will consider the recommendation to approve the revised Master PA 425 Conditional Land Transfer Agreement with Marshall Township.

B. Local 1929 International Association of Firefighters P. 58

City Council will consider the recommendation to approve the contract with Local 1929 International Association of Firefighters (PENDING RATIFICATION).

C. Department of Public Works Contract, Teamsters Local 214 P. 59

City Council will consider the recommendation to approve the contract with Teamsters Local 214 as presented.

D. Authorize issuance of Water Supply Revenue Bonds Ordinance P. 61

City Council will consider the recommendation to approve the Water Supply System Revenue Bond Ordinance to authorize and provide for the issuance of City of Marshall Water Supply System Revenue Bonds under the provision of Act 94 of 1933, as amended.

E. Resolution Authorizing issuance and Sale of 2019 Water Revenue Bonds P. 93

City Council will consider the recommendation to adopt the Resolution Authorizing the Issuance and Sale of 2019 Revenue Water Bonds in an amount not to exceed \$4,200,000 and to grant the City Manager or Finance Director the authority to sell and deliver the bonds without any further Council action.

F. Year-End Budget Adjustments P. 109

City Council will consider the recommendation to adopt the resolution to amend the Fiscal Year 2019 Budget.

June 17, 2019

Page 2



13) APPOINTMENTS / ELECTIONS

A. Zoning Board of Appeals Alternate Member

City Council will consider the recommendation to appoint Scott Wolfersberger as an Alternate to the Zoning Board of Appeals with a term expiring March 10, 2021.

14) PUBLIC COMMENT ON NON-AGENDA ITEMS

Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any item not on the agenda.

15) COUNCIL AND MANAGER COMMUNICATIONS

16) ADJOURNMENT

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager

June 17, 2019

Page 3



ADMINISTRATIVE REPORT
June 17, 2019 - CITY COUNCIL MEETING

TO: Honorable Mayor and City Council

FROM: Jon Bartlett, Finance Director
 Tom Tarkiewicz, City Manager
 Theresa Sears, MH Administrator

SUBJECT: Apartment Remodeling at Marshall House Apartments

BACKGROUND: Currently Marshall House has six vacant one-bedroom apartments and one ADA compliant one-bedroom apartment that are in need of remodeling. The City contracted with M.C. Smith Associates in 2018 for architectural drawings for the ADA portion of this project. City Facility Manager, Bruce Rapp, will work as project manager on this project overseeing the construction.

Requests for Bids were sent out to seventeen contractors. Contractor bids were received on June 10, 2019 and are as follows:

Contractor	Contract Total
Maple Lake Builders Paw Paw, MI	\$33,250- 1-bedroom \$35,000 - ADA
First Contracting Ovid, MI	\$38,990 1-bedroom \$41,890 ADA
Harvey Construction Marshall, MI	\$54,744 1 bedroom \$53,489 ADA

Three contractors respectfully declined to bid on this project citing that they already have their summer schedule in place and they would be interested in rebidding in the winter when they are not as busy, which may be an option if the initial apartment remodeling does not meet minimum requirements.

RECOMMENDATION: It is recommended that City Council approve the bid from Maple Lake Builders, Paw Paw, Michigan, in the amount of \$33,250 for a 1-bedroom remodel and \$35,000 for the ADA remodel. All work will be contingent on HUD's approval of the entire project and the release of Replacement Reserve Funds to fund the project. Staff also requests that the \$88,000 budget in account 536-700-970.00, Marshall House Capital Outlay for FY2019 (that was not used) be carried into FY2020.

323 W. Michigan Ave.
 Marshall, MI 49068
 p 269.781.5183
 f 269.781.3835
 cityofmarshall.com

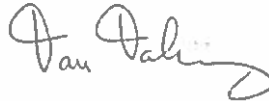
FISCAL EFFECTS: There is currently sufficient funds in the Marshall House Replacement Reserve Account to cover the costs for this project. Staff also asks that the \$88,000 that was budgeted for this project in FY2019 be allowed to be carried over into FY2020.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,



Jon Bartlett
Finance Director



Tom Tarkiewicz
City Manager



Theresa Sears
Marshall House
Administrator



ADMINISTRATIVE REPORT
June 17, 2019 - CITY COUNCIL MEETING

TO: Honorable Mayor and City Council

FROM: Kristin Bauer, Director of Public Services
 Tom Tarkiewicz, City Manager

SUBJECT: Mill & Pave of various City Properties
 Crack Fill & Sealcoating at various City Properties

BACKGROUND: Maintenance is required at various city parking lots:

Mill and Pave: Public Service Building
 Power House
 Main Entrance to Oakridge Cemetery

Crack and Sealcoat: MRLEC (Marshall Regional Law Enforcement Center)
 Marshall House Apartments
 City Hall

Requests for bids were sent out to eleven contractors as well as advertised in the Ad-Visor. Sealed bids we received on June 10, 2019 and are as follows:

	ASPHALT SOLUTIONS; MARSHALL, MI	TOMCO ASPHALT, MASON, MI	QUALITY ASPHALT, HOMER, MI
PUBLIC SERVICES	\$133,760.	\$143,370.	
POWERHOUSE	\$11,985.	\$14,800.	
MARSHALL HOUSE	\$3975.	\$5600.	
CEMETERY ENTERANCE	\$37,345.	\$37,800.	
CITY HALL	\$1450.	\$2600.	
MRLEC	\$9985.	\$11,000.	
TOTAL	\$198,500.	\$215,170.	RECEIVED BID LATE, DID NOT OPEN

RECOMMENDATION: It is recommended that City Council approve the bid from Asphalt Solutions of Marshall, MI for the amount of \$198,500.00 with a contingency amount of \$72.50/cubic yard for as needed subgrade undercutting. It is also recommended that \$24,000 that was budgeted for PSB parking lot repairs in 101-900-970.00 in FY2019 be carried over into FY2020.

323 W. Michigan Ave.
 Marshall, MI 49068
 p 269.781.5183
 f 269.781.3835
 cityofmarshall.com

FISCAL EFFECTS: The funding for these projects is described below:

101-900-970.00	\$121,810 PSB, Cemetery, and City Hall
582-900-970.00	\$41,985 (\$11,985 Powerhouse, \$30,000 for PSB)
536-700-970.00	\$3,975 Marshall House
711-900-970.00	\$20,745 Cemetery Perpetual Care
207-305-931.00	\$9,985 MRLEC

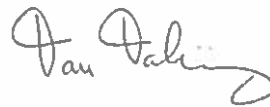
The above funds have sufficient funds budgeted for these projects in FY2019 (to be carried over) and FY2020.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,



Kristin Bauer
Director of Public Services



Tom Tarkiewicz
City Manager

CALL TO ORDER

IN REGULAR SESSION Monday, May 20, 2019 at 7:00 P.M. in the Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Pro-Tem Metzger.

ROLL CALL

Roll was called:

Present: Council Members: Gates, McNeil, Metzger, Underhill, and Wolfersberger.

Also Present: City Manager Tarkiewicz and Clerk Nelson.

Absent: Mayor Caron and Traver.

Moved Wolfersberger, supported Gates, to excuse Mayor Caron and Council Member Traver. On a voice vote – **MOTION CARRIED.**

INVOCATION/PLEDGE OF ALLEGIANCE

Scott Loughrige of Cross Roads Church & Ministries gave the invocation and Mayor Pro-Tem Metzger led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Moved McNeil, supported Wolfersberger, to approve the agenda with the addition of the Michigan South Central Power Agency invoice in the amount of \$563,838.45 and item 12C. S. Marshall Avenue Bridge at Rice Creek. On a voice vote – **MOTION CARRIED.**

PUBLIC COMMENT ON AGENDA ITEMS

None.

CONSENT AGENDA

Moved Gates, supported Underhill, to approve the Consent Agenda:

- A. Minutes of the City Council Work Session and Regular Session held on Monday, May 6, 2019;
- B. Approve city bills in the amount of \$ 851,229.53.

On a roll call vote – ayes: McNeil, Metzger, Underhill, Wolfersberger, and Gates; nays: none. **MOTION CARRIED.**

PRESENTATIONS AND RECOGNITION

Helen Guzzo, Senior Services Manager, provided an update on Calhoun County Senior Services and the upcoming millage renewal on the ballot in 2020.

INFORMATIONAL ITEMS

An Event Report was provided for upcoming pancake breakfast fly-ins and movie nights at Brooks Field in 2019.

PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION

A. Fiscal Year 2020 Budget Adoption:

Finance Director Jon Bartlett provided background regarding the Fiscal Year 2020 Budget and the related property tax millage rates for FY 2020.

Mayor Pro-Tem Metzger opened the public hearing to hear public comment regarding the Fiscal Year 2020 budget.

Hearing no comment, the hearing was closed.

Moved Gates, supported McNeil, to adopt the Fiscal Year 2020 Budget and approve the resolution for related property tax millage rates. On a roll call vote – ayes: Underhill, Wolfersberger, Gates, McNeil, and Metzger; nays: none. **MOTION CARRIED.**

CITY OF MARSHALL, MICHIGAN
RESOLUTION #2019-16

THE CITY OF MARSHALL
GENERAL APPROPRIATION ACT AND TAX LEVY RESOLUTION
July 1, 2019 – June 30, 2020

THE CITY OF MARSHALL RESOLVES that the expenditures for the fiscal year, commencing July 1, 2019, and ending June 30, 2020, are hereby appropriated on a departmental and fund total basis as follows:

<u>GENERAL FUND REVENUES</u>	
Taxes	\$3,647,482
Licenses and Permits	165,000
Intergovernmental Revenues	965,744
Charges for Services	109,650
Fines and Forfeits	48,300
Interest	30,000
Miscellaneous	206,723
Transfers In	1,679,920
Marshall Reg. Law Enforce.	318,679
Recreation	428,968

Farmer's Market	30,815
Airport	<u>188,920</u>
Total Revenues	\$7,820,201

GENERAL FUND EXPENDITURES

City Council	\$5,011
City Manager	296,637
Assessor	69,362
Attorney	55,000
Human Resources	90,155
Clerk	57,878
Finance/Treasurer	571,536
City Hall	86,510
Chapel	3,972
Other City Property	36,000
Cemetery	172,590
Non-Departmental	733,900
Police	2,009,827
Crossing Guards	12,749
Dispatch	117,000
Fire	1,237,182
Inspection	134,955
Planning/Zoning	79,657
Streets	843,489
Engineering	35,367
Compost	37,058
PSB Operations	120,688
Parks	88,961
Capital Improvements	165,100
Transfers Out	155,535
Marshall Reg. Law Enforce.	327,221
Recreation	443,554
Farmer's Market	25,743
Airport	<u>188,036</u>
Total Expenditures	\$8,200,673

Overall General Fund (including MRLEC, Recreation, Farmer's Market, and Airport) fund reserves shall decrease by \$380,472 based on the FY 2020 revenues and expenditures for the General Fund budget.

The City Council does hereby levy a tax of 17.1629 mills for the period of July 1, 2019, through June 30, 2020 on all taxable real and non-exempt personal property in the City of Marshall, according to the valuation of the same. This tax is levied for the purpose of defraying the general expense and liability of the City of Marshall and is levied pursuant to Section 8.01, Article 8 of the Charter of the City of Marshall.

The City Council does hereby levy a tax of .4899 mills for the period of July 1, 2019, through June 30, 2020, on all taxable real and non-exempt personal property in the City of Marshall, according to the valuation of the same. This tax is levied for the purpose of defraying the expense of operating the Leaf, Brush and Trash Removal Services of the City of Marshall as authorized by a vote of the citizens on November 6, 2012 (renewal vote on this millage was on November 2016 and passed).

The City Council does hereby levy a tax of .9202 mills for the period of July 1, 2019, through June 30, 2020, on all taxable real and non-exempt personal property in the City of Marshall, according to the valuation of the same. This tax is levied to operate the Dial-A-Ride Transportation System in the City of Marshall as authorized by a vote of the citizens on August 5, 1975.

The City Council does hereby levy a tax of .9202 mills for the period of July 1, 2019, through June 30, 2020, on all taxable real and non-exempt personal property in the City of Marshall, according to the valuation of the same. This tax is levied for the purpose of defraying the expense of operating the Recreation Department of the City of Marshall as authorized by a vote of the citizens on April 4, 1959.

The City Council does hereby levy a tax of 1.6041 mills for the period of July 1, 2019, through June 30, 2020, on all taxable real and non-exempt personal property in the City of Marshall, according to the valuation of the same in a district known as the Downtown Development District. This tax is levied for the purpose of defraying the costs of the Downtown Development Authority.

	PROPOSED	ACTUAL	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>DIFFERENCE</u>
General Operating	17.1629	17.1629	0.0000
Leaf, Brush and Trash Removal Services	.4899	.4954	0.0055
Recreation	.9202	.9306	0.0104
Dial-A-Ride	.9202	.9306	0.0104
Downtown Development Authority	1.6041	1.6041	0.0000
TOTAL	<u>21.0973</u>	<u>21.1236</u>	<u>0.0263</u>

The City Manager is authorized to make budgetary transfers within the appropriation centers established through this budget, and that all transfers between departments or funds may be made by the City Manager in an amount not to exceed \$20,000 per occurrence without prior Council approval pursuant to Section 19.2 of the provisions of the Michigan Uniform Accounting and Budgeting Act.

The City Council establishes the budget for the period of July 1, 2019, through June 30, 2020 for the following funds in the amounts set forth below:

ALL FUNDS REVENUES

General Fund	\$7,820,201
MVH-Major & Trunkline	695,749
MVH-Local	297,235
Leaf, Brush and Trash Removal	98,691
Northeast NIA	6,100
Local Development Finance	406,540
Downtown Development	200,595
Marshall House	902,013
Fiber to the Premise	1,417,360
Electric	22,100,900
Dial-a-Ride	541,559
Wastewater	2,019,317
Water	1,898,593
Data Processing	184,253
Motor Pool	<u>1,088,770</u>
Total Revenues	\$39,677,876

ALL FUNDS EXPENDITURES

General Fund	\$8,200,673
MVH-Major & Trunkline	874,219
MVH-Local	387,846
Leaf, Brush and Trash Removal	98,691
Northeast NIA	5,500
Local Development Finance	489,217
Downtown Development	170,295
Marshall House	929,772
Fiber to the Premise	1,135,028
Electric	22,132,003
Dial-a-Ride	569,973
Wastewater	2,857,458
Water	2,678,330
Data Processing	175,139
Motor Pool	<u>1,138,422</u>
Total Expenditures	\$41,843,196

Total fund reserves (not including the capitalization of assets) shall be decreased by \$2,196,520 based on the FY 2020 revenues and expenditures for All Funds. Fund reserves will increase by \$2,993,783 if all capital outlay is capitalized in the enterprise and internal services funds.

The City Council of the City of Marshall did give notice of the time and place when a public hearing on adoption of the budget would be held in accordance with Public Act 43 of 1963, proof of publication of the Notice of Public Hearing is now on file, and which Public Hearing was duly held pursuant to said notice and in conformity therewith. A copy of the budget proposal was on file with the City Clerk and on the

City's website and available for public inspection at least one week prior to adoption of the budget; and

Further, the City Council of the City of Marshall did give notice of the time and place when a public hearing would be held in conformity with the provisions of Public Act 5 of 1982 authorizing a tax rate in excess of the present authorized tax rate for General Operating, Recreation, Leaf & Brush, Dial-A-Ride and Downtown Development Authority tax levies, proof of publication of Notice of Public Hearing is now on file, and which Public Hearing was duly held pursuant to said notice and in conformity therewith; and

This Resolution shall take effect July 1, 2019.

Dated: May 20, 2019

Trisha Nelson, City Clerk

I, Trisha Nelson, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on May 20, 2019, and that said meeting was conducted and that the minutes of said meeting were kept and will be or have been made available.

Trisha Nelson, City Clerk

B. Amendments to the City of Marshall Code of Ordinances Sections 137.04 Marihuana and 137.05 Possession or Use of Drug Paraphernalia:

City Attorney John Sullivan explained with the passage of the Medical Marihuana law and the Recreational Marihuana Law, our current Ordinance 137.04 Possession or Use of Marihuana and 137.05 Possession and Use of Drug Paraphernalia required amending to conform to the current laws. The proposed changes have been reviewed and researched by the City Attorney and City Prosecuting Attorney.

Mayor Pro-Tem Metzger opened the public hearing to hear public comment regarding the proposed amendments to Ordinance 137.04 and Ordinance 137.05.

Barry Wayne Adams of 622 W. Green feels there is no constitutional authority to prohibit the use of marihuana. Marihuana is a natural herb and it is a privilege.

Moved McNeil, supported Gates, to approve the amendments to the City of Marshall Code of Ordinances Sections 137.04 Marihuana and 137.05 Possession or Use of Drug Paraphernalia. On a roll call vote – ayes: Wolfersberger, Gates, McNeil, Metzger, and Underhill; nays: none. **MOTION CARRIED.**

**City of Marshall, Michigan
Ordinance #2019-03**

AN ORDINANCE AMENDING CITY OF MARSHALL CODE OF ORDINANCES, SECTIONS 137.04 AND 137.05

WHEREAS, on November 6, 2018, Michigan voters approved Proposal 1, creating the Michigan Regulation and Taxation of Marihuana Act, codified in MCL 333.27951 et seq; and

WHEREAS, the Sections 137.04 and 137.05 of the Code of Ordinances are in conflict with the Michigan Regulation and Taxation of Marihuana Act; and

WHEREAS, the Michigan Regulation and Taxation of Marihuana Act mandates consistency and uniformity between the Act and local ordinance; and

WHEREAS, the public good is furthered by maintaining consistency and uniformity between the Act and local ordinance;

NOW, THEREFORE, THE CITY OF MARSHALL ORDAINS that the current version of Section 137.04 be deleted and replaced with the version set forth herein;

FURTHER, that the current version of Section 137.05 be amended as set forth herein:

§ 137.04 MARIHUANA.

(A) Definitions:

As used in this section:

CONSUME or **CONSUMING** means to smoke, ingest, eat, drink, or otherwise imbibe.

CULTIVATE means to propagate, breed, grow, harvest, dry, cure, or separate parts of the marihuana plant by manual or mechanical means.

MARIHUANA means all parts of the plant genus cannabis, growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin, including marihuana concentrate and marihuana-infused products. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination; industrial hemp; or any other ingredient combined with marihuana to prepare topical or oral administrations, food, drink, or other products.

MARIHUANA CONCENTRATE means the resin extracted from any part of the plant of the genus cannabis.

PROCESS or **PROCESSING** means to separate or otherwise prepare parts of the marihuana plant and to compound, blend, extract, infuse, or otherwise make or prepare marihuana concentrate or marihuana-infused products.

PUBLIC PLACE means a place or location that is open to or may be used by the members of the community, or where the general public has a right or invitation to resort, or where the public may come and go, including without limitation any public street, sidewalk, or park; any area open to the general public in a publicly owned or operated building; real property or an appurtenance to the real property that is publicly owned; areas within a place of business that is open to the public at any time; any space, room, or building wherein, by general invitation, members of the public attend for reasons of business, communal activities, entertainment, instruction, lodging, or similar activities, and are welcome as long as they conform to what is customarily done there; any public conveyance; any place of employment where employees are working and guests or patrons are present or generally invited; any place of public assembly; the common areas of any commercial place of communal living; any place or location to which the public is generally invited or permitted to visit; within a privately owned vehicle located in a public place, such as a parking lot that is open for use by the general public; or otherwise any place determined by the courts of the State of Michigan to be a public place when analyzed in the context to which the term is applied. A public place does not include an area authorized by the city for consumption provided the area is not accessible to persons under 21 years of age.

SMOKING or **SMOKE** means the burning of marihuana or any substance or matter that contains marihuana within a cigar, cigarette, pipe, or any other item or device.

(B) Lawful Acts.

The following acts by a person 21 years of age or older are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection, and are not grounds to deny any other right or privilege:

- 1) Except as permitted in section 2), possessing, using or consuming, internally possessing, purchasing, transporting, or processing 2.5 ounces or less of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate.

- 2) Within a person's residence, possessing, storing, and processing not more than 10 ounces of marihuana and any marihuana produced by marihuana plants cultivated on the premises and cultivating not more than 12 plants for personal use.
 - 3) Assisting another person who is 21 years or older in any of the acts authorized in this section.
 - 4) Giving away or otherwise transferring without remuneration up to 2.5 ounces of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate, to a person 21 years or age or older, as long as the transfer is not advertised or promoted to the public.
- (C) Unlawful Act - Minor Using, Consuming, Possessing or Cultivating Marihuana.
- 1) It shall be unlawful for any person under the age of 21 to use or consume marihuana;
 - 2) It shall be unlawful for any person under the age of 21 to possess marihuana in an amount which does not exceed 2.5 ounces;
 - 3) It shall be unlawful for any person under the age 21 to cultivate marihuana in an amount that does not exceed 12 plants;
 - 4) A person who is in violation of section 1) is guilty of a misdemeanor punishable by a fine of not more than \$500, or imprisonment in the county jail for a period of not more than 90 days, or both, and forfeiture of the marihuana;
 - 5) A person who is in violation of either section 2) or 3) is responsible for a municipal civil infraction and may be punished as follows:
 - a) If the person is less than 18 years of age and it is a first violation, by a fine of not more than \$100 or community service, forfeiture of the marihuana, and completion of 4 hours of drug education or counseling;
 - b) If the person is less than 18 years of age and it is a second or subsequent violation, by a fine of not more than \$500 or community service, forfeiture of the marihuana, and completion of 8 hours of drug education or counseling;
 - c) If the person is at least 18 years of age, by a fine of not more than \$100 and forfeiture of the marihuana;

- d) If the person is at least 18 years of age and it is a second or subsequent violation, by a fine of not more than \$500 and forfeiture of the marihuana.
- 6) If a person under age 21 possesses, cultivates, delivers without remuneration or possesses with intent to deliver more than the amounts set forth in sections 2) or 3), the penalties in sections (H) and (I) shall also apply.
- 7) This section shall not apply to a person under the age of 21 years who uses, consumes or possesses marihuana in compliance with the Michigan Medical Marihuana Act, MCL 333.26421 et seq, as amended.

(D) Unlawful Act - Consuming or Smoking Marihuana in Vehicle.

- 1) It shall be unlawful for any person to consume marihuana while operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle or motorboat;
- 2) It shall be unlawful for any person to smoke marihuana within the passenger area of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle or motorboat on a public way;
- 3) A person who is in violation of either section 1) or 2), is guilty of a misdemeanor punishable by a fine of not more than \$500, or imprisonment in the county jail for a period of not more than 90 days, or both, and forfeiture of the marihuana.

(E) Unlawful Act - Using or Consuming Marihuana in a Public Place.

- 1) It shall be unlawful for any person to consume marihuana in a public place.
- 2) It shall be unlawful for any person to smoke marihuana where prohibited by the person who owns, occupies or manages the property.
- 3) This section shall not apply if the conduct falls within the prohibitions set forth in subsection (D) above.
- 4) A person 21 years of age or older who violates either section 1) or 2) is responsible for a municipal civil infraction and may be punished by a fine of not more than \$100 and forfeiture of the marihuana.
- 5) A person under age 21 years of age who violates this section is guilty of a misdemeanor punishable by a fine of not more than \$500, or imprisonment in the county jail for a period of not more than 90 days, or both, and forfeiture of the marihuana.

(F) Unlawful Act - Possession or Consumption on School or Correctional Facility Property.

It shall be unlawful for any person to possess marihuana accessories or to possess or consume marihuana on the grounds of a public or private school where children attend classes in preschool programs, kindergarten programs, or grades 1 through 12, in a school bus, or on the grounds of any correctional facility, including the juvenile detention facility or the property upon which the facility is located. A person who violates this section is guilty of a misdemeanor punishable by a fine of not more than \$500, or imprisonment in the county jail for a period of not more than 90 days, or both, and forfeiture of the marihuana or marihuana accessories.

(G) Unlawful Act - Possession, Cultivation, Delivery Without Remuneration – Place Visible to the Public, Unsecured Location, Concentrate.

- 1) It shall be unlawful for any person to cultivate marihuana plants if the plants are visible from a public place without the use of binoculars, aircraft, or other optical aids.
- 2) It shall be unlawful for any person to cultivate marihuana outside of an enclosed area equipped with locks or other functioning security devices that restrict access to the area.
- 3) It shall be unlawful for any person to possess more than 2.5 ounces of marihuana in the person's place of residence, unless the excess marihuana is stored in a container or area equipped with locks or other functioning security devices that restrict access to the contents of the container or area.
- 4) It shall be unlawful for a person to possess, purchase, transport, process, give away or otherwise transfer without remuneration up to 2.5 ounces of marihuana if more than 15 grams of the marihuana is in the form of concentrate.
- 5) It shall be unlawful for a person to give away or transfer without remuneration up to 2.5 ounces of marihuana if the transfer was advertised or promoted to the public.
- 6) A person who is in violation of sections 1)-5) is responsible for a municipal civil infraction and may be punished by a fine of not more than \$100 and forfeiture of the marihuana.

(H) Unlawful Act – Marihuana, Amount not more than twice the amount.

- 1) It shall be unlawful for any person to possess, cultivate, deliver without remuneration to a person who is at least 21 years of age or possess with intent to deliver any of the following quantities of marihuana:

- a) more than 12 marihuana plants but not more than 24 plants;
 - b) more than 2.5 ounces but not more than 5 ounces outside a person's residence;
 - c) more than 10 ounces but not more than 20 ounces within a person's residence, not including any marihuana produced by plants cultivated on the premises.
- 2) A person who is in violation of section 1)a)-1)c) is subject to the following:
- a) for a first violation, is responsible for a municipal civil infraction and may be punished by a fine of not more than \$500 and forfeiture of the marihuana;
 - b) for a second violation, is responsible for a municipal civil infraction and may be punished by a fine of not more than \$1,000 and forfeiture of the marihuana;
 - c) for a third or subsequent violation, is guilty of a misdemeanor and may be punished by a fine of not more than \$2,000 and forfeiture of the marihuana.

(I) Unlawful Act – Marihuana, Amount more than twice the Amount.

- 1) It shall be unlawful for any person to possess, cultivate or deliver without remuneration to a person at least 21 years of age any of the following quantities of marihuana:
 - a) more than 24 plants;
 - b) more than 5 ounces outside a person's residence;
 - c) more than 20 ounces within a person's residence, not including any marihuana produced by plants cultivated on the premises.
- 2) A person who is in violation of section 1) a-c is responsible for a misdemeanor, punishable by a fine of not more than \$500. If the violation was habitual, willful, and for a commercial purpose, or if the violation involved violence, the punishment may include imprisonment in the county jail for a period of not more than 90 days.

(Prior Code, § 18-123) (Ord. passed 5-3-1982; Am. Ord. passed 7-1-1985; Ord. 19-03, passed 5-20-2019)

§ 137.05 POSSESSION OR USE OF DRUG PARAPHERNALIA.

- (A) Drug paraphernalia defined. Except as otherwise provided herein, "Drug paraphernalia" means any equipment, product, material, or combination of equipment, products or materials, which are specifically designed for use in

planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, including but not limited to:

- (1) An isomerization device specifically designed for use in increasing the potency of any species of plant which is a controlled substance;
- (2) Testing equipment specifically designed for use in identifying, or in analyzing, the strength, effectiveness or purity of a controlled substance;
- (3) A weight scale or balance specifically designed for use in weighing or in measuring a controlled substance;
- (4) A diluent or adulterant including, but not limited to, quinine hydrochloride, mannitol, mannite, dextrose, and lactose, specifically designed for use with a controlled substance;
- (5) An object specifically designed for use in ingesting, inhaling, or otherwise introducing cocaine, hashish, or hashish oil into the human body, such as:
 - (a) A metal, wooden, acrylic, glass, stone, plastic, or ceramic pipe with or without a screen, a permanent screen, a hashish head, or punctured metal bowl;
 - (b) A water pipe;
 - (c) A carburetion tube and device;
 - (d) A smoking and carburetion mask;
 - (e) A miniature cocaine spoon, and a cocaine vial;
 - (f) A chamber pipe;
 - (g) A carburetor pipe;
 - (h) An electric pipe;
 - (i) An air-driven pipe;
 - (j) A chillum;
 - (k) A bong; or
 - (l) An ice pipe or chiller.
- (6) A kit specifically designed for use in planting, propagating, cultivating, growing, or harvesting any species of plant which is a controlled substance, or from which a controlled substance can be derived;

- (7) A kit specifically designed for use in manufacturing, compounding, converting, producing, processing, or preparing a controlled substance;
- (8) A device, commonly known as a cocaine kit, that is specifically designed for use in ingesting, inhaling, or otherwise introducing a controlled substance into the human body, and which consists of at least a razor blade and a mirror;
- (9) A device, commonly known as a bullet, that is specifically designed to deliver a measured amount of a controlled substance to the user;
- (10) A device, commonly known as a snorter, that is specifically designed to carry a small amount of a controlled substance to the user's nose;
- (11) A device, commonly known as an automotive safe, that is specifically designed to carry and conceal a controlled substance in an automobile, including, but not limited to, a can used for brake fluid, oil, or carburetor cleaner which contains a compartment for carrying and concealing a controlled substance;
- (12) A spoon, with or without a chain attached, that has a small diameter bowl and that is specifically designed for use in ingesting, inhaling, or otherwise introducing a controlled substance into the human body;
- (13) A blender, bowl, container, spoon or mixing device used, intended for use, or designed for use in compounding a controlled substance;
- (14) A capsule, balloon, envelope or other container used, intended for use, or designed for use in packaging small quantities of a controlled substance;
- (15) A container and other objects used, intended for use, or designed for use in storing or concealing a controlled substance; and
- (16) A hypodermic syringe, needle and other instrument or implement adapted, for the use of any controlled substance by subcutaneous injection or intracutaneous injection, or any other manner or method of introduction into the human body.
- (17) Marihuana Accessories, defined as any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marihuana into the human body.**

- (B) In determining whether an object is drug paraphernalia, a court or other authority may consider, in addition to all other logically relevant factors, the following:**
- (1) Statements by an owner or anyone in control of the object concerning its use;**
 - (2) The proximity of the object, in time and space, to a direct violation of laws and ordinances relating to controlled substances;**
 - (3) The proximity of the object to controlled substances;**
 - (4) The existence of any residue of controlled substances on the object;**
 - (5) Advertisements, instructions or other descriptive material which explain or depict the use of the object;**
 - (6) Expert testimony concerning its use.**
- (C) Possession of drug paraphernalia prohibited. It shall be unlawful for any person to use, or to possess with intent to use, any drug paraphernalia for planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body, a controlled substance. This prohibition shall include the possession of marihuana accessories on the grounds of a public or private school where children attend classes in preschool programs, or grades 1 through 12, in a school bus, or on the grounds of any correctional facility, including juvenile detention facility property.**
- (D) Manufacture, delivery or sale of drug paraphernalia prohibited. It shall be unlawful for any person to manufacture with intent to deliver or to sell, to possess with intent to deliver or to sell, to deliver, or to sell, any drug paraphernalia for planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body, a controlled substance.**
- (E) Advertisement of drug paraphernalia prohibited. It is unlawful for any person to place any advertisement in any newspaper, magazine, handbill, sign, poster, or other publication knowing that the purpose of such advertisement, in whole or in part, is to promote the sale of objects designed or intended for use as drug paraphernalia. This section shall not apply to advertisements for marihuana accessories.**

(F) Exceptions. This section shall not apply to the following:

- (1) Manufacturers, jobbers, licensed medical technicians technologists, nurses, hospitals, research teaching institutions, clinical laboratories, medical doctors, osteopathic physicians, dentists, chiropractors, veterinarians, pharmacists and embalmers in the normal legal course of their respective business or profession, nor to persons suffering from diabetes, asthma or any other medical condition requiring self-injection;**
- (2) Persons 21 years or older who possess, use, manufacture or purchase marijuana accessories except as provided in subsection (C) above;**
- (3) Distribution and sale of marijuana accessories to persons 21 years or older;**
- (4) The providing of marijuana accessories to registered qualifying patients or registered qualifying caregivers for purposes of a qualifying patient's medical use of marijuana under the Michigan Medical Marijuana Act;**
- (5) Possession or use of marijuana accessories by registered qualifying patient for the purpose of the qualifying patient's use of marijuana;**
- (6) A person acting as an agent of a marijuana retailer or marijuana accessory retailer who sells or otherwise transfers marijuana accessories to a person under 21 years of age, if the person reasonably verified that the recipient appeared to be 21 years of age or older by means of government issued photographic identification containing a date of birth, and the person complied with any rules promulgated pursuant to the Michigan Regulation and Taxation of Marijuana Act.**

(G) Civil forfeiture. Any drug paraphernalia used, sold, possessed with intent to use or sell, or manufactured with intent sell in violation of this section shall be seized and forfeited to the city.

(H) Penalties.

- (1) Except as otherwise provided herein, any person who shall be convicted of violating any of the provisions of this section shall be deemed guilty of a misdemeanor and shall be punished by a fine not to exceed \$500, or by imprisonment not to exceed 90 days, or by both in the discretion of the court.**
- (2) Any person who violates this section and the violation relates to marijuana accessories shall be responsible for a municipal civil**

infraction and may be punished by a fine of not more than \$100 and forfeiture of the marihuana accessories.

- (3) Each day a violation continues shall be considered a separate offense and may be punished accordingly.**

(Ord. 08-06, passed 5-19-2008; Ord. 19-03, passed 5-20-2019)

Statutory reference:

Paraphernalia, see MCL 333.7451

Paraphernalia sales, see MCL 333.7453

Possession/Use on school property, see MCL 333.27951 et seq

Exceptions, see MCL 333.7457 and MCL 333.27951 et seq

REPEALER

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect, and the City of Marshall City Code shall remain in full force and effect, amended only as specified above.

SEVERABILITY

If any section, clause or provision of this Ordinance shall be declared to be unconstitutional, void or illegal by any Court of competent jurisdiction, such section, clause or provision shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

ENACTMENT

This ordinance is declared to have been enacted by the City Council of the City of Marshall at a meeting called and held on the 20th day of May, 2019, and ordered to be given publication in the manner prescribed by law.

AYES: Gates, McNeil, Metzger, Underhill, and Wolfersberger.

NAYES: None.

ABSTENTIONS: None.

Mayor

STATE OF MICHIGAN

COUNTY OF CALHOUN

I, Trisha Nelson, the undersigned, the qualified and acting City Clerk of the City of Marshall, Calhoun County, Michigan, do certify that the foregoing is a true and complete copy of the ordinance adopted by the City Council of the City of Marshall at a meeting called and held on the 20th day of May , 2019, the original of which is on file in my office.

Clerk

Adopted: May 20, 2019

Published: May 25, 2019

OLD BUSINESS

None.

REPORTS AND RECOMMENDATIONS

A. Marihuana Related Offenses Schedule of Fines Resolution:

Moved Wolfersberger, supported Gates, to adopt the resolution for the approval of the proposed Municipal City Infraction Fines Schedule for Marihuana Related Offenses. license. On a roll call vote – ayes: Gates, McNeil, Metzger, Underhill, and Wolfersberger; nays: none. **MOTION CARRIED.**

**CITY OF MARSHALL, MICHIGAN
RESOLUTION #2019-17**

**RESOLUTION AUTHORIZING SCHEDULE OF CIVIL FINES, PAYABLE TO THE
MARSHALL MUNICIPAL ORDINANCE VIOLATION BUREAU FOR ADMISSIONS
OF RESPONSIBILITY BY PERSONS SERVED WITH MUNICIPAL CIVIL
INFRACTION VIOLATION NOTICES
MARIHUANA RELATED OFFENSES**

At a regular meeting of the City Council of the City of Marshall, Michigan, held in the Council Chambers, Town Hall located at 323 W. Michigan Avenue, Marshall, Michigan, on the 20th day of May, 2019 at 7 p.m.

PRESENT: Gates, McNeil, Metzger, Underhill, and Wolfersberger.

ABSENT: Caron and Traver.

MOTION BY: Wolfersberger

SUPPORTED BY: Gates

WHEREAS, on November 6, 2018, Michigan voters approved Proposal 1, creating the Michigan Regulation and Taxation of Marihuana Act, codified in MCL 333.26421 et seq; and

WHEREAS, on May 20, 2019, 2019, City Council passed Ordinance #2019-03, amending Sections 137.04 and 137.05 of the Code of Ordinances to conform the sections to the requirements of the Michigan Regulation and Taxation of Marihuana Act; and

WHEREAS, Sections 137.04 and 137.05 now provide that certain prohibited conduct shall be considered Municipal Civil Infractions; and

WHEREAS, Chapter 35 of the Code of Ordinances authorizes City Council to establish by resolution the schedule of civil fines applicable to Municipal Civil Infractions processed through the Municipal Ordinance Violations Bureau;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marshall establishes the following schedule of fines for certain conduct declared to be Municipal Civil Infractions under Sections 137.04 and 137.05 of the Code of Ordinances:

<u>Section</u>	<u>Violation</u>	<u>Fine Amount</u>
137.04(C)3)c	Possession/Cultivation Minor 18+	\$100
137.04(C)3)d	Possession/Cultivation Minor 18+	\$500
	Second or Subsequent Offense	
137.04(C)4)	Possession/Cultivation/Delivery without remuneration/Possession	\$500
	with intent to deliver Minor/Not more than twice the amount	\$500
137.04(C)4)	Possession/Cultivation/Delivery without remuneration/Possession with intent to deliver Minor/Not more than twice the amount/Second or subsequent offense	\$1000
137.04(E)4)	Using/Consuming in a public place	\$100
137.04(G)1)	Cultivation/ Place visible to public	\$100
137.04(G)2)	Cultivation /Unsecured location	\$100
137.04(G)3)	Possession > 2.5 ounces in residence Unsecured location	\$100
137.04(G)4)	Possession/Consumption/Purchase/Transport Process/Deliver without remuneration Excess concentrate	\$100
137.04(G)5)	Deliver without remuneration with	\$100

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
286202	AD-VISOR & CHRONICLE	MAY ADS		1,597.65
9962139523	AIRGAS USA LLC	WELDING GASES CYLINDER RENTAL		138.99
10080699	ALEXANDER CHEMICAL COR	BLANKET PO FOR TREATMENT CHEMICALS	2019.271	1,104.75
10080700	ALEXANDER CHEMICAL COR	CHLORINE, FLUORIDE & PERMANGANATE WTP	2019.272	2,695.70
4529	ALL RELIABLE SERVICES	LINE CLEARANCE TREE TRIMMING FOR JAN 201	2019.213	4,174.68
4543	ALL RELIABLE SERVICES	LINE CLEARANCE TREE TRIMMING FOR JAN 201	2019.213	3,515.52
4487 REVISED	ALL RELIABLE SERVICES	LINE CLEARANCE TREE TRIMMING FOR JAN 201	2019.213	811.68
4525	ALL RELIABLE SERVICES	LINE CLEARANCE TREE TRIMMING FOR JAN 201	2019.213	4,166.56
89768	ALL-TRONICS INC	QUARTERLY FIRE ALARM MONITORING		81.00
9320	ASPEN WIRELESS	TECH SUPPORT FOR FIBERNET. \$8.75/CUSTOM	2019.218	8,522.50
02250447233	AUTO VALUE MARSHALL	110 WW - OIL FILTER		6.45
02250447215	AUTO VALUE MARSHALL	RED TRAILER		19.48
02250447223	AUTO VALUE MARSHALL	RED TRAILER 802- HOPPY LITEMATE		44.19
02250447191	AUTO VALUE MARSHALL	120- BATTERY CABLES		33.99
02250447283	AUTO VALUE MARSHALL	AIR/HOSE REEL		28.79
02250447284	AUTO VALUE MARSHALL	LED WORK LAMP/ BAGGED LUG NUTS		99.65
02250447495	AUTO VALUE MARSHALL	120- RUST FIX, OIL FILTER, STORAGE BOX,		54.13
02250446836	AUTO VALUE MARSHALL	31 BATTERY 950 CCA/ 12V 100CCA		948.45
02250447642	AUTO VALUE MARSHALL	BULK COUPLER		15.98
02250445514	AUTO VALUE MARSHALL	MAX POWER CAR WA		7.99
02250445406	AUTO VALUE MARSHALL	MICRO TOWEL/ 14OZ EP GREASE		57.19
02250445080	AUTO VALUE MARSHALL	HITCH BALL RETURN		(8.99)
02250447342	AUTO VALUE MARSHALL	MOUNTING - 120		10.43
02250447364	AUTO VALUE MARSHALL	HOSE END/ FLEXZILLA		50.14
02250447460	AUTO VALUE MARSHALL	NEW CLIMATE- WW		162.99
02250447432	AUTO VALUE MARSHALL	PK 5 RECIP BLD/ MARINE GREASE - 320		36.28
02250447762	AUTO VALUE MARSHALL	PLASTIC WELD		4.29
02250447850	AUTO VALUE MARSHALL	BATTERY TERMINAL		7.90
100174999	BALTIC NETWORKS USA	MIKROTIK HAP AC GIGABIT DUAL BAND- INTER	2019.347	8,334.76
P15105487	BATTERIES PLUS BULBS	FLO10392		137.40
286718	BATTLE CREEK SHOPPER N DIAL- A - RIDE AD			113.40
6122019	BAUCKHAM, SPARKS, SEEB	INVOICES 2241, 2264, 2265		2,922.50
0154884	BELL EQUIPMENT COMPANY	AIR SOLENOID VALVE		252.28
3218397	BESCO WATER TREATMENT	SERVICE CALL		108.95
6112019	BONNIE'S TAILORING	UNIFORM TAILORING		15.00
83232738	BOUND TREE MEDICAL LLC	SOOT REMOVAL WIPES		569.89
83224736	BOUND TREE MEDICAL LLC	SPARE BATTERY PROTECTOR CASE FOR QUICKDR		2.78
83206878	BOUND TREE MEDICAL LLC	RIG SUPPLIES		691.20
222	CITY OF BATTLE CREEK	SWAT SCHOOL		350.00
9995	COURTNEY & ASSOCIATES	MONTHLY RETAINER		250.00
99376	CRT, INC	ELITE DESK MINI		91.00
71580865	CRYSTAL FLASH MARSHALL	GENERATOR FUEL		494.71
71570751	CRYSTAL FLASH MARSHALL	GAS		694.16
153025	D & D MAINTENANCE SUPP	GOJO LUXERY FOAM		59.60
153146	D & D MAINTENANCE SUPP	JANITORIAL		366.07
153185	D & D MAINTENANCE SUPP	AURORA GERMICIDAL DETERGENT		76.60
101249	D & D MAINTENANCE SUPP	ECLIPSE NEUTRAL CLEANER		49.32
548220	DARLING ACE HARDWARE	BATTERY FOR LOCATOR		15.99
548773	DARLING ACE HARDWARE	HITCH PINS		6.59
548666	DARLING ACE HARDWARE	PHONE/CABLE WALL PLATE		12.25
548417	DARLING ACE HARDWARE	WALLPLATE/ TUBE		8.98
548691	DARLING ACE HARDWARE	NOZZLE GUN		11.99
547666	DARLING ACE HARDWARE	ELBOW/ FLUE TAPE HI - TEMP		15.98
549465	DARLING ACE HARDWARE	NUTS AND BOLTS		3.98
549074	DARLING ACE HARDWARE	NUTS/ BOLTS/HOLE SAW/DRILL BIT		15.15
549053	DARLING ACE HARDWARE	NUTS AND BOLTS		0.80
549078	DARLING ACE HARDWARE	WIRE STRIPPER/ CABLE TIES/ BASE MOUNT		35.56
549149	DARLING ACE HARDWARE	OUTLET STRIP/SURGE PROTECTOR		40.17
549148	DARLING ACE HARDWARE	FLEXSEAL		25.98
548705	DARLING ACE HARDWARE	GAS CAN		33.99
548829	DARLING ACE HARDWARE	WEED KILLER		24.57
548962	DARLING ACE HARDWARE	PIPE FITTINGS		11.37
548923	DARLING ACE HARDWARE	LP GAS/PADLOCK/NYLON TWINE		29.74
548930	DARLING ACE HARDWARE	CHLORINE TABS		129.98
3756	DAVIS CONSTRUCTION INC	REPAIRS TO S MARSHALL AVE BRIDGE @ RICE	2019.342	178,775.00
82-0555112	DEAF AND HARD OF HEARI	INTERPRETER		279.66
2468	DEWOLF AND ASSOCIATES	FTO UPDATE		255.00
INV44051	DORNBOS SIGN INC	ST-NS-MARSHALL 30X6 EXT		33.05
44688	DOUGLASS SAFETY SYSTEM	FIRE SUPPRESSION AGENT		1,077.16
1-6YXZXP	ENVIRONMENTAL RESOURCE	INORGANICS		174.10
I102630	ERIC DALE HEATING & AI	SERVICE CALL - CITY HALL		190.00
I102730	ERIC DALE HEATING & AI	SERVICE CALL CITY HALL		281.00
S103080305.001	ETNA SUPPLY	PVC GASKETED PIPE		1,095.26
145274A	EVIDENT INC	SECURITY TIES		41.65
74522	FERGUSON WATERWORKS #3	DRINKING FOUNTAIN PARTS		480.00
6102019CARVER	FIVE STAR UNDERGROUND	.SPRINKLER START UP - CARVER PARK		100.00
6102019WESTMEDIANS	FIVE STAR UNDERGROUND	.SPRINKLER START UP WEST MEDIANS		75.00
6102019FOUNTAIN	FIVE STAR UNDERGROUND	.SPRINKLER START UP - FOUNTAIN		98.00
6102019DOWNTOWN	FIVE STAR UNDERGROUND	.SPRINKLER START UP - DOWNTOWN		218.00

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
W01649468	1000BULBS	70 WATT - HIGH PRESSURE BULBS		38.97
4514	ALL RELIABLE SERVICES	LINE CLEARANCE TREE TRIMMING FOR JAN 201 2019.213		3,652.85
4247068-00	ANIXTER	METER		255.00
388081	ARIES INDUSTRIES INC.	SPROCKET		60.88
387963	ARIES INDUSTRIES INC.	CHAIN LINK/SPROCKET/SPACER		283.65
9296	ASPEN WIRELESS	TECH SUPPORT FOR FIBERNET. \$8.75/CUSTOM 2019.218		8,286.25
02250446894	AUTO VALUE MARSHALL	RETURN 6 BATTERY CORES		(162.00)
02250446856	AUTO VALUE MARSHALL	COUPLING/TEE		9.70
02250446782	AUTO VALUE MARSHALL	BRAKE GREASE/ THREADLOCKER		38.78
02250446746	AUTO VALUE MARSHALL	BLACK SILICON		5.19
02250446985	AUTO VALUE MARSHALL	DIELECTRIC GREASE		8.89
02250446830	AUTO VALUE MARSHALL	FOAMY BRITE		30.03
02250446919	AUTO VALUE MARSHALL	C- CLAMPS		19.28
02250446588	AUTO VALUE MARSHALL	5 GAL PAIL PUMP		36.39
02250446589	AUTO VALUE MARSHALL	ECONO FAST/ MIX CUP		40.25
02250446473	AUTO VALUE MARSHALL	WASHER SOLVENT		49.50
02250446453	AUTO VALUE MARSHALL	303/304 OIL FILTERS		13.60
P14814823	BATTERIES PLUS BULBS	BATTERY - 650VA 120V 1 USB		67.95
0154166	BELL EQUIPMENT COMPANY 414 -	SPRAY NOZZLE/WATER PUMP/DIRT SHOE		702.11
0154106	BELL EQUIPMENT COMPANY 414 -	DRAWBAR		39.78
BLU-9424	BLU FISH CONSULTING, L	FIBERNET TRIFOLD BROCHURE (LAYOUT, DESIG 2019.349		2,077.01
126400	BOSHEARS FORD SALES IN	WRAP REMOVE		200.00
301012954	BSN SPORTS	DRY LINE MARKER/ RAKE/ STEEL DRAG		421.19
19028	CARL COMMUNICATIONS	INSTALLED WIRE & JACK		100.00
SDH7344	CDW-G GOVERNMENT	SEAGATE 4TB BACKUP PLUS		98.99
SFD5958	CDW-G GOVERNMENT	SEAGATE 2TB		382.44
93829	CHAPMAN'S NURSERY & LAM	A.C.C. EVENT SUPPLIES		1,148.93
S0017444	COBAN TECHNOLOGIES	BODY CAMERAS	2019.339	1,530.00
6113	CONSTANTINE TURF FARM	700 SQ FT TURF		147.00
71602062	CRYSTAL FLASH MARSHALL	FUEL		604.35
547511	DARLING ACE HARDWARE	PAINT AND SUPPLIES		219.36
546996	DARLING ACE HARDWARE	NUTS AND BOLTS		4.50
547244	DARLING ACE HARDWARE	CONNECTOR CLAMP/ SEAL KNOCKOUT		5.95
547897	DARLING ACE HARDWARE	SWITCH GRND		1.39
548122	DARLING ACE HARDWARE	PAINTBRUSHS		41.15
547966	DARLING ACE HARDWARE	NUTS & BOLTS/ DROP CLOTHE		13.78
548341	DARLING ACE HARDWARE	LAWN MOWER PARTS		19.98
547555	DARLING ACE HARDWARE	HOLE SAW		7.59
547215	DARLING ACE HARDWARE	HI VIZ GLOVES		14.99
547864	DARLING ACE HARDWARE	WALL PLATE/ WASHERS		3.95
548051	DARLING ACE HARDWARE	ANT BAIT/ LITHIUM GREASE		11.58
548229	DARLING ACE HARDWARE	SOCKET KEY		5.99
548202	DARLING ACE HARDWARE	WRENCH SET/HEX KEY/PLIERS		106.97
548026	DARLING ACE HARDWARE	HTH CHLOR TABS		64.99
548178	DARLING ACE HARDWARE	LP GAS		15.08
547867	DARLING ACE HARDWARE	CONN WIRE/ FLASHLIGHT BATTERIES		19.38
547896	DARLING ACE HARDWARE	TRIMMER FUEL		13.98
545503	DARLING ACE HARDWARE	PIPE FITTINGS		27.27
546157	DARLING ACE HARDWARE	HOLE SAW/RESPIRATOR/TELEPHONE PLATE		25.30
544032	DARLING ACE HARDWARE	DRILL BITS/ VELCRO		34.93
546532	DARLING ACE HARDWARE	ADAPTER/HOSE CLAMP		4.37
546176	DARLING ACE HARDWARE	ELBOW INSERT/TEE INSERT/HOSE CLAMP		4.97
546526	DARLING ACE HARDWARE	ADAPTER/TEE INSERT		0.20
543900	DARLING ACE HARDWARE	NUTS & BOLTS		2.00
900074	ENVIRONMENTAL RESOURCE	LAB SUPPLIES		174.10
I102606	ERIC DALE HEATING & A	HVAC SERVICE CALL		155.00
93638302	ESRI INC	ARC GIS MAINTENANCE FOR 7/28/19 TO 7/27/2019.345		3,900.00
S103073544.001	ETNA SUPPLY	DOMINOS		149.30
MIBAT275889	FASTENAL COMPANY	PAPER TOWELS		79.30
W5189.2	FERGUSON WATERWORKS #3	PWERSEAL CLAMP		290.36
FS190515731102	FS.COM INC	10MW VISUAL FAULT LOCATOR- PEN STYLE. OR 2019.335		37.90
9309775199	GRAYBAR ELECTRIC	MULE TAPE		249.53
9310083441	GRAYBAR ELECTRIC	QUOTE#0232692891 COMMSCOPE TRAYS, SLIC 2019.330		1,734.88
81558	HERMANS MARSHALL HARDW.	PULL HANDLES/HASPS/SUPPLY LINE		28.25
81561	HERMANS MARSHALL HARDW.	14X20 GLASS		77.39
80983	HERMANS MARSHALL HARDW.	HASP/SCREWS/BAR & CHAIN OIL		57.25
81549	HERMANS MARSHALL HARDW.	SCOTT RAGS/GLOVES		6.98
81532	HERMANS MARSHALL HARDW.	LAQ. THINER/ SCRAPER		9.48
81531	HERMANS MARSHALL HARDW.	REMOVER/RAGS		13.78
81785	HERMANS MARSHALL HARDW.	3/8X16, 6 IN 1 SCREW DRIVER		43.97
81904	HERMANS MARSHALL HARDW.	SILICONE		11.98
M27161	IMPACT SOLUTIONS	UTILITY STOCK		15.00
M27167	IMPACT SOLUTIONS	PURCHASE ORDER PAPER		171.90
5172019	ISAAC & SONS	APT 425		85.00
5162019	ISAAC & SONS	SEMI ANNUAL COMMON AREA CARPET CLEANING 2019.341		2,080.00
11729	J AND K PLUMBING SUPPL	FLANGE		91.08
3040992	J.C. EHRLICH	PEST CONTROL TREATMENT		224.67
2920203	J.C. EHRLICH	PEST CONTROL		69.00
4424	K DRIVE GREENHOUSE CO.	PLANTER FLOWERS		668.76

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
10950	KELLOGGS REPAIR	LAWN MOWER HANDLE		33.31
7116755	KIMBALL MIDWEST	SHOP SUPPLIES		117.81
01052068	LEGG LUMBER	1X2-24 WOOD STAKES		27.38
01052079	LEGG LUMBER	2X8X20 & 2X6X16		81.54
01051892	LEGG LUMBER	WHITE ALUM. SOLID SOFFITT		17.99
357685	LYNN PEAVEY COMPANY	ORNG BIO KIT TYVEK		108.50
S4514537.001	MEDLER ELECTRIC COMPAN	CONDUIT		156.26
S4514537.002	MEDLER ELECTRIC COMPAN	CAP		50.70
5282019	MICHIGAN DEPT OF TRANS	MARSHALL AVE BRIDGE MATCH FUNDS	2018.217	37,570.26
19-87766C	MILLENNIUM	12 COUNT FIBER, WALL BOXES, HAND HOLDS-	2019.329	488.68
19-87766-1	MILLENNIUM	12 COUNT FIBER, WALL BOXES, HAND HOLDS-	2019.329	545.43
19-87862-1	MILLENNIUM	HANGERS		56.05
19-87709-1	MILLENNIUM	U GUARD		124.46
19-86817-2	MILLENNIUM	DROP CABLE STORAGE		864.01
19-87982A	MILLENNIUM	PULL TAPE		493.43
91970660	MSC INDUSTRIAL SUPPLY	SAFETY GLASSES		113.88
1346145	OFFICE 360	KEY TAG RACK/FOLDERS		19.11
1346905	OFFICE 360	DRIVE 8GB SWVL USB3PK		23.77
1348770	OFFICE 360	PENS & PENCILS		31.54
1343672	OFFICE 360	FILE		5.55
1349640	OFFICE 360	PAPER ROLLS		24.77
1350539	OFFICE 360	SOAP		45.89
1951	PALM TEES	BASEBALL/SOFTBALL/STAFF/UMPIRE/FLAG FOOT		1,474.00
6671531-00	POWER & TELEPHONE SUPP	COMMSCOPE DROP CABLES	2019.311	2,925.12
56367396	POWER & TELEPHONE SUPP	FLEX CLIPS		44.97
6684805-00	POWER & TELEPHONE SUPP	FLEX CLIPS		44.97
56367345	POWER LINE SUPPLY	RED METER SEALS		488.64
56365111	POWER LINE SUPPLY	MATERIALS FOR CTN PROJECT - ORDER#12333	2019.305	1,483.23
56367396	POWER LINE SUPPLY	WR989 CONNECTOR		984.60
27227	POWERDMS	ANNUAL SUBSCRIPTION - CHIEF OF POLICE AC	2019.338	1,924.25
744806-00	RESCO	#795 ACSR 26/7 DRAKE ALUMINUM CONDUCTOR	2019.298	52,360.00
745413-01	RESCO	UTILITY POLE ORDER FOR CTN PROJECT. RES	2019.304	13,665.00
05492-533122	SAFELITE FULFILLMENT,	133 - WINDSHIELD REPAIR		367.97
792358	SD MYERS LLC	OIL SAMPLING		674.00
19-0416-NDR	SERVICEMASTER OF KALAM.	PREPERATION FOR BED BUG TREATMENT		470.00
1074	SKYBLADE FAN COMPANY	REPAIR FAN BLADE GEARBOX	2019.324	499.53
1378259	SUMMIT COMPANIES	FIRE EXTINGUISHER MAINTENANCE - DART		95.00
1378255	SUMMIT COMPANIES	FIRE EXTINGUISHER MAINTENANCE - GARAGE		210.00
1372957	SUMMIT COMPANIES	FIRE EXTINGUISHER MAINTENANCE - POWER HO		419.18
3137311	TITAN AVIATION FUELS	100LL AVGAS FOR BROOKS AIRPORT	2019.337	24,343.88
154 0060393	UNIFIRST CORPORATION	DPW GARAGE UNIFORMS		59.57
154 0060394	UNIFIRST CORPORATION	ELECTRIC UNIFORMS		168.86
154 0059761	UNIFIRST CORPORATION	DPW GARAGE UNIFORMS		59.95
154 0059762	UNIFIRST CORPORATION	ELECTRIC UNIFORMS		168.86
154 0060396	UNIFIRST CORPORATION	WATER UNIFORMS		34.82
154 0060397	UNIFIRST CORPORATION	MARSHALL HOUSE UNIFORMS		39.88
154 0060395	UNIFIRST CORPORATION	POWER HOUSE UNIFORMS		52.87
154 0060392	UNIFIRST CORPORATION	WASTE WATER UNIFORMS		31.45
154 0059760	UNIFIRST CORPORATION	WASTE WATER UNIFORMS		31.45
154 0059764	UNIFIRST CORPORATION	WATER UNIFORMS		34.82
154 0059765	UNIFIRST CORPORATION	MARSHALL HOUSE UNIFORMS		39.88
154 0059763	UNIFIRST CORPORATION	POWER HOUSE UNIFORMS		52.87
P71683	VERMEER OF MICHIGAN, I	PULL BLADE WLDT		283.40
015279	WESCO DISTRIBUTION INC	DROP WIRE CLAMP		690.00
GRAND TOTAL:				176,504.81

APPROVAL LIST FOR CITY OF MARSHALL
 EXP CHECK RUN DATES 05/17/2019 - 05/17/2019
 UNJOURNALIZED
 OPEN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
05/16/2019	ASHGROVE APARTMENTS MA	UB refund for account: 3200840039		5.51
269789901105	AT&T MOBILITY	ACCT 26978990115991		140.90
269781981505	AT&T MOBILITY	ACCT 26978198152670		5,758.23
269781444705	AT&T MOBILITY	ACCT 26978144477494		419.18
269781907005	AT&T MOBILITY	ACCT 26978190705731		107.75
123207	B S & A SOFTWARE	ANNUAL SERVICE/SUPPORT MAY 1 2019 - MAY 2019	340	4,047.00
5152019	CHALLENGER TECHNOLOGIE	FIBERNET PHASE VI UNDERGROUND CONSTRUCTI	2019.127	20,000.00
5162019	CHEMICAL BANK SOUTH	HSA ACCT 2551012285 CHERYL VOSBURG		900.00
5162019	CITY OF MARSHALL	JON SKILES LUNCH REIMBURSMENT - PETTY CA		14.40
72145299	CNA SURETY DIRECT BILL	MI LIQUOR EVENT BOND PAYMENT		50.00
203230547676	CONSUMERS ENERGY	ACCT 100009163435 - CITY HALL		290.17
206878904860	CONSUMERS ENERGY	ACCT 103015800248		307.44
204298453536	CONSUMERS ENERGY	ACCT 103018521130		1,737.34
05/15/2019	DALY, LAUREN	UB refund for account: 2900450036		35.89
5162019	EARTHLINK BUSINESS	ACCT 7018274 - TELEPHONE MH/AIRPORT		70.88
9190121	FREIGHTLINER OF GRAND	ICMAQ-CAB+CHASSIS ONLY	2019.333	80,560.00
20210695	GUARDIAN ALARM	ALARM MONITORING FOR CITY HALL AND MRLEC	2019.336	2,317.80
05/15/2019	HASKIN, KELLY	UB refund for account: 3005920036		86.81
76231	HAWLEY, BRADLEY	BOOT ALLOWANCE REIMBURSMENT		287.10
3482655	IIX INSURANCE INFORMAT	MOTOR VEHICLE REPORTS		170.70
13247C11831	MARSHALL MEDICAL ASSOC	DRUG SCREEN - PEGG, MELINDA/FULLER, KYLE		114.00
200010723	MI-AWWA	DISTRIBUTION SHORT COURSE	2019.280	355.00
20010722	MI-AWWA	LIMITED TREATMENT SHORT COURSE	2019.279	355.00
6419205	MICHIGAN MUNICIPAL LEA	WORKER'S COMP POLICY PREMIUM		103,792.00
5152019	MICHIGAN SOUTH CENTRAL	APRIL NATURAL GAS		1,454.32
05/16/2019	MTH MANAGEMENT	UB refund for account: 2104260013		69.59
5162019	MUSSER, TIM	TRAVEL REIMBURSMENT		64.77
15907	MWEA	MEMBERSHIP - MARK STRAND		75.00
15854	MWEA	MEMBERSHIP - CHAD HAZEL		75.00
5162019	NASH, WILL	ICS 400 TRAINING MEAL REIMBURSMENT		20.89
5162019	POTTER, MATTHEW	TRAVEL REIMBURSMENT		9.64
05/15/2019	QUERBACH, CHARLES	UB refund for account: 3200140015		46.50
5162019	SEARS, THERESA	MI-NAHRO SPRING CONF. TRAVEL REIMBURSMEN		92.84
5142019	SEARS, THERESA	MHDA SPRING CONFERENCE TRAVEL REIMBURSME		320.58
166484	TELNET WORLDWIDE	PHONE SYSTEM		1,864.21
GRAND TOTAL:				226,016.44

APPROVAL LIST FOR CITY OF MARSHALL
 EXP CHECK RUN DATES 05/24/2019 - 05/24/2019
 UNJOURNALIZED
 OPEN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
X05142019	AT&T MOBILITY	ACCT 287290494544-SCADA SYSTEM		40.00
5222019	BURGHDORF, CODY	WORK WEAR REIMBURSEMENT		25.61
5222019	CHEMICAL BANK SOUTH	HSA ACCT# 5397760096 ALFONZO GARZA		600.00
05/21/2019	COLE, AMY	UB refund for account: 3204660025		60.57
201006097178	CONSUMERS ENERGY	ACCT 100009163971 - GARAGE		208.02
201183783820	CONSUMERS ENERGY	ACCT 103009157670		26.32
201806661662	CONSUMERS ENERGY	ACCT 100007594680		88.82
206789981880	CONSUMERS ENERGY	ACCT 100067101772		40.98
206700989059	CONSUMERS ENERGY	ACCT 100009163203		76.71
205366353763	CONSUMERS ENERGY	ACCT 100000335602		1,845.80
5232019	DOPP, WILLIAM & LINDSE	TRAVEL REIMBURSEMENT - ADVANCED INSTITUT		88.94
05/22/2019	JUSTIN ZANOTTI ADVANCE	UB refund for account: 619		150.00
5222019SMC	MARSHALL COMMUNITY CU	CITY CREDIT CARD - SCOTT MCDONALD		127.77
5222019JS	MARSHALL COMMUNITY CU	CITY CREDIT CARD - JIM SCHWARTZ		294.75
5222019JB	MARSHALL COMMUNITY CU	CITY CREDIT CARD - JON BARTLETT		50.00
5222019COM	MARSHALL COMMUNITY CU	CITY CREDIT CARD - CITY OF MARSHALL		432.90
5222019 CP	MARSHALL COMMUNITY CU	CITY CREDIT CARD - CHRISTY RAMEY		793.41
5222019JM	MARSHALL COMMUNITY CU	CITY CREDIT CARD - JUSTIN MILLER/REC		1,218.95
5222019TT	MARSHALL COMMUNITY CU	CITY CREDIT CARD - TOM T.		167.90
5222019TS	MARSHALL COMMUNITY CU	CITY CREDIT CARD - TRISHA SEARS		907.48
5222019	MCKIVER, JUNE	RESIDENT DEPOSIT REFUND		621.00
INV-20382	MICHIGAN TECHNOLOGICAL	PASER TRAINING		20.00
05/21/2019	MIMA SPRUCE MHP LLC	UB refund for account: 3101280011		59.33
05/21/2019	MIMA SPRUCE MHP LLC	UB refund for account: 3101730003		55.28
5222019	SCHULTZ, MICHELLE	REFUND - FLAG FOOTBALL PROGRAM CANCELLED		52.00
5222019	WALLING, ROBIN	MI HOUS. DIRECT. ASSOC. SPRING CONF. - R		22.74
05/21/2019	WEST, ROGER	UB refund for account: 2100220003		4.02
05/21/2019	WHITEMAN, SAMANTHA	UB refund for account: 3006000028		74.78
05/22/2019	WYCIHOWSKI, MARK & MAR	UB refund for account: 1602080006		23.75
1598845	XEROX FINANCIAL SERVIC	MONTHLY LEASE PMT - APRIL		1,382.18
GRAND TOTAL:				9,560.01

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
5/29/2019	AT&T MOBILITY	ACCT 145970911		85.74
11102018CR	AUTO VALUE MARSHALL	DUPLICATE PAYMENT		(57.00)
02250444204CR	AUTO VALUE MARSHALL	DUPLICATE PAYMENT		(329.95)
02250444077CR	AUTO VALUE MARSHALL	DUPLICATE PAYMENT		(71.28)
02250443537CR	AUTO VALUE MARSHALL	DUPLICATE PAYMENT		(1.69)
02250444653CR	AUTO VALUE MARSHALL	DUPLICATE PAYMENT		(10.99)
05/29/2019	BERKSHIRE HATHAWAY HO	UB refund for account: 3103820002		70.78
5282019	BRODIE, DAWN	MARSHALL HOUSE RESIDENT DEPOSIT REFUND		170.00
315113519034228	CAPITAL ONE COMMERCIA	ACCT 6004300499005848		27.54
315113619028232	CAPITAL ONE COMMERCIA	ACCT 6004300499005848		12.34
5292019	CHEMICAL BANK SOUTH	HSA ACCT 2550994491 TOM FITZPATRICK		900.00
201539696915	CONSUMERS ENERGY	ACCT 100072243312		194.86
205544332197	CONSUMERS ENERGY	ACCT 100009163708		44.43
204743421205	CONSUMERS ENERGY	ACCT 103018520884		59.43
206700999887	CONSUMERS ENERGY	ACCT 103013521119		15.61
4/26-5/25	GROSS, JOHN	INSPECTIONS 4/26-5/25		630.00
05/29/2019	JEFF GETTYS	UB refund for account: 1479		50.00
5302019	JINKS, DAN	LETTERING ON METER READER VESTS REIMBUR		8.00
5302019ER	MARSHALL COMMUNITY CU	CITY CREDIT CARD - ED RICE		149.95
300004283	MICHIGAN ASSOC. OF CH	MEMBERSHIP - SCOTT MCDONALD		100.00
05/29/2019	PENFIELD, ALYSSA & CO	UB refund for account: 3202700030		14.00
4/26-5/25	SCOTT, DOUGLAS	INSPECTIONS 4/26-5/25		360.00
GRAND TOTAL:				2,421.77

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
06/05/2019	ANDERSON, BRAD	UB refund for account: 1401990015		48.96
6052019	BABCOCK, CLIF	FARMERS MARKET ENTERTAINMENT		50.00
06/05/2019	BAIER, JESSICA	UB refund for account: 502000029		151.53
19-555,19-561,19-567,19-573	CALHOUN COUNTY TREASURER	CHARGE BACK 19-555,19-561, 19-567, 19-63		532.94
47378	CENTEC CAST METAL PROD'NO	18 US FLAG		261.47
6062019	CHEMICAL BANK SOUTH	HSA DEPOSIT ACCT # 2550998476	CHRISTY R	900.00
6072019	CHEMICAL BANK SOUTH	HSA ACCT# 2550557181	TOM TARKIEWICZ	900.00
6052019	CONSUMERS ENERGY	PERMIT/BOND/ INSPEC. FEE	PROW19-011-CON	550.00
06/05/2019	CUMBERWORTH, KELSEY	UB refund for account: 3108001007		6.32
06/05/2019	DINGMAN, SHANNON	UB refund for account: 3204160018		57.80
5072019	DYER, JAMES	FARMERS MARKET ENTERTAINMENT		12.50
6052019	FISHER, CHARLIE	MUTUAL AID CONSUMERS MEAL REIMBURSEMENT		60.00
06/05/2019	FOWLER, KATHY	UB refund for account: 2901550015		13.15
3492596	IX INSURANCE INFORMAT	PRE-EMPLOYMENT DRIVING RECORDS		21.85
6062019	LAWRENCE, BEVERLY	OVERPAYMENT RESIDENT PET DEPOSIT		50.00
N7755401	MAILFINANCE INC	POSTAGE MACHINE RENT		584.52
6052019JS	MARSHALL COMMUNITY CU	CITY CREDIT CARD JAMES SCHWARTZ		109.95
06/05/2019	OERTHER, MARGARET	UB refund for account: 2001770009		12.07
6052019	OLIVER, JIM	FARMERS MARKET ENTERTAINMENT		12.50
6052019	REAL-TIME TRANSPORT, L	REFUND SECURE TRANSPORTER APPLICATION FE		3,000.00
0249-006378179	REPUBLIC SERVICES #249	ACCT 302491022021		1,583.97
06/05/2019	RIEGLE, DANIEL	UB refund for account: 1801760007		31.98
1624188901	STAPLES BUSINESS CREDI'	ACCT 10081052DET		980.76
6042019	STATE OF MICHIGAN	WATER CERT. LISC. RENEWAL - DAVID JOHNSO		95.00
5011734	TEREX UTILITIES, INC	CHANGE ORDERS ON 60' BUCKET & DIGGER		3,469.00
19-063	USA SOFTBALL OF MICHIG.	2019 ADULT REGISTERS		1,200.00
18-CM-003-012	VANDERVRIES, EDWARD	ASSESSMENT ADMINISTRATION SERVICES JUNE		4,300.00
06/05/2019	WEBBER, MARTIN	UB refund for account: 800060015		13.13
06/05/2019	WHEELER, BRYAN	UB refund for account: 2900750028		10.80
6052019	WHITESELL, TOM	FARMERS MARKET ENTERTAINMENT		50.00
6052019	WOW! BUSINESS	ACCT 014226414 FIRE DEPT		228.48
6062019	WOW! BUSINESS	ACCT 010058364		32.97
6052019	ZEBOLSKY, JOEL	CONSUMERS MUTUAL AID MEAL REIMBURSEMENT		60.00
GRAND TOTAL:				19,391.65

EVENT REPORT

EVENT: Blues Fest

EVENT LOCATION: Michigan Avenue & North Eagle Street

SPONSOR: Marshall Downtown Development Authority

EVENT DATE: June 22, 2019

EVENT TIMEFRAME: 11:00am – 11:59pm

MDOT PERMIT REQUIRED: YES NO

MDOT PERMIT GRANTED: YES

ROAD CLOSURE TIMEFRAME: Michigan Ave – 11:00a to Midnight; N. Eagle St. 8am - Midnight

ROAD CLOSURE DETAIL: Michigan Avenue from Grand Street to Madison Street and Eagle from Michigan Avenue to Mansion Street

DETOUR DETAIL: Eastbound traffic will be detoured south on Grand street, east on Green Street, and north on Madison Street back to Michigan Avenue. Westbound traffic will be detoured north on Madison Street, west on Mansion Street, south on Grand Street back to Michigan Avenue.

EVENT DETAIL: Marshall Main Street Blues Festival to be held on Saturday, June 22, 2019. Great blues bands will be playing throughout the day in downtown Marshall. Also included is a beer tent and great food vendors. The main stage will be set up on Michigan Avenue with a secondary stage and beer tent set up on Eagle Street.

PARKING PROHIBITION: No on-street parking on Michigan Avenue from Grand Street to Jefferson Street. There will also be no parking on the east side of the 100 block of N. Grand Street beginning at 3:00pm on Friday, June 21st until the end of the event.

COUNCIL NOTIFICATION DATE: June 17, 2019

EVENT REPORT

EVENT: 2019 Cruise at the Fountain

EVENT LOCATION: Michigan Ave between West Drive and Marshall Avenue

SPONSOR: CCAIS

EVENT DATE: Friday, July 5, 2019

EVENT TIMEFRAME: 5:30p – 7:30p

MDOT PERMIT REQUIRED: Yes

MDOT PERMIT GRANTED: In Progress

ROAD CLOSURE DETAIL: The roadway will be barricaded off on Michigan Ave. between West Drive. and Marshall Ave only during the cruise portion for approximately 10 minutes. Then closed on Michigan Ave between Grand St. and Madison St. In the event Michigan Ave Project will not allow parking on Michigan Ave. The event will be moved to the parking lots behind Hemmingsen's and Mikes Place. Mansion St. between N. Eagle and N. Jefferson will be closed from 5:30 – 7:30

ROAD CLOSURE TIMEFRAME: 5:30p - 8:00p

EVENT CLOSURE DETAIL: The roadway will be closed so the vehicles in the parade can cruise from Exchange St. westbound to the turnaround near West Drive and back through town. This will occur twice. Then the closure will remain from Grand St. to Madison Street. The road will be closed between Eagle & Michigan and Jefferson & Michigan for the vehicles to park. The city parking lots behind Hemmingsens and Mikes Place will also be closed off. These parking lots will be used for vehicles to stage and park if the Michigan Ave road project makes the event unsafe for participants.

DETOUR DETAIL: Traffic will be detoured to the adjacent local streets.

EVENT DETAIL:

There will be no parking allowed on Michigan Ave between 5:30pm and 8pm. If vehicles in the cruise want to park, they must park on Michigan between or Jefferson St. and Eagle St. If Michigan Ave is deemed unsafe, the vehicles will utilize the city parking lots behind Hemmingsens and Mikes Place. Mansion St. between N. Eagle and N. Jefferson will be closed to traffic. There will be no parking on Mansion St between N. Eagle and N. Jefferson beginning at 5:30pm. until 8:00pm.

COUNCIL NOTIFICATION DATE: June 17, 2019.



ADMINISTRATIVE REPORT
June 17, 2019 - CITY COUNCIL MEETING

REPORT TO: Honorable Mayor and City Council

FROM: Tom Tarkiewicz, City Manager

SUBJECT: Marshall Township Master PA 425 Conditional Land Transfer Agreement Revision

BACKGROUND: City and Marshall Township staff have been working together over the past year to improve the Master PA 425 Conditional Land Transfer Agreement. Attached is a redline/strikeout version and a final version.

The highlights of the Agreement are:

- Removal of a substantial amount of outdated provisions
- Changing "sewer and water" to "utilities" to allow electric and FiberNet as reasons for a PA 425 land transfer
- Extension of the Agreement to December 31, 2029
- Removal of a provision, where the Township has to approve the sale of any City parcel over 15 acres
- Increase of the commercial millage contribution by one mill
- Provision if the City enters into a service agreement or a payment in lieu of taxes, the Township will receive 25% of payment

RECOMMENDATION: It is recommended that the City Council approve the revised Master PA 425 Conditional Land Transfer Agreement with Marshall Township.

FISCAL EFFECTS: It is estimated that the existing PA 425 agreements with the increased millage will give the Township an estimated additional \$10,000 annually.

ALTERNATIVES: As suggested by the Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz", written in a cursive style.

Tom Tarkiewicz
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

MASTER 425 DEVELOPMENT AGREEMENT
CITY OF MARSHALL/MARSHALL TOWNSHIP

AGREEMENT, made and entered into on this ____ day of _____, 2019, amending an agreement first made March 14, 2006, and renewed for a ten year period by and between the City of Marshall, a Michigan municipal corporation, having offices at 323 West Michigan Avenue, Marshall, Michigan 49068 (the “City”), and the Township of Marshall, a township duly organized pursuant to the laws of the State of Michigan, and existing in Calhoun County, Michigan , having offices at 13551 Myron Avery Drive, Marshall, Michigan 49068 (the “Township”).

WHEREAS, extensive property suitable for industrial, commercial and residential development within the jurisdiction of the Township lies to the north, west and south of the City, and

WHEREAS, the amount of comparable development property lying within the City is limited, and

WHEREAS, the City has excess sewage treatment and water supply capacity capable of serving the development areas in the Township, which may require additional infrastructure considerations depending on the nature of the development; and

WHEREAS, the Township does not have sewage treatment or water purification plants or distribution systems, and

WHEREAS, the City and the Township have in the past entered into agreements pursuant to Act 425 of the Public Acts of 1984 (“425 Agreements”) to bring sewer and water to available developmental lands in the Township, and

WHEREAS, the terms of each individual 425 Agreement have either been individually negotiated over considerable periods of time prior to the 2006 Master Agreement or were entered into pursuant to the agreement which became effective in March of 2016, and

WHEREAS, it would be in the economic best interest of the residents of the City and Township if the City utilities systems served the development lands in the Township, and

WHEREAS, it is the desire of the City and the Township to update the renewed Master 425 Agreement which would affect all development lands in the Township thereby assuring prospective

developers of Township land of the availability of utilities without the previous delays incurred in the negotiation of individual 425 Agreements, and

WHEREAS, the Township and City, through negotiations, have reached an agreement to be utilized in all 425 Agreements to be executed between the Township and the City.

NOW, THEREFORE, for and in consideration of the Township's agreement not to develop its own sewer and water system, either individually or in conjunction with an adjoining township or municipality, for the period of this agreement and the City's agreement to supply sewer and water, if capacity is available, to Township lands, BE IT AGREED AS FOLLOWS:

1. Term of Agreement. This Agreement shall extend through December 31, 2029, and will automatically renew every ten (10) years unless a ninety (90) day notice in writing is given by either of the parties. Automatic renewal periods shall not extend this agreement beyond 2079.
2. Joint Municipal Planning Commission. A Joint Municipal Planning Commission ("JPC") shall be has been formed pursuant to Public Act 226 of 2003 (MCL 125.131 et seq.) and will be maintained as long as there is a 425 Agreement between the City and Township. The JPC shall have an equal number of members from both the Township and the City and shall control all land usages for lands subject to a 425 Agreement between the City and Township regardless of whether the 425 Agreement is dated prior to or subsequent to the date of this Agreement. The details of the organization and conduct of the JPC are on Schedule A attached hereto.
3. Definitions. The definition of residentially zoned lands lying South of I-94 and East of I-69 and commercial and industrial lands regardless of location shall be the definition given those land usages in the Marshall City Zoning Ordinance as currently defined. The definition of residentially zoned lands lying North of I-94 or West of I-69 shall be the definition given those land usages in the Marshall Township Zoning Ordinance as currently defined.

In the event a zoning ordinance is amended and a definition changed, the definition shall not be changed for the purpose of this Agreement without the mutual consent of the City and Township.

The definition of utility system or utilities system shall be the infrastructure required to provide, operate and maintain a City provided utility.

The definition of utility or utilities shall be the City's municipally provided sewer, water, electricity and/or broadband FiberNet systems as may be specifically referred to in an individual Public Act 425 agreement.

4. Ceresco Exception. The Township area known as the unincorporated village of Ceresco and defined as the area extending approximately one quarter mile in diameter from the intersection of 12 Mile Road and C Drive North may, contrary to the terms of this Agreement, seek sewer and water services from a source other than the City of Marshall in the event such services are made available at a more economical cost than comparable services in the City of Marshall.
5. Economic Development. The Township Board of Trustees shall designate an economic development officer, with whom the City shall share all development inquiries and who shall receive notice of and be entitled to participate in all meetings with prospective developers. This representative shall be subject to the same confidentiality rules and regulations as are the City's paid economic developers. In the event the Township has a representative serving on the Board of Directors of the Marshall Area Economic Development Authority, that person shall be the Township's designee under this provision.
6. Property Owner Request. In the event an owner of property located in the Township requests sewer and water services from the City and the City has adequate capacity to service the property owner's development, the City and Township shall enter into a 425 Agreement based upon the terms and conditions herein contained provided the cost of extending the sewer and water to the property owner is not paid by either the City or Township.
7. City Restrictions. During the term of this Agreement, the City shall not:
 - a. Enter into a 425 Agreement with any other city, township or other governmental subdivision ("foreign 425 Agreement") except upon the same terms and conditions as those detailed in this Agreement for Township lands lying west of I-69 and north of I-94 unless

the City agrees to amend the existing 425 Agreements with the Township permitting the township to incorporate into all its existing 425 Agreements one or more of the provisions of the Foreign 425 Agreement.

- b. Utilize this Master 425 Development Agreement or an individual 425 agreement as a basis to provide City electric power service to a customer already receiving electric power service from another utility without the written consent of the other utility. For purposes of this agreement, the term “customer” shall mean the building or facilities served rather than the individual, association, partnership, corporation, governmental body, or other person or entity taking service.

8. Township Restrictions. During the term of this Agreement, the Township shall not:

- a. Enter into a 425 Agreement with any other township, city or other governmental subdivision other than the City of Marshall pursuant to this Agreement without the express written consent of the City.
- b. Construct or develop a sewage treatment plant, water purification plant or sewer and/or water distribution systems or enter into any agreement for the development, construction and/or supplying of these facilities to service Township properties unless the City refuses to increase capacity after a capacity analysis study of the system indicates the inadequacy of the system to handle the Township’s request or the City refuses to proceed with a capacity analysis study of the system within one hundred twenty (120) days after the Township’s request that capacity be increased.

9. Terms and Conditions of Individual 425 Agreements. The individual 425 Agreements to be entered into pursuant to this Agreement shall, depending upon the location and usage of the lands, provide as follows:

a. For commercial and industrial properties east of I-69 and south of I-94:

- 1) Agreements shall be for a term of fifty (50) years after which the property shall remain in the City.

- 2) The Township shall receive from the City's tax millage four (4) mills on industrial property and four (4) mills on commercial property for the term of the 425 Agreement.
 - 3) The cost for the extension of sewer and water lines shall be paid by the land owner and/or additional new users.
 - 4) An existing building which is zoned commercial or industrial or is a nonconforming commercial or industrial use, if utilized for any purpose or if connected to a septic tank or drain field, that is within three hundred feet (300') of the sewage lines once installed must tie into the sewer and water system upon failure of its existing sewage system under a separate 425 Agreement complying with the terms of this Master Agreement.
 - 5) The burden of all tax abatements shall be shared by the City and the Township in the same percentages as the millage is shared.
 - 6) Utility rates shall not be greater than the rates charged in the City for similar City users.
 - 7) Users, pursuant to this Agreement, shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City of Marshall.
- b. For commercial and industrial properties west of I-69 or north of I-94:
- 1) Agreements shall be for a term of fifty (50) years after which the property shall be transferred back to the Township and the City shall own the utility infrastructure which will encourage the City and the Township to negotiate extensions of the Agreement upon expiration of the fifty (50) year term.

- 2) The Township shall receive from the City's tax millage four (4) mills on industrial property and four (4) mills on commercial property for the term of the 425 Agreement.
- 3) The costs for the extension of sewer and water distribution systems shall be paid by the land owner and/or additional new users.
- 4) An existing business (commercial or industrial) which is zoned commercial or industrial or is a nonconforming commercial or industrial use, if utilized for any purpose or if connected to a septic tank or drain field, that is within three hundred feet (300') of the sewage lines once installed must tie into the sewer and water system upon failure of its existing sewage system under a separate 425 Agreement complying with the terms of this Master Agreement.
- 5) The burden of all tax abatements shall be shared by the City and the Township in the same percentages as the millage is shared.
- 6) Utility rates shall not be greater than the rates charged in the City for similar City users.
- 7) Users, pursuant to this Agreement, shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City of Marshall.

c. For new residential developments that are east of I-69 and south of I-94:

- (1) For the purpose of this paragraph residential development shall be defined as a single-family residence on a lot less than five (5) acres in size or multi-family residences on a lot which averages less than five (5) acres per residence but does not qualify as commercial pursuant to paragraph c(8).
- (2) Agreements shall be for a term of fifty (50) year after which the property shall remain in the City.

- (3) The Township shall receive from the City's tax millage two (2) mills on residential property for the term of the 425 Agreement.
- (4) The cost for the extension of sewer and water distribution systems shall be paid by the land owner and/or additional new users.
- (5) Utility rates shall not be greater than the rates charged in the City for similar City users.
- (6) Users, pursuant to this Agreement, shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City of Marshall.
- (7) A Multi-family development shall be deemed commercial for purposes of this Agreement if it contains more than four (4) residences on one (1) tax parcel and shall be developed in accordance with the provisions of this Agreement dealing with commercial property lying east of I-69 and south of I-94.
- (8) The burden of all tax abatements shall be shared by the City and the Township in the same percentages as the millage is shared.

10. The following developments shall not require a 425 Agreement but shall be entitled to receive City sewer and water services upon the terms and conditions set forth:

a. For new single-family residential developments west of I-69 or north of I-94:

- 1) If requested by the developer, the Township shall form a sewer district comparable to the Lyon Lake Sanitary Sewer District which shall be accepted by the City.
- 2) The property shall remain in the Township.
- 3) The cost for extension of sewer shall be paid by the developer or users.
- 4) A Multi-family development shall for purposes of this agreement be deemed commercial if it contains more than four (4) residences on one (1) tax parcel and

shall be developed in accordance with the provisions of this Agreement dealing with commercial property lying north of I-94 and west of I-69.

- 5) Single-family residential users shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City.

b. For developed residential property within the Township regardless of location:

- 1) The City shall extend sewer and water lines to developed residential areas in the Township pursuant to the provisions of Public Act 129 of 1943 (MCLA 123.231 et seq.) upon the request of the Township or upon a petition being filed with the Township and the City and signed by two-thirds (2/3) of the property owners within 200 feet of the proposed sewer main.
- 2) All property owners signing the Petition shall be required to tie into the sewer and water system. A non-signing property owner with a residence within 200 feet of a sewage line once installed must tie into the sewer and water system upon failure of the residence's existing sewer system.
- 3) The total cost for extending the distribution lines to developed residential areas including but not limited to bonding, engineering and construction shall be the responsibility of the users to be served by the extended distribution lines.
- 4) The water and/or sewer system shall be installed according to City specifications and ownership of the water and/or sewer systems shall be conveyed to the City upon the City approving of the installation. The City, upon becoming the owner of the water and/or sewer lines, shall thereafter be responsible for the maintenance of the lines.
- 5) Users on the new water and/or sewer lines shall pay water and/or sewer utility rates as stated in the City's rate ordinance in effect at that time

11. Additional 425 Agreement's Provisions. The 425 Agreements executed pursuant to this Agreement shall be in the form of Schedule B or Schedule C (whichever is applicable) attached hereto with the additional applicable provisions of this Agreement incorporated therein depending upon the property's location and use. All existing 425 Agreements will be adjusted to increase all Commercial and Industrial to four (4) mills beginning with the 2019 tax year.
12. Entity Exempt from Paying Property Taxes. In the event that a property owner, that is exempt from paying property taxes, requests that the property it owns be part of a 425 agreement; and enters into a municipal services agreement or a payment in lieu of taxes with the City, the City will pass thru to the Township twenty-five percent (25%) of the annual services agreement payment and/or twenty-five (25%) of the payment in lieu of taxes.
13. Existing 425 Agreements. All existing 425 Agreements executed between the City and the Township shall remain in full force and effect as modified by applying the changes required by the original 2006 Master Agreement and the 2019 revisions thereto and all payments provided therein shall continue to the Township with the exception of the State Farm Mutual Automobile Insurance Company Property (Agreement dated June 21, 1992 on property located in the Southwest quadrant of the I-94/Old US 27 interchange lying North of F Drive North and East of 16 ½ Mile Road). ("State Farm")

The State Farm Agreement shall be amended when the land is developed to provide that all provisions thereof shall be in accordance with the terms and conditions of this Master 425 Development Agreement with an effective date on the date the property is developed and extending for a period of fifty (50) years thereafter. For the purposes of this paragraph, "developed" shall mean the date on which improvements to the land are incorporated into the taxable value and equal more than five percent (5%) of the real estate value incorporated into the taxable value. Until amended, the City shall continue to make millage payments in accordance with the existing Agreement. This Agreement amends the June 21, 1992, former State Farm property agreement by deleting Section 3.B. that terminates the State Farm Agreement on December 30, 2021.

14. City Sewer and Water Capacity. In the event there is a question as to whether or not the capacity of the City sewage treatment plant, wells, water purification plant or distribution systems is adequate to handle the requested Township services, the issue of capacity shall be determined by an independent consultant agreeable to both the Township and the City. The cost of the consultant shall be paid one-half (½) by the Township and one-half (½) by the City. In the event the City and the Township cannot agree upon a consultant, a consultant shall be selected by the Calhoun County Administrator/Controller.
15. Legality of Provision. In the event any provision of this Agreement shall be contrary to public policy, as determined by a court of competent jurisdiction, or laws of the State of Michigan, such provisions, except items 7 and 8, shall be stricken from Agreement and all remaining paragraphs and parts thereof shall be fully enforceable. In the event paragraph 7 or 8 or any portion of either is declared contrary to public policy or the laws of the State of Michigan, this Agreement shall be void.
16. Survival of Provisions. Upon termination of this Agreement, all then existing 425 Agreements including those amended herein shall continue in full force and effect, as amended, for the periods of time specified in the Agreements and the payments on the amended Agreements accruing after 2010 shall continue to be made by the City until the accrued taxes have been paid in full.

Executed in the presence of:

CITY OF MARSHALL

By: _____

Its: Manager

Executed in the presence of:

CITY OF MARSHALL

By: _____

Its: Clerk

STATE OF MICHIGAN)
) ss.
COUNTY OF CALHOUN)

On this ____ day of _____, 2019, before me, a Notary Public, in and for said County, personally appeared _____, who each being first duly sworn, stated that they are respectively the City Manager and the Clerk of the City of Marshall, are authorized to execute the foregoing agreement on behalf of the City of Marshall and that each has done so as the free act and deed of said City of Marshall.

Notary Public
Calhoun County, Michigan
My Commission Expires:
Acting in the County of Calhoun

Executed in the presence of:

MARSHALL TOWNSHIP

By: _____

Its: Supervisor

Executed in the presence of:

MARSHALL TOWNSHIP

By: _____

Its: Clerk

STATE OF MICHIGAN)
) ss.
COUNTY OF CALHOUN)

On this ____ day of _____, 2019, before me, a Notary Public, in and for said County, personally appeared _____, who each being first duly sworn, stated that they are respectively the Supervisor and the Clerk of Marshall Township, are authorized to execute the foregoing agreement on behalf of Marshall Township and that each has done so as the free act and deed of said Marshall Township.

_____,
Notary Public
Calhoun County, Michigan
My Commission Expires:
Acting in the County of Calhoun

SCHEDULE A

Joint Municipal Planning Commission Procedures

1. Zoning Ordinance.

Residentially zoned lands lying south of I-94 and east of I-69 and commercial and industrial lands regardless of location shall be administered by the Joint Municipal Planning Commission (“JPC”) pursuant to the City of Marshall zoning and planning act and City procedures and definitions will be followed by the JPC.

The residentially zoned lands lying west of I-69 or north of I-94 shall be administered by the JPC pursuant to the Marshall Township zoning and planning acts and Township procedures and definitions will be followed by the JPC.

2. Appointment.

- A. The Planning Commissions of the City of Marshall and Marshall Township shall each appoint three (3) of its members as the members of the Joint Planning Commission as well as one (1) alternate member to serve in the event an appointed member is unable to attend a meeting.
- B. Appointment to the JPC shall be for a term of three (3) years and each member may be reappointed for two (2) successive terms.
- C. A member may be removed by the appointing municipality’s Board or Council for having two (2) unexcused absences from meetings in any twelve (12) month period. An absence shall be excused provided the member advises the JPC in advance of the meeting that he/she is unable to attend the meeting and the reason for such absence. The JPC shall determine rules for excused absences.
- D. A vacancy on the JPC shall be filled by the appointment of the alternate member from the municipality from which the vacancy occurred and a new alternate JPC member shall be

appointed at the next regular meeting of the Planning Commission of the municipality in which the vacancy occurred.

- E. The operating budget of the JPC shall be shared equally by the City and Township after first applying and fees paid by applicants for matters being considered by the JPC.
- F. The jurisdictional area of the JPC shall consist of all land subject to 425 agreements between the City and Township regardless of whether the 425 agreement is dated prior to or subsequent to the date of the formation of the JPC.
- G. The JPC shall consist of representatives from Marshall City and Marshall Township and no other municipalities shall be involved. The JPC shall exist as long as there is a Master 425 Development Agreement between the City of Marshall and Marshall Township.
- H. All administrative functions of the JPC including but not limited to service of notices to adjacent property owners and the preparation of and making publications shall be performed by the Township in the event the Township planning and zoning ordinance are to be applied and by the City in the event the City zoning and planning ordinances are to be applied. In the event business to be conducted at a meeting involves both ordinances of the City and of the Township, each organization shall provide the administrative services necessary for the conduct of the business which is being conducted pursuant to its zoning or planning act.
- I. Complete records of all business conducted at the JPC shall be delivered to the City and Township Council and Board, respectively.
- J. Each municipality may pay its appointed members a meeting stipend for attending properly noticed and held meetings of the JPC. Any such stipend paid shall be paid by the appointing municipality.

SCHEDULE B

(for property south of I-94 and east of I-69)

**CITY OF MARSHALL – TOWNSHIP OF MARSHALL
CONTRACT FOR CONDITIONAL TRANSFER OF PROPERTY**

This Agreement made on the ____ day of _____, 20____, between the CITY OF MARSHALL, a Michigan municipal corporation, having offices at 323 West Michigan Avenue, Marshall, Michigan 49068 (the “City”) and the TOWNSHIP OF MARSHALL, a Township duly organized under the laws of the State of Michigan, and existing in Calhoun County, Michigan, having offices at 13551 Myron Avery Drive, Marshall, Michigan 49068 (the “Township”).

WHEREAS, the City and the Township have adopted a Master 425 Agreement dated _____, 2019 for the purpose of providing utility services which are available in the City to Township properties upon the request of a Township property owner, and

WHEREAS, _____ (name), the owner of the property described on Schedule 1 attached hereto (“Property”) has requested that the City extend sewer and water services to the Property, and

WHEREAS, the provision of municipal services by the City to the Property would further the economic well-being of both the City and the Township and increase the probability of additional development of the Property, and

WHEREAS, the City has available sewer and water capacity to service the Property, and

WHEREAS, the parties have each conducted a public hearing to receive input on the proposed transfer of property.

NOW, THEREFORE, by authority of Act 425 of Public Acts of 1984 and pursuant to the Master 425 Agreement entered into between the City and the Township and in consideration of the mutual promises herein set forth, BE IT AGREED AS FOLLOWS:

1. The Township consents to the transfer to the City of the Property.
2. The City agrees to accept the transfer of the Property for all purposes allowed under Public Act 425 of 1984, as amended, to make available municipal services to the Property provided that the Property owner and other users of the utilities extended from the City to the Property shall pay for the cost of the extension.
3. The transfer of the Property contemplated by this agreement shall occur at midnight on _____, _____.
4. Following transfer, and during the term of this Agreement, the City shall have full jurisdiction over the property subject to the following limitations:

Land usages shall be subject to the Joint Municipal Planning Commission pursuant to the provisions of the Master 425 Agreement.

*Schedule B
Contract for Conditional Transfer of Property*

5. The City and Township agree that the City shall have the authority to assess and collect ad valorem taxes, real and personal, on the Property and any improvements thereon during _____ (first year of agreement) _____ and for the remainder of the term of this Agreement. The Township shall have the authority to assess and collect ad valorem taxes, real and personal, on the Property and any improvements thereon through calendar year _____ (the year before the City assesses taxes) _____.

The City and Township further agree that commencing in the year __ (first year of the Agreement) __ and continuing through the fiftieth (50th) full calendar year following the issuance of a Certificate of Occupancy for the first use on the Property, all such taxes which the City collects for its own general operating fund purposes only, and which are attributable to the Property for the term of this Agreement shall be shared between the City and the Township as follows:

- A. The Township shall receive the equivalent of (residential – 2; commercial – 4; industrial – 4) mills levied on the taxable value of the Property for the taxable year as established by the City subject to any subsequent adjustments resulting from tax appeals. The City shall transmit the Township’s share of such revenues annually on or before 30 days after receipt.
 - B. Thereafter, all tax revenues from the Property shall be collected and retained by the City.
6. Except as provided in paragraph 7, upon termination, expiration or non-renewal of this Agreement, jurisdiction of the Property shall pass to the City and the Township shall have no further rights or interests in the Property.
 7. In the event that the City shall not share tax revenues from the Property as provided in paragraph 5 or shall breach any other provision of this Agreement, the Township shall be entitled to terminate this Agreement, whereupon jurisdiction of the Property shall revert to the Township or the Township may pursue whatever other legal remedies are available to the Township.
 8. Any liability the City or the Township incurs to a third party as a result of the performance of duties or the exercise or rights imposed or granted hereunder shall be jointly shared and defended in the same proportion as the taxes are shared as described in paragraph 5.
 9. The burden of all tax abatements shall be shared by the City and the Township in the same percentage as the millage is shared. In the event the City reduces its millage, the Township’s share of millage shall be proportionately reduced provided no additional taxes are levied by the City to replace the reduction in millage.
 10. Sewer and water rates charged to the Property owner shall not be greater than the rates charged in the City for similar users. Property owners shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City of Marshall.

11. In the event there is a conflict between this Agreement and the Master 425 Development Agreement, the terms of the Master 425 Development Agreement shall control unless there is a specific reference in the conflicting provision that it is intended to prevail despite the Master 425 Development Agreement.
12. Within fifteen (15) days of execution of this contract, the City Clerk shall file a duplicate original of this contract with the Calhoun County Clerk, the Michigan Secretary of State and the Calhoun County Register of Deeds.

WITNESSES:

CITY OF MARSHALL

By: _____
 , City Manager

By: _____
 , Clerk

WITNESSES:

MARSHALL TOWNSHIP

By: _____
 , Supervisor

By: _____
 , Clerk

SCHEDULE C

(for property north of I-94 and west of I-69)

**CITY OF MARSHALL – TOWNSHIP OF MARSHALL
CONTRACT FOR CONDITIONAL TRANSFER OF PROPERTY**

This Agreement made on the ____ day of _____, 20____, between the CITY OF MARSHALL, a Michigan municipal corporation, having offices at 323 West Michigan Avenue, Marshall, Michigan 49068 (the “City”) and the TOWNSHIP OF MARSHALL, a Township duly organized under the laws of the State of Michigan, and existing in Calhoun County, Michigan, having offices at 13551 Myron Avery Drive, Marshall, Michigan 49068 (the “Township”).

WHEREAS, the City and the Township have adopted a Master 425 Agreement dated _____, 2019 for the purpose of providing utility services which are available in the City to Township properties upon the request of a Township property owner, and

WHEREAS, _____ (name), the owner of the property described on Schedule 1 attached hereto (“Property”) has requested that the City extend sewer and water services to the Property, and

WHEREAS, the provision of municipal services by the City to the Property would further the economic well-being of both the City and the Township and increase the probability of additional development of the Property, and

WHEREAS, the City has available sewer and water capacity to service the Property, and

WHEREAS, the parties have each conducted a public hearing to receive input on the proposed transfer of property.

NOW, THEREFORE, by authority of Act 425 of Public Acts of 1984 and pursuant to the Master 425 Agreement entered into between the City and the Township and in consideration of the mutual promises herein set forth, BE IT AGREED AS FOLLOWS:

1. The Township consents to the transfer to the City of the Property.
2. The City agrees to accept the transfer of the Property for all purposes allowed under Public Act 425 of 1984, as amended, to make available municipal services to the Property provided that the Property owner and other users of the utilities extended from the City to the Property shall pay for the cost of the extension.
3. The transfer of the Property contemplated by this agreement shall occur at midnight on _____, _____.
4. Following transfer, and during the term of this Agreement, the City shall have full jurisdiction over the property subject to the following limitations:

Land usages shall be subject to the Joint Municipal Planning Commission pursuant to the provisions of the Master 425 Agreement.

*Schedule C
Contract for Conditional Transfer of Property*

5. The City and Township agree that the City shall have the authority to assess and collect ad valorem taxes, real and personal, on the Property and any improvements thereon during _____ (first year of agreement) _____ and for the remainder of the term of this Agreement. The Township shall have the authority to assess and collect ad valorem taxes, real and personal, on the Property and any improvements thereon through calendar year _____ (the year before the City assesses taxes) _____.

The City and Township further agree that commencing in the year __ (first year of the Agreement) __ and continuing through the fiftieth (50th) full calendar year following the issuance of a Certificate of Occupancy for the first use on the Property, all such taxes which the City collects for its own general operating fund purposes only, and which are attributable to the Property for the term of this Agreement shall be shared between the City and the Township as follows:

- A. The Township shall receive the equivalent of (residential – 2; commercial – 4; industrial – 4) mills levied on the taxable value of the Property for the taxable year as established by the City subject to any subsequent adjustments resulting from tax appeals. The City shall transmit the Township’s share of such revenues annually on or before 30 days after receipt.
 - B. Thereafter, all tax revenues from the Property shall be collected and retained by the City.
6. Except as provided in paragraph 7, upon termination, expiration or non-renewal of this Agreement, jurisdiction of the Property shall return to the Township and the City will have no further rights or interests in the Property except that the City shall own the utility infrastructure.
 7. In the event that the City shall not share tax revenues from the Property as provided in paragraph 5 or shall breach any other provision of this Agreement, the Township shall be entitled to terminate this Agreement, whereupon jurisdiction of the Property shall revert to the Township or the Township may pursue whatever other legal remedies are available to the Township.
 8. Any liability the City or the Township incurs to a third party as a result of the performance of duties or the exercise or rights imposed or granted hereunder shall be jointly shared and defended in the same proportion as the taxes are shared as described in paragraph 5.
 9. The burden of all tax abatements shall be shared by the City and the Township in the same percentage as the millage is shared. In the event the City reduces its millage, the Township’s share of millage shall be proportionately reduced provided no additional taxes are levied by the City to replace the reduction in millage.
 10. Sewer and water rates charged to the Property owner shall not be greater than the rates charged in the City for similar users. Property owners shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City of Marshall.

11. In the event there is a conflict between this Agreement and the Master 425 Development Agreement, the terms of the Master 425 Development Agreement shall control unless there is a specific reference in the conflicting provision that it is intended to prevail despite the Master 425 Development Agreement.
12. Within fifteen (15) days of execution of this contract, the City Clerk shall file a duplicate original of this contract with the Calhoun County Clerk, the Michigan Secretary of State and the Calhoun County Register of Deeds.

WITNESSES:

CITY OF MARSHALL

By: _____
 , City Manager

By: _____
 , Clerk

WITNESSES:

MARSHALL TOWNSHIP

By: _____
 , Supervisor

By: _____
 , Clerk



ADMINISTRATIVE REPORT
June 17, 2019 - City Council Meeting

TO: Honorable Mayor and City Council

FROM: Tom Tarkiewicz, City Manager
Tracy Hall, Human Resources Coordinator

SUBJECT: Fire Union Agreement
Local 1929 International Association of Firefighters,
AFL-CIO, CLC

BACKGROUND: On May 8, 2019, the City of Marshall and the International Association of Firefighters, AFL-CIO, CLC and its Local 1929 came to a tentative agreement for a 3-year contract. However, as of this writing, the bargaining unit has not voted to ratify the contract.

RECOMMENDATION: If the bargaining unit ratifies the contract prior to the Council meeting, we respectfully request that City Council approve the Contract as presented.

FISCAL EFFECTS: If the costs associated with implementing this new contract has an effect on the FY2020 budget, which has been adopted, a future budget amendment will be presented to Council.

ALTERNATIVES: As suggested by City Council.

Respectfully submitted,

A handwritten signature in black ink that reads "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager

A handwritten signature in black ink that reads "Tracy Hall".

Tracy Hall
HR Coordinator

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com



ADMINISTRATIVE REPORT
June 17, 2019 – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council

FROM: Tom Tarkiewicz, City Manager
Tracy Hall, Human Resources Coordinator

SUBJECT: Department of Public Works Contract
Teamsters Local 214

BACKGROUND: The City of Marshall has completed negotiations with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America and its Local 214, Department of Public Services, Public Works Division. We have reached mutual agreement on the collective bargaining agreement. Attached is a Fact Sheet summarizing the major changes made to the Agreement.

The bargaining unit notified us on June 10, 2019 that they had voted to ratify the contract. The three-year agreement will expire June 30, 2022.

RECOMMENDATION: We respectfully request that City Council approve the Contract as presented.

FISCAL EFFECTS: The costs associated with implementation of contract provisions.

ALTERNATIVES: As suggested by City Council.

Respectfully submitted,

A handwritten signature in black ink that reads "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager

A handwritten signature in black ink that reads "Tracy Hall".

Tracy Hall
Human Resources Coordinator

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

Negotiation Summary City of Marshall DPW

3-year Contract

Wages

July 1, 2019 2.25%
July 1, 2020 3.00%
July 1, 2021 3.00%

Throughout the duration of this bargaining agreement (July 1, 2019 – June 30, 2022), if Teamsters Local 214, Department of Public Services (Utilities Union) receives a higher across the board annual wage increase percentage than the percentages that have been negotiated above, then the Public Works unit would also receive the higher wage increase percentage for that year. This would exclude any increases based on promotions or market-based adjustments.

Sick Leave

The Paid Medical Leave language was added to the sick leave section of the contract. (same as non-union)

Insurance Premium Share

Based on hire date, employees with pay either 12% or 20% of their monthly health and vision insurance premiums.

Retirees will make the same copayments, deductibles, and premium contribution as are paid by non-union, full-time active employees.

Uniforms

Increase the boot/outerwear allowance from \$750 per 3-year contract to \$900 per 3-year contract.

Drug/Alcohol Testing (Appendix B)

Replace Appendix B with the updated policy that was recently adopted by City Council for the Personnel Manual.



ADMINISTRATIVE REPORT
June 17, 2019 – City Council Meeting

TO: Honorable Mayor and City Council Members

FROM: Jon B. Bartlett, Finance Director
Tom Tarkiewicz, City Manager

SUBJECT: Ordinance to authorize and provide for the issuance of Water Supply System Revenue Bonds under Act 94 of 1933, as amended.

BACKGROUND: City staff has determined that it is in the best interest for the Water Department (Fund) to sell revenue bonds in order to complete and pay for the following projects:

- Michigan Avenue watermain replacement
- Perrin Dam watermain relocation
- Replacement of all water meters (AMI Project)
- Water withdrawal and testing of wells 5, 6, and existing City wells

Notice of Intent to Issue these bonds was passed by Council on December 17, 2018 and the next step in the process to complete the projects is to pass the Water Supply System Revenue Bond Ordinance and a resolution to issue and sell revenue bonds.

The final estimated construction cost schedule is complete showing the costs of the four projects at \$3,748,869, with a contingency of \$322,491 to be added, putting the total estimated costs at \$4,071,360.

The total amount of the bonds will include approximately \$128,640 to sufficiently pay for the costs of issuance, that includes items such as; costs of printing the bonds, rating agency fees, preliminary and final official statements, publication of notices, municipal advisor fees, transfer agent fees, escrow trustee fees, bond counsel fees, and any other cost necessary to sell and deliver the bonds.

RECOMMENDATION: To approve the attached Water Supply System Revenue Bond Ordinance. An ordinance to authorize and provide for the issuance of City of Marshall Water Supply System Revenue Bonds under the provision of Act 94 of 1933, as amended

FISCAL EFFECTS: The Water Fund has sufficient resources to make the annual required principal and interest payments for the bonds being issued. Without the sale of these bonds, the Water Fund would not have the resources to complete these projects.

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com



- ALTERNATIVES:**
- 1) Cancel the Projects
 - 2) Delay the Projects
 - 3) Suggestions by City Council

CITY GOAL CLASSIFICATION: GOAL AREA IV – INFRASTRUCTURE

Goal Statement: Preserve, rehabilitate, maintain and expand city infrastructure and assets.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jon B. Bartlett".

Jon B. Bartlett
Finance Director

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

CITY OF MARSHALL, MICHIGAN
ORDINANCE #

WATER SUPPLY SYSTEM REVENUE BOND ORDINANCE

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF CITY OF MARSHALL WATER SUPPLY SYSTEM REVENUE BONDS UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED, FOR THE PURPOSES OF PAYING COSTS OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, ENLARGEMENT, EXTENSION OR REPAIR OF THE CITY OF MARSHALL WATER SUPPLY SYSTEM; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF SYSTEM REVENUES; TO PROVIDE FOR THE RETIREMENT AND SECURITY OF THE BONDS HEREIN AUTHORIZED AND THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR RELATED MATTERS.

THE CITY OF MARSHALL ORDAINS:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in this Ordinance, and whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

(a) “acquire,” “acquiring” and “acquired” shall include acquisition by purchase, construction or any other method.

(b) “Act 34” means the revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended.

(c) “Act 94” means the Revenue Bond Act of 1933, Act 94, Public Acts of Michigan, 1933, as amended.

(d) “Additional Bonds” means any additional bonds of equal standing with the Series 2019 Bonds and any other outstanding Senior Lien Bonds to be issued pursuant to Section 20 of this Ordinance.

(e) “Adjusted Net Revenues” means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and any payments to the City in lieu of taxes, to which may be made the following adjustments.

(i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of Additional Bonds or to be placed into effect before the time principal or interest on the Additional Bonds becomes payable from Revenues as applied

to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

The adjustment of revenues and expenses by the factors set forth in (i) and (ii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the City.

(f) "Aggregate Debt Service" for any period means, as of any date of calculation by the City, the sum of the amounts of the debt service for such period with respect to all Outstanding Senior Lien Bonds. In the event that any of the Outstanding Senior Lien Bonds bear interest at a variable rate, each such series of variable rate Bonds shall, for purposes of calculating Aggregate Debt Service, be assumed by the City to be the rate established for such computation in writing by the Authorized Officer; provided, however, that such assumed rate shall not be less than the average rate borne by such variable rate Bonds during the twelve full calendar months immediately preceding the date on which such computation is made; and provided further, however, that, to the extent such variable rate Bonds have not been Outstanding during the entirety of such twelve month period, the assumed rate shall not be less than the average rate on the SIFMA Index during such twelve month period.

(g) "Aggregate Debt Service Requirement" means for any period, and as of any date of calculation, Aggregate Debt Service for such period, less any capitalized interest to be paid from the proceeds of the Bonds.

(h) "Authorized Officer" means, with respect to the Series 2019 Bonds, either the Finance Director or the City Manager of the City or a person designated by an Authorized Officer, or, with respect to any series of Additional Bonds, the officer of the City designated at the time the Additional Bonds are authorized.

(i) "Bond Insurer" means a municipal bond insurance provider which is insuring any Outstanding Bonds.

(j) "Bond Reserve Account" means the Bond Reserve Account of the Redemption Account established pursuant to Section 12(B) of this Ordinance.

(k) "Bond Reserve Requirement" means the lesser of (i) the maximum annual debt service requirements on the Outstanding Bonds, (ii) 125% of the average annual debt service requirements on the Outstanding Bonds, or (iii) the total of 10% of the original aggregate face amount of each series of the Outstanding Bonds, reduced by the net original issue discount, if any; provided, however, that the Reserve Requirement shall not at any time exceed the amount allowed to be invested at an unrestricted yield pursuant to Treas. Reg. Section 1.148-2(f)(2) or any successor provision thereto as applicable to the Bonds. For purposes of the Bond Reserve Requirement annual debt service on any variable rate Bonds shall not, after the issuance of such variable rate Bonds, be adjusted because of an adjustment to the interest rate borne by such variable rate Bonds.

(l) "Bonds" means the Series 2019 Bonds, any Additional Bonds, and any Junior Lien Bonds.

(m) "City" means the City of Marshall, Calhoun County, Michigan.

(n) "Consulting Engineers" means the engineer or engineering firm or firms appointed from time to time, and having a favorable reputation for skill and experience in the design and operation of water supply utilities at the time retained by the City, to perform the acts and carry out the duties provided for such Consulting Engineers in this Ordinance.

(o) "Council" or "City Council" means the City Council of the City.

(p) "Event of Default" shall refer to one of the Events of Default specified in Section 21 of this Ordinance.

(q) "General Obligation Debt Account" means the General Obligation Debt Account established pursuant to Section 12(D) of this Ordinance.

(r) "Government Obligations" means (i) direct obligations of (including obligations issued or held in book entry form on the books of) the United States of America, (ii) obligations the payment on which is guaranteed by the United States of America including, but not limited to, stripped interest components of obligations issued by the Resolution Funding Corporation (REFCORP) and non-callable, non-prepayable debt obligations of the United States Agency for International Development (US AID), which pay principal and interest at least three (3) business days prior to any respective escrow requirement dates, or (iii) non-callable, senior debt obligations of any government-sponsored enterprise or federal agency, corporation, or instrumentality of the United States of America created by an act of congress including, but not limited to, the Federal Home Loan Banks, Freddie Mac, Federal Farm Credit Banks Funding Corporation, and Fannie Mae.

(s) "Improvement Account" means the Improvement Account established pursuant to Section 12(E) of this Ordinance.

(t) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(u) "Investment Obligations" means to the extent authorized by law, and if provided by an investment policy duly adopted by the City, one or more of the following: (i) bonds, securities and other obligations of the United States or an agency or instrumentality of the United States; (ii) certificates of deposit, savings accounts, deposit accounts, or depository receipts of a Financial Institution who is eligible to be a depository of funds belonging to the State; (iii) commercial paper rated at the time of purchase within the two highest classifications established by not less than two nationally recognized rating services and that matures not more than 270 days after the date of purchase; repurchase agreements consisting of instruments listed in subdivision (i) above; (iv) bankers' acceptances of United States banks; (v) obligations of this State or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one nationally recognized rating service; (vi) mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investments that are legal for direct

investment by a public corporation; (vii) investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118; and (viii) investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

(v) “Junior Lien Bonds” means bonds, bond anticipation notes issued under Act 34, Public Acts of Michigan, 2001, as amended, or other obligations which may be issued or incurred by the City to provide funds for any lawful purpose of the System which are of junior standing and priority of lien with respect to the Net Revenues to the claim of the Senior Lien Bonds.

(w) “Junior Lien Redemption Account” means the Junior Lien Bond and Interest Redemption Account established pursuant to Section 12(C) of this Ordinance.

(x) “Municipal Obligations” means any bonds or other obligations of the State of Michigan or of any agency, instrumentality or local governmental unit of the State of Michigan (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call on the date specified in the notice, and (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (iii) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this definition of Municipal Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in sub-clause (i) of this definition of Municipal Obligation, as appropriate, and (iv) which are rated, based on the escrow, in the highest rating category of either two of the following three ratings agencies: Standard & Poor’s Corporation, Fitch Ratings, and Moody’s Investors Service, Inc. or any successors thereto.

(y) “Net Revenues” means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System and shall be construed as defined in Section 3 of Act 94.

(z) “Operation and Maintenance Account” means the Operation and Maintenance Account established pursuant to Section 12(A) of this Ordinance.

(aa) “Ordinance” means this Ordinance and any other ordinance amendatory or supplemental hereto.

(bb) “Outstanding Bonds” means Bonds issued and delivered under this Ordinance except:

- (i) Bonds canceled by the Transfer Agent;
- (ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys or Government Obligations, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of

maturity or redemption date, shall be held in trust under this Ordinance and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portion of Bonds) are to be redeemed, notice of redemption shall have been given as provided in this Ordinance or provision satisfactory to the Transfer Agent shall have been made for the giving of such notice;

- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered; and
- (iv) Bonds no longer deemed to be Outstanding Bonds as provided in Section 7 of this Ordinance.

(cc) “Project” means the acquisition, construction, improvement, enlargement, extension or repair of the System to be acquired and constructed pursuant to this Ordinance.

(dd) “Rebate Account” means the Rebate Account established pursuant to Section 13 of this Ordinance.

(ee) “Receiving Fund” means the Receiving Fund established pursuant to Section 12 of this Ordinance.

(ff) “Redemption Account” means the Bond and Interest Redemption Account established pursuant to Section 12(B) of this Ordinance.

(gg) “Registered Owner” means the owner of a Bond as shown by the registration records as kept by the Transfer Agent.

(hh) “Revenues” and “Net Revenues” shall mean the revenues and net revenues of the City derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues,” the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

(ii) “Senior Lien Bonds” means the Series 2019 Bonds, while they remain outstanding, and any Additional Bonds.

(jj) “Series 2019 Bonds” means the Water Supply System Revenue Bonds, Series 2019 authorized by Section 4 of this Ordinance. If the Series 2019 Bonds are sold in two or more series then the term “Series 2019 Bonds” shall be construed to refer to all series.

(kk) “Series 2019 Construction Account” means the Water Supply System Revenue Bonds Series 2019 Construction Account created under Section 18 of this Ordinance.

(ll) “Series 2019 Project” refers to improvements and extensions of the water supply system, together with any appurtenances and attachments thereto and any related site acquisition or improvements to be acquired and constructed as part of the System with proceeds of the Series 2019 Bonds.

(mm) “Sufficient” means with respect to (i) cash or (ii) Government Obligations or (iii) Municipal Obligations, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts, as to be fully sufficient to pay the interest as it comes due on the Bonds or any portion thereof and the principal and redemption premium, if any, on the Bonds or any portion thereof as they come due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations or cash shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the Transfer Agent.

(nn) “System” means the entire water supply system of the City, both inside and outside the City, including all plants, works, instrumentalities and properties, used or useful in connection with the purification, supply and treatment of potable water as the same now exists, and all enlargements, extensions, repairs and improvements thereto hereafter made.

(oo) “Transfer Agent” means The Huntington National Bank, or such other bank selected by the City for payment of each series of the Bonds.

(pp) “Trustee” means The Huntington National Bank, or such other bank or trust company named as Trustee by the City to serve as Trustee pursuant to this Ordinance upon occurrence of an Event of Default, or any successor Trustee appointed pursuant to Section 31 of this Ordinance.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be necessary for the public health and welfare of the City to acquire the Series 2019 Project in accordance with the plans and specifications heretofore prepared by the Consulting Engineers which plans and specifications are hereby approved.

Section 3. Costs of Series 2019 Project; Useful Life. The aggregate cost of the Series 2019 Project is estimated to be an amount not-to-exceed Four Million Two Hundred Thousand Dollars (\$4,200,000) subject to the taking of construction bids, including the payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2019 Bonds, and deposit of monies to the Bond Reserve Account as necessary to meet the Bond Reserve Requirement, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Series 2019 Project is estimated to be not less than thirty (30) years.

Section 4. Series 2019 Bonds Authorized. The City shall issue the Series 2019 Bonds pursuant to the provisions of Act 94 in one or more series in the aggregate principal amount of not-to-exceed Four Million Two Hundred Thousand Dollars (\$4,200,000) as finally determined by the Authorized Officer at the time of sale, for the purposes of paying the costs of acquiring and constructing the Series 2019 Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2019 Bonds, and deposit of monies to the Bond Reserve Account as necessary to meet the Bond Reserve Requirement. The Series 2019 Bonds shall not be a general obligation of the City but shall be payable solely out of the Net Revenues of the System. The Authorized Officer is hereby

authorized to determine, based upon the advice of bond counsel and the municipal advisor, whether to sell a portion of the Series 2019 Bonds as taxable bonds.

Section 5. Series 2019 Bond Data. The Series 2019 Bonds shall be designated as the WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2019, with any additional series designations as determined by the Authorized Officer to distinguish different series of bonds. The Series 2019 Bonds shall be issued as term bonds or serial bonds as determined at the time of sale of the Series 2019 Bonds, in fully-registered form in denominations of \$5,000 or integral multiples thereof, not exceeding the amount of bonds maturing on the same date such bond matures, and shall be numbered in consecutive order of authentication from 1 upwards. The Series 2019 Bonds shall be dated as of such date as may be determined at the time of sale, and shall mature on such dates as shall be determined at the time of sale, provided, however, that the Series 2019 Bonds shall mature within 20 years of the date of issuance thereof.

The Series 2019 Bonds shall bear interest at the rate or rates to be determined at the time of sale of the Series 2019 Bonds, payable semi-annually on such dates as approved at the time of sale thereof, and semi-annually thereafter by check drawn on the Transfer Agent and mailed to the registered owner 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. The principal of the Series 2019 Bonds shall be payable at the designated office of the Transfer Agent.

The Series 2019 Bonds may be subject to redemption prior to maturity at the times and prices finally determined at the time of sale. In the event that any of the Series 2019 Bonds shall be issued as term bonds, the mandatory redemption requirements for such term bonds shall be specified at the time of sale.

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.

The Series 2019 Bonds shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk. The Series 2019 Bonds shall have the corporate seal of the City impressed or printed thereon. If any of the Series 2019 Bonds shall be signed by the facsimile signature of both the Mayor and the City Clerk then

such bond shall not be valid until authenticated by an authorized officer of the Transfer Agent. The Series 2019 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the City upon payment of the purchase price therefor in accordance with the bond purchase agreement with the purchaser of the Series 2019 Bonds. Executed blank bonds 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 Series 2019 Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York (“DTC”), and any official of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Series 2019 Bonds in book-entry-only form and to make such changes in the bond form within the parameters of this Ordinance as may be required to accomplish the foregoing. If the Series 2019 Bonds are held in book-entry form by DTC, payment of principal of and interest shall be made in the manner prescribed by DTC.

Any Series 2019 Bond may be transferred upon the books of the City maintained by the Transfer Agent by the person in whose name it is registered, in person or by his 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 Series 2019 Bond or Bonds shall be surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds of the same series 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. The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of 15 business days before the day of the mailing of a notice of redemption of bonds selected for redemption prior to maturity and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part. Notwithstanding the foregoing, if the Series 2019 Bonds are held by DTC in book-entry form, the transfer of the Series 2019 Bonds shall be made in the manner prescribed by DTC.

Section 6. Senior Lien Bond Form. The Senior Lien Bonds, including the Series 2019 Bonds, shall be in substantially the following form with such revisions, additions and deletions as may be advisable or necessary to comply with the final terms established upon sale thereof.

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF CALHOUN

CITY OF MARSHALL
WATER SUPPLY SYSTEM REVENUE BOND
[SERIES DESIGNATION]

Interest Rate	Date of Maturity	Date of Original Issue	CUSIP
---------------	------------------	------------------------	-------

Registered Owner:

Principal Amount:

The CITY OF MARSHALL, County of Calhoun, 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, but only out of the hereinafter described Net Revenues, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year 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 [first payment date] and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of [Transfer Agent], or such other transfer agent as the City may hereafter designate by notice mailed to the Registered Owner of record not less than sixty (60) days prior to an interest payment date (the “Transfer Agent”). Interest on this bond is payable to the Registered Owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the 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. The date of determination of Registered Owner for purposes of payment of interest may be changed by the City to conform to market practice in the future. For the prompt payment of the principal of and interest on this bond, the revenues of the water supply system of the City including all enlargements, extensions, repairs and improvements thereto hereafter made (the “System”), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the “Net Revenues”), and certain funds and accounts established by the Ordinance (defined below), are irrevocably pledged and a statutory lien thereon has been created. [This bond and the series of which it is one are of equal standing and priority of lien as to the Net Revenues of the System with the City’s outstanding [series bonds] (collectively, the “Senior Lien Bonds”)].

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$[principal amount], issued pursuant to Ordinance No. [ordinance number] (the “Ordinance”) duly adopted by the City Council of the City, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”) for the purposes of acquiring and constructing

improvements to the System[, to fund the bond reserve account for the bonds,] and to pay costs of issuance of the bonds.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance. The City has reserved the right to issue additional bonds of equal standing with the bonds of this issue on the conditions stated in the Ordinance. Copies of the Ordinance are on file at the office of the City Clerk and at the designated corporate trust office of The Huntington National Bank, as Trustee (the "Trustee"), and reference is made to the Ordinance and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94 for a more complete description of the pledges and covenants securing the bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds with respect thereto and the terms and conditions upon which the bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Ordinance, the provisions of the Ordinance or any resolution or agreement amendatory thereof or supplemental thereto, may be modified or amended by the City, except in specified cases, only with the written consent of the registered owners of at least fifty-one percent (51%) of the principal amount of the bonds then outstanding.

Bonds maturing in the years [maturity dates of bonds which can't be prepaid] inclusive, shall not be subject to redemption prior to maturity at the option of the City.

Bonds or portions thereof in multiples of \$5,000 maturing on or after [first maturity date of bonds which can be prepaid], will be subject to redemption prior to maturity at the option of the City on any date occurring on or after [first date bonds can be prepaid], in such order as the City may determine and within any maturity by lot at par plus accrued interest to the date fixed for redemption.

[If Term Bonds are sold, provisions describing
mandatory sinking fund redemption of Term Bonds]

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 a new bond of the same maturity and interest rate in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days prior to the date fixed for redemption to the registered owner at the address of the registered owner as shown on the registration books of the City. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bonds by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in the same aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof with the same interest rate and maturity. No further interest on bonds or

portions of bonds called for redemption shall accrue after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bonds or portion thereof.

This bond is transferable only upon the books of the City kept for that purpose at the office of the Transfer Agent by the Registered Owner hereof 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 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 Ordinance, and upon the payment of the charges, if any, therein prescribed. The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption under the Ordinance and ending at the close of business on the date of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE ORDINANCE. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The City has covenanted and agreed in the Ordinance that the City will at all times fix, establish, maintain and collect rates, fees and charges for the sale of the output, capacity, use or service of the System which, together with other income, are reasonably expected to yield Net Revenues equal to at least 110% of the aggregate debt service requirement on all Senior Lien Bonds payable from the Net Revenues of the System as and when the same become due and payable, and in addition to maintain a bond and interest redemption account (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

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 have been done and performed in regular and due time and form as required by law.

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 Marshall, County of Calhoun, State of Michigan, by its City Council, has caused this bond to be signed in the name of said City [by] / [with the

facsimile signatures of] its Mayor and its City Clerk and the City seal or a facsimile thereof to be [manually impressed/printed], all as of the Date of Original Issue.

CITY OF MARSHALL

By [facsimile] _____
Mayor

(Seal)

Countersigned:

By [facsimile] _____
City Clerk

*[STANDARD FORM OF AUTHENTICATION CERTIFICATE
AND ASSIGNMENT TO APPEAR ON DEFINITIVE BOND]*

Section 7. Payment of Bonds; Defeasance. The Bonds and the interest thereon shall be payable solely from the Net Revenues (except to the extent payable from the proceeds of bond insurance or other credit enhancement or from the proceeds of Bonds), and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien. Pursuant to provisions of Act 94, the City hereby pledges to the repayment of principal of, interest on and redemption premiums, if any, on the Bonds, the funds and accounts established by this Ordinance other than the Rebate Account, and a statutory lien is hereby created on such funds and accounts. The liens and pledge provided above shall continue until payment in full of the principal of and interest on all Bonds payable from Net Revenues, or, until Sufficient cash, Sufficient Government Obligations, Sufficient Municipal Obligations or any combination thereof shall have been deposited in trust for payment in full of the principal of and the interest on all Bonds to be paid or defeased to their maturity, or, if called or if irrevocable instructions have been given to call for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit Sufficient cash, Sufficient Government Obligations, Sufficient Municipal Obligations or any combination thereof, as provided in the previous sentence, the statutory lien herein created shall be terminated with respect to the Bonds to be defeased, the Registered Owners of these Bonds shall have no further rights under this Ordinance except for payment from the deposited funds and for rights of replacement, registration and transfer, and such Bonds shall no longer be considered to be Outstanding Bonds under this Ordinance.

Section 8. Management; Operating Year. The operation, repair and management of the System and the acquisition and construction of the Series 2019 Project shall be under the supervision and control of the City Council. The City Council, in accordance with the relevant provisions of the City Charter, may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Council may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which is the same as the fiscal year of the City.

Section 9. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 10. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the City.

Section 11. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, it is agreed that the City will at all times fix, establish, maintain and collect rates, fees and charges for the sale of the output, capacity, use or service of the System which, together with other income, are reasonably expected to yield Net Revenues

equal to at least 110% of the Aggregate Debt Service Requirement on the Senior Lien Bonds for the forthcoming twelve (12) month period plus such amount as is necessary to comply with all covenants in this Ordinance and to pay all charges and liens whatsoever payable out of Net Revenues in such period. In calculating Net Revenues under this section the City shall not include any investment earnings to be received from investment of the Bond Reserve Account.

Section 12. Funds and Accounts; Flow of Funds. All Revenues of the System shall be set aside as collected and credited to a fund to be designated WATER SUPPLY SYSTEM RECEIVING FUND. The Revenues so credited are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times hereinafter specified:

A. OPERATION AND MAINTENANCE ACCOUNT:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to an account hereby ordered to be established, maintained and designated OPERATION AND MAINTENANCE ACCOUNT, a sum sufficient to provide for the payment of the expenses of administration and operation of the System including such current expenses for the maintenance of the System as may be necessary to preserve the System in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the City at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the City from moneys credited to the Operation and Maintenance Account except for services directly rendered to the System by the City or its personnel.

B. BOND AND INTEREST REDEMPTION ACCOUNT:

There shall be established and maintained a separate depository account designated BOND AND INTEREST REDEMPTION ACCOUNT, the moneys on deposit therein from time to time to be used solely, except for required deposits to the Rebate Account, for the purpose of paying the principal of, redemption premiums (if any) and interest on the Senior Lien Bonds.

Out of the Revenues remaining in the Receiving Fund, after provision for the credit or deposit to the Operation and Maintenance Account, there shall next be set aside, monthly, in the Redemption Account a sum proportionately sufficient to provide for the payment of the principal of, mandatory redemption requirements, if any, and interest on the Senior Lien Bonds as and when the same become due and payable, subject to any credit therefor as provided in this Section 12(B). If there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the next succeeding month's requirements.

No further payments need be made into the Redemption Fund after enough of the Senior Lien Bonds have been retired so that the amount then held in the Redemption Fund (including the Bond Reserve Account) is equal to the entire amount of principal and interest which will be payable at the time of maturity of all Outstanding Senior Lien Bonds and the monies so held shall be used solely to pay the principal of and interest on the Senior Lien Bonds including

redemption premiums, if any, as the Senior Lien Bonds become due either by maturity or by redemption prior to maturity.

A redemption requirement for the Senior Lien Bonds may be satisfied by calling the Senior Lien Bonds as provided in this Ordinance or by the purchase and surrender to the Transfer Agent of Senior Lien Bonds of the same issue and maturity from moneys allocated therefor as provided herein, or purchased with other funds legally available therefor. The City shall elect the manner in which it intends to satisfy a redemption requirement not less than forty five days prior to the date of redemption.

There is hereby established in the Redemption Account a separate account to be known as the BOND RESERVE ACCOUNT. From the proceeds of the sale of the Series 2019 Bonds or other moneys available to the City there shall be deposited an amount in the Bond Reserve Account which shall cause the amount on deposit in the Bond Reserve Account to equal the Bond Reserve Requirement. The City may meet the Bond Reserve Requirement by cash, a letter of credit, a surety bond, or an insurance policy if the provider or issuer thereof shall be rated by a nationally recognized bond rating agency as high or higher than the Senior Lien Bonds. Except as hereinafter provided, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Senior Lien Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use the moneys or the surety bond credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced or repaid over a period of not more than 5 years, or such other period as required by the letter of credit, surety bond, or insurance policy securing the Bond Reserve Account, from the Net Revenues first received thereafter which are not required for current principal and interest requirements. If at any time there is any excess in the Bond Reserve Account over the Bond Reserve Requirement, such excess may be transferred to such fund or account as the City shall direct. If Additional Bonds are issued, each ordinance authorizing such Additional Bonds shall provide for additional deposits to the Redemption Account for credit to the Bond Reserve Account from the proceeds of such Additional Bonds, or other moneys available to the City, in such an amount as will result in the total credited to the Bond Reserve Account being equal to the Bond Reserve Requirement.

C. JUNIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT:

If the City shall ever issue Junior Lien Bonds, there shall be established and maintained a separate depository account designated JUNIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT for the purpose of paying the principal, redemption premiums, if any, and interest on such Junior Lien Bonds as they come due. Revenues remaining in the Receiving Fund, after provision has been made for the requirements of the Operation and Maintenance Account and the Redemption Account including the Bond Reserve Account, shall be set aside, but not more often than monthly, in the Junior Lien Redemption Account in accordance with the ordinance authorizing the issuance of the Junior Lien Bonds. Additionally, a separate account may also be established within the Junior Lien Redemption Account as a bond reserve account to be funded on a junior lien basis in accordance with the ordinance authorizing the issuance of the Junior Lien Bonds. The detail of the establishment and maintenance of the Junior Lien Redemption Account shall be provided in the ordinance of the City Council authorizing the issuance of such Junior Lien Bonds.

D. GENERAL OBLIGATION DEBT ACCOUNT:

Out of the remaining Revenues in the Receiving Fund, there may be next set aside in or credited to monthly after meeting the requirements of the foregoing Account, to an account designated GENERAL OBLIGATION DEBT ACCOUNT, or from other available moneys such sums as shall be necessary to pay debt service on presently existing or future general obligation bond issues of the City or general obligations or contractual obligations of the City incurred or to be incurred for System purposes.

E. IMPROVEMENT ACCOUNT:

There next shall be established and maintained an account designated IMPROVEMENT ACCOUNT. Except as hereinafter provided, the money credited thereto shall be used solely for the purpose of making major repairs, replacements and improvements to the System. There shall next be set aside in or credited to the Improvement Account, after provision is made for the requirements of the foregoing funds and accounts, such additional funds as the City may deem advisable. If at any time it shall be necessary to use moneys in the Improvement Account the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Rebate Account, Operation and Maintenance Account, Redemption Account (including the Bond Reserve Account), or the Junior Lien Redemption Account.

F. SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section 12 may, at the discretion of the City, be used for any of the following purposes:

1. Transferred to the Improvement Account.
2. Transferred to the Redemption Account and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to this Ordinance.
3. Any other use permitted by law.

Section 13. Rebate Account. There shall be established and maintained an account designated the REBATE ACCOUNT. Moneys representing investment earnings or profits shall be transferred annually from all funds and accounts established under this Ordinance and deposited in the Rebate Account in an amount sufficient to enable the City to rebate investment earnings to the federal government, if necessary, in accordance with the requirements of the Internal Revenue Code. Funds on deposit in the Rebate Account are not pledged as security for the Bonds. Monies shall be deposited in the Rebate Account and shall be rebated to the federal government unless the City has received an opinion of nationally recognized bond counsel that failure to take such actions will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Bonds.

Section 14. Segregation of Accounts; Funds on Hand. Moneys in the several funds and accounts established pursuant to this Ordinance, except moneys in the Redemption Account

(including the Bond Reserve Account), the Junior Lien Redemption Account, the General Obligation Debt Account, and the Rebate Account, and moneys derived from the proceeds of sale of the Bonds, may be kept in one deposit account, in which event the moneys in said account shall be allocated on the books and records of the City or deposited to the funds and accounts herein established, in the manner and at the times provided in this Ordinance.

Section 15. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Account, the Redemption Account, or the Junior Lien Redemption Account, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Account, second, to the Redemption Account, to the extent of any deficit therein, and third, to the Junior Lien Redemption Account.

Section 16. Investments. Moneys in the funds and accounts established herein may be invested by the City in Investment Obligations, provided, however, that moneys deemed to be proceeds of tax-exempt Bonds shall be invested in accordance with the requirements of Section 33 of this Ordinance. Investment of moneys in the Redemption Account being accumulated for payment on the next maturing principal or interest payment on the Bonds shall be limited to Government Obligations bearing maturity dates prior to the date of the next maturing principal or interest payment respectively on the Bonds. Investment of moneys in any other funds or accounts, including moneys derived from the proceeds of sale of the Bonds, shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than the time estimated by the City when the moneys from such investments will be required. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or accounts from which such purchase was made. Earnings or profits on any investment of funds in any fund or account established in this Ordinance shall be deposited in or credited to the Rebate Account to extent necessary as required by Section 13 of this Ordinance and any earnings or profits remaining in the Receiving Fund, Operation and Maintenance Account, Redemption Account, Junior Lien Redemption Account, General Obligation Debt Account, and, at any time after they are fully funded, the Bond Reserve Account and the Improvement Account, shall be deposited in or credited to the Receiving Fund provided, however, that any earning or profit on the Bond Reserve Account received prior to the completion of the Project shall be deposited in the Construction Account.

The City shall value investments in the Bond Reserve Account at fair market value and marked to market at least once per year. The average duration of investments in the Bond Reserve Account may not have maturities extending beyond 5 years.

Section 17. Applicable Law. The Bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94.

Section 18. Proceeds of Series 2019 Bonds. There shall be established and maintained a separate depository account designated as the WATER SUPPLY SYSTEM REVENUE BONDS SERIES 2019 CONSTRUCTION ACCOUNT in a bank qualified to act as depository of the proceeds of sale of revenue bonds under the provisions of Section 15 of Act 94. If the Series 2019 Bonds are sold as both a tax exempt series and a taxable series then separate

accounts shall be established within the Series 2019 Construction Account for proceeds of each series. Monies in the Series 2019 Construction Account shall be applied solely in payment of the cost of the Series 2019 Project and any costs of engineering, legal, bond issuance and other expenses incident thereto and to the issuance of the Series 2019 Bonds. Any unexpended balance of the proceeds of sale of the Series 2019 Bonds remaining in the Series 2019 Construction Account after completion of the Series 2019 Project may, in the discretion of the Authorized Officer, be used for meeting requirements, if any, of the Bond Reserve Account, or for further improvements, enlargements and extension to the System. Any balance remaining after such expenditure shall be paid into the Redemption Account.

From the proceeds of sale of the Series 2019 Bonds there first shall be immediately deposited in the Redemption Account an amount equal to the accrued interest, if any, received on delivery of the Series 2019 Bonds, and the City may take credit for the amount so deposited against the amount required to be deposited in the Redemption Account for payment of the next maturing interest. All or a portion of any premium received upon delivery of the Series 2019 Bonds may be deposited in either the Redemption Account or the Series 2019 Construction Account, as determined by the Authorized Officer in consultation with bond counsel.

There shall next be deposited from the proceeds of sale of the Series 2019 Bonds to the Bond Reserve Account an amount, if any, designated by the Authorized Officer at the time of sale as necessary to meet the requirements of this Ordinance.

The remaining proceeds of sale of the Series 2019 Bonds shall be deposited to the Series 2019 Construction Account.

Section 19. Covenants. The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain as Outstanding Bonds and unpaid as to either principal or interest:

(a) The City will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan and this Ordinance.

(b) The City will maintain and keep proper books of record and account separate from all other records and accounts of the City in accordance with Act 2, Public Acts of Michigan, 1968, as amended. The City will cause an annual audit of the books of record and account of the System for the preceding operating year each year by a recognized independent certified public accountant. The audit shall be completed and so made available in accordance with Act 2, Public Acts of Michigan 1968, as amended.

(c) The City shall maintain and carry, for the benefit of the Registered Owners of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by public utility companies and municipalities engaged in the operation of water supply systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be placed in the Redemption Account and used for the purpose of redeeming or purchasing Bonds.

(d) The City will not sell, lease, mortgage or otherwise dispose of any part of the System, except for sales or exchanges of property or facilities (1) which are not useful in the operation of the System, or (2) for which the proceeds received are, or the fair market value of the subject property (as certified by the Consulting Engineers) is, less than 1% of the Revenues of the preceding fiscal year, or (3) as to which the Consulting Engineers certify that the ability of the City to comply with the rate covenant described in Section 11 of this Ordinance will not be impaired.

(e) The City will not grant any franchise or other rights to any person, firm or corporation to operate a system that will compete with the System and the City will not operate a system that will compete with the System.

(f) The City will cause the Series 2019 Project to be acquired and constructed promptly and in accordance with the plans and specification therefor.

(g) Any bonds issued by the City payable from the Net Revenues of the System shall be issued under this Ordinance.

Section 20. Additional Bonds. The right is reserved, in accordance with the provisions of Act 94, to issue additional bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Senior Lien Bonds but only for the following purposes and under the following terms and conditions.

(a) To complete the Project in accordance with the plans and specifications therefor. Such Bonds shall not be authorized unless the Consulting Engineers shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the City, it shall be the duty of the City Council to provide for and issue Additional Bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus in accordance with the plans and specifications plus an amount necessary to pay the cost of issuing such Bonds or to provide for part or all of such amount from other sources legally available therefor.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding a part of any Outstanding Bonds (unless such partial refunding is done in compliance with (c) below) and paying costs of issuing such Additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding 12-month operating years, or the Adjusted Net Revenues of the System for the then last preceding 12-month operating year, if the same shall be lower than the average, shall be equal to at least 125% of the maximum Aggregate Debt Service in any future operating year on the then Outstanding Bonds and on the Additional Bonds then being issued. If the Additional Bonds are to be issued in whole or in part for the purpose of refunding Outstanding Bonds, the maximum Aggregate Debt Service shall be determined by deducting from the principal and interest requirements for each operating year the annual Aggregate Debt Service Requirements of any Bonds to be refunded from the proceeds of the

Additional Bonds. For purposes of this subparagraph (b) the City may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the Additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the Additional Bonds. Determination by the City as to existence of conditions permitting the issuance of Additional Bonds shall be conclusive.

No Additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in subparagraphs (b) or (d) if the City shall then be in default in making its required payments to the Operating and Maintenance Account or the Redemption Account.

(c) For refunding all of the Outstanding Bonds and paying costs of issuing such Additional Bonds including deposits which may be required to be made to the Bond Reserve Account. For refunding a part of the Outstanding Bonds and paying costs of issuing such Additional Bonds, if after giving effect to the refunding the maximum amount of Aggregate Debt Service in each future fiscal year shall be less than the Aggregate Debt Service in each future fiscal year prior to giving effect to the refunding.

(d) Additional Bonds may be issued without meeting any of the conditions and tests set forth in subsection (b) above for any one or more of the following purposes:

(i) the cost of acquisition and construction of any repairs, replacements, betterments, improvements, major renewals or corrections of any damage or loss to the System necessary, in the opinion of the Consulting Engineers, to keep the System in good operating condition or to prevent a loss of Revenues therefrom to the extent that the cost thereof cannot reasonably be paid from the Improvement Account or from insurance proceeds, or

(ii) the cost of decommissioning, disposal or termination of any part of the System.

Determination by the City Council as to existence of conditions permitting the issuance of Additional Bonds shall be conclusive, provided this shall not eliminate any requirement for any other approval required herein.

As long as any Outstanding Bonds are insured, or any policy costs thereon are owed to a Bond Insurer, the City shall get the prior written consent of the Bond Insurer, if any, before the issuance of Additional Bonds under subsections (a) and (d) of this Section 20, which consent shall not be unreasonably withheld.

Notwithstanding the foregoing requirements of this Section 20, the City reserves the right to issue Junior Lien Bonds payable as provided herein.

Section 21. Events of Default. Each of the following events, with respect to an issue of Bonds, is hereby declared an “Event of Default”:

(a) default in the payment of the principal of or interest, or redemption premium, if any, on any Bond after the same shall become due, whether at maturity or upon call for redemption; or

(b) default by the City in the performance or observance of any other of the covenants, agreements or conditions on its part in this Ordinance, or contained in the Bonds; provided, no such default shall constitute an Event of Default until written notice thereof shall have been given by the Registered Owners of not less than twenty percent (20%) in principal amount of the Outstanding Bonds to the City and the City shall have had sixty (60) days after receipt of such notice to correct such default or cause the same to be corrected and shall not have corrected such default or caused the same to be corrected within such period; and provided, further, that if the default be such that it cannot be corrected within such period, it shall not constitute an Event of Default if action to correct the same is instituted within such period and diligently pursued until the default is corrected. The City shall forward a copy of any such notice as described in this Section 21(b) to the Trustee and to any Bond Insurer which is insuring Bonds subject to an Event of Default.

The Transfer Agent shall notify the Trustee and any Bond Insurer which is insuring Bonds subject to an Event of Default if the Transfer Agent lacks sufficient funds for the payment of the principal of, or interest, or redemption premium, if any, on any Bond when the same shall become due whether at maturity or upon call for redemption.

If any of the Bonds subject to an Event of Default are insured, then (a) the Bond Insurer, if any, shall have the right to consent to pursuit of any available legal remedy before the Trustee or the Bondholder shall be permitted to take such action, and (b) the Bond Insurer, if any, shall have the same rights as the Trustee or any Bondholder to pursue any legal remedy in an Event of Default.

Section 22. Accounting and Examination of Records After Default. The City covenants that (i) if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the City and all other records relating to the System shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys, and (ii) if an Event of Default shall have happened and shall not have been remedied, the City, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Ordinance for such period as shall be stated in such demand.

Section 23. Application of Revenues and Other Moneys After Default. The City covenants that if an Event of Default shall happen and shall not have been remedied, the City, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the City in any fund or account established under this Ordinance, and (ii) all Revenues as promptly as practicable after receipt thereof. During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this section as follows and in the following order:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, and to the payment of the amounts required for operation and maintenance expenses and for the reasonable renewals, repairs and replacements of the System necessary in the judgment of the Trustee to prevent loss of Revenues. For this purpose the books of record and accounts of the City relating to the System shall at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default; and

(b) To the payment of the interest and principal or redemption price then due on the Bonds, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the City under this Ordinance, including the principal and redemption price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the City, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under this Ordinance or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the City, all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Ordinance to be deposited or pledged, with the Trustee), and thereupon the City and the Trustee shall be restored, respectively, to their former positions and rights under this Ordinance. No such payment over to the City by the Trustee nor such restoration of the City and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Ordinance or impair any right consequent thereon.

Section 24. Appointment of Receiver and Statutory Rights. In the event of a default in the punctual payment of principal of and interest on the Bonds when due, the Trustee shall have the right to apply in an appropriate proceeding for the appointment of a receiver of the System in accordance with the provisions of Act 94. Subject to the provisions of Section 26 of this Ordinance, the Registered Owners of Bonds representing in the aggregate not less than twenty percent (20%) of all Outstanding Bonds, may protect and enforce the statutory lien and pledge of the funds and accounts and Net Revenues created by Act 94, and enforce and compel the

performance of all duties of the officials of the City, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of Revenues, and the proper application of Revenues. In addition to the rights conferred to Registered Owners by this Ordinance, the Registered Owners shall have all the rights conferred by the Act 94; provided, however, that the Registered Owner of each Bond agrees to enforce such right subject to the provisions of Section 26. The statutory lien upon the Net Revenues, however, shall not be construed to compel the sale of the System or any part thereof.

Section 25. Proceedings Brought by Trustee. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Registered Owners of not less than 20% in principal amount of the Outstanding Bonds shall proceed, to protect and enforce its rights and the rights of the Registered Owners of the Bonds under this Ordinance forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the City as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Ordinance.

All rights of action under this Ordinance may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

Subject to the provisions of Section 26, the Registered Owners of not less than twenty percent in principal amount of the Outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Registered Owners not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Ordinance, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Ordinance and provided to be exercised by the Trustee upon the concurrence of any Event of Default.

Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Registered Owners of not less than 20% in principal amount of the Outstanding Bonds, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Ordinance or any acts which may be unlawful or in violation of this Ordinance, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Registered Owners.

Section 26. Restriction on Registered Owner's Action. No Registered Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Ordinance or the execution of any trust under this Ordinance or for any remedy under this Ordinance, unless such Registered Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Ordinance, and the Registered Owners of at least 20% in principal amount of the Outstanding Bonds shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Ordinance or by Act 94 or by the laws of the State of Michigan or to institute such action, suit or proceeding in its own name, and unless such Registered Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Registered Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the liens or pledge created by this Ordinance, or to enforce any right under this Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Ordinance shall be instituted, had and maintained in the manner provided in this Ordinance and for equal benefit of all Registered Owners of the Outstanding Bonds; provided, however, nothing herein shall be construed as impairing any right granted to Registered Owners pursuant to the provisions of Act 94.

Section 27. Remedies Not Exclusive. No remedy by the terms of this Ordinance conferred upon or reserved to the Trustee or the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or existing at law or in equity or by statute on or after the date of this Ordinance.

Section 28. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or any Registered Owner to exercise any right or power arising upon the happening or an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Ordinance to the Trustee or to the Registered Owners may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Registered Owners.

The Registered Owners of not less than 20% in principal amount of the Bonds at the time outstanding, or their attorneys in fact duly authorized, may on behalf of the Registered Owners of all of the Bonds waive any past default under this Ordinance and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 29. Notice to Trustee of Default. The Trustee shall not be obliged to take notice or be deemed to have notice or knowledge of any Event of Default hereunder, unless specifically notified in writing of such Event of Default by the Transfer Agent or by the Registered Owners of not less than twenty percent (20%) in aggregate principal amount of the Outstanding Bonds in default.

Section 30. Notice to Registered Owners of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each Registered Owner of Outstanding Bonds at the address appearing upon the books kept by the Transfer Agent for each series of Bonds.

Section 31. Acceptance by Trustee of Trust and Duties. The Trustee shall evidence its acceptance of the trusts and duties imposed upon it by this Ordinance upon the occurrence of an Event of Default by filing a written acceptance thereof with the City. The Trustee shall execute the trusts and duties imposed upon it by this Ordinance upon the occurrence of an Event of Default but only upon the terms and conditions set forth in and subject to the provisions of this Ordinance. The Trustee shall, prior to having knowledge of any Event of Default as defined in this Ordinance and after the curing of all such Events of Default which may have occurred, perform such duties and only such duties of the Trustee as are specifically set forth in this Ordinance. The Trustee shall, during the existence of any such Event of Default (which has not been cured) exercise such of the rights and powers vested in it by this Ordinance and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No such provision of this Ordinance shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any such Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Ordinance and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Trustee, and

(2) in the absence of bad faith on its part the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Ordinance; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts:

(2) the Trustee may consult with counsel (who may be counsel for any Registered Owner) and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon; and

(3) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

None of the provisions contained in this Ordinance shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Trustee may at any time resign and be discharged of the duties and obligations created by this Ordinance, by giving at least sixty days written notice to the City and to any Bond Insurer insuring Outstanding Bonds. The successor Trustee shall be appointed by the City and shall be a national banking association or a bank or trust company organized under the laws of the United States of America or any state of the United States of America having a reported capital and surplus aggregating at least \$50,000,000, and shall be willing and able to accept the office on reasonable and customary terms, and shall be authorized by law to perform all the duties imposed on it by this Ordinance. Appointment of the successor Trustee shall be subject to approval of any Bond Insurer if required by such company.

Section 32. Amendments; Consent of Registered Owners.

(a) The City, from time to time and at any time, subject to the conditions and restrictions contained in this Ordinance, may enact one or more supplemental or amendatory ordinances or resolutions or both which thereafter shall form a part hereof, for any one or more or all of the following purposes:

(i) To issue Additional Bonds or Junior Lien Bonds;

(ii) To add to the covenants and agreements of the City contained in this Ordinance, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City (including but not limited to the right to issue Additional Bonds);

(iii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained in this Ordinance, or in regard to matters or questions arising under this Ordinance, as the City may deem necessary or desirable and not inconsistent with this Ordinance and which shall not have material, adverse effect on the interests of the Registered Owners of the Bonds;

(iv) To increase the size or scope of the System;

(v) To make such modifications in the provisions hereof as may be deemed necessary by the City to accommodate the issuance of Additional Bonds or junior lien bonds which (a) are "Capital Appreciation Bonds" or "Zero Coupon Bonds" to the extent permitted by law or (b) are variable rate bonds, but only if such modifications, in the written opinion of nationally recognized bond counsel filed with the City, do not result in materially diminishing the security hereby granted to the Registered Owners of any Outstanding Bonds;

(vi) To make such modifications in the provisions hereof as may be deemed advisable by the City, provided that the City has confirmed in writing with each rating agency rating Outstanding Bonds to which the provision will apply that the adoption of such provision will not result in the reduction or withdrawal of any rating on such Bonds; and

(vii) To make such modifications in the provisions hereof as may be deemed necessary to maintain the exemption of interest from gross income for federal income tax purposes on any series of tax-exempt bonds issued under this Ordinance.

Any amendment or supplemental ordinance or resolution authorized by the provisions of this Section 32(a) may be enacted by the City without the consent of or notice to the Registered Owners of any of the Outstanding Bonds, notwithstanding any of the provisions of Section 32(b) below.

(b) With the consent of the Registered Owners of not less than 51% in principal amount of the Bonds then outstanding and with the written consent of any Bond Insurer insuring Outstanding Bonds, which consent shall not be unreasonably withheld, the City may from time to time and at any time adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance, provided, however, that no such supplemental ordinance shall (i) extend the fixed maturity of any Bond, change a Mandatory Redemption Requirement for any series of Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce or extend the time for payment of any premium payable on the redemption thereof, without the consent of the Registered Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Registered Owners of the Bonds required to approve any such supplemental ordinance, or (iii) deprive the Registered Owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the Net Revenues, without the consent of the Registered Owners of all the Outstanding Bonds or, (iv) cause any modification or reduction of the lien on or pledge of the Net Revenues or the funds or accounts established hereunder.

It shall not be necessary for the consent of the Registered Owners under this Section 32(b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the enactment by the City of any supplemental ordinance pursuant to the provisions of this Section 32(b), the City shall cause the Transfer Agent to mail a notice by registered or certified mail to the Registered Owners of all Outstanding Bonds at their addresses shown on the bond register or at such other address as is furnished in writing by such Registered Owner to the Transfer Agent setting forth in general terms the substance of such supplemental ordinance.

Section 33. Non-Arbitrage Covenant. For any series of Bonds issued under this Ordinance on a tax-exempt basis, the City covenants and agrees that as long as any of the tax-exempt bonds remain outstanding and unpaid as to either principal or interest, the City shall not invest, reinvest or accumulate any moneys deemed to be proceeds thereof pursuant to the

Internal Revenue Code in such a manner as to cause the tax-exempt bonds to be “arbitrage bonds” within the meaning of the Internal Revenue Code. The City hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exemption of interest on any series of tax-exempt Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the City with the tax-exempt bonds.

Section 34. Municipal Bond Insurance. For any series of Bonds issued under this Ordinance, if the Municipal Advisor recommends that the City consider purchase of municipal bond insurance, or consider qualification for approval for municipal bond insurance, then the Authorized Officer is hereby authorized and directed, on behalf of the City, to apply for municipal bond insurance, to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which Bonds, if any, shall be insured. The Authorized Officer is hereby authorized to enter into an agreement with the Bond Insurer regarding notices to be provided to the Bond Insurer, filing of annual financial information to be provided to the Bond Insurer, consents or approvals to be obtained from the Bond Insurer, the dates of receipt by the Transfer Agent of bond payments, and other requirements which the City may be obliged to meet in order to obtain municipal bond insurance.

Section 35. Sale of Series 2019 Bonds. The City Council will authorize sale of the Series 2019 Bonds by separate resolution.

Section 36. Necessary Actions. In the event that the Authorized Officer is not available to undertake responsibilities delegated to the Authorized Officer under this Ordinance, then the City Manager or a person designated by the Authorized Officer or the City Manager is authorized to take such actions. Any one or more of the officers, administrators, agents and attorneys of the City are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance and delivery of the Series 2019 Bonds in accordance with this Ordinance.

Section 37. Ordinance to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Registered Owners from time to time of the Bonds; and the lien and pledge made in this Ordinance and the covenants and agreements therein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Ordinance.

Section 38. Repeal. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are repealed, including the following ordinances which authorized issuance of water supply and sewage disposal system revenue bonds which are no

longer outstanding: Ordinance No. 4.4 adopted on April 13, 1959; Ordinance No. 4.4(a) adopted on October 3, 1962; Ordinance No. 4.4(b) adopted on February 10, 1964; Ordinance No. 4.4(c) adopted on May 25, 1964; Ordinance No. 4.4(d) adopted on December 16, 1968; Ordinance No. 4.4(e) adopted on March 3, 1977; Ordinance No. 4.4(f) adopted on September 15, 1986; Ordinance No. 4.4(g) adopted on September 21, 1989; and Ordinance No. 4.4(h) adopted on August 2, 1993.

Section 39. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.

Section 40. Publication and Recordation. This Ordinance shall be published in full in Marshall *Ad-Visor & Chronicle*, a newspaper of general circulation in the City of Marshall qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the City and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 41. Effective Date. As provided in Act 94, this Ordinance shall be effective immediately upon its adoption.

Passed and adopted by the City Council of the City of Marshall, County of Calhoun, State of Michigan, on June 17, 2019.

Signed: _____
Mayor

Signed: _____
City Clerk

I hereby certify that the foregoing is a true and complete copy of an Ordinance duly enacted by the City Commission of the City of Marshall, County of Calhoun, State of Michigan, at a Regular meeting held on June 17, 2019, at 7:00 p.m., Eastern Time, 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. I further certify that the minutes of said meeting were kept and will he or have been made available as required by said Act 267.

I further certify that the following Commissioners were present at said meeting: Commissioners _____ and that the following Commissioners were absent: _____.

I further certify that Commissioner _____ moved for adoption of said Ordinance and that Commissioner _____ supported said motion.

I further certify that the following Commissioners voted for adoption of said Ordinance: Commissioners _____ and that the following Commissioners voted against adoption of said Ordinance: _____.

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signature of the Mayor and the City Clerk.

Signed: _____,
City Clerk



ADMINISTRATIVE REPORT
June 17, 2019 – City Council Meeting

TO: Honorable Mayor and City Council Members

FROM: Jon B. Bartlett, Finance Director
Tom Tarkiewicz, City Manager

SUBJECT: Resolution Authorizing Issuance and Sale of 2019 Water Revenue Bonds in an amount not to exceed \$4,200,000.

BACKGROUND: City staff has determined that it is in the best interest for the Water Department (Fund) to sell revenue bonds in order to complete and pay for the following projects:

- Michigan Avenue watermain replacement
- Perrin Dam watermain relocation
- Replacement of all water meters (AMI Project)
- Water withdrawal and testing of wells 5, 6, and existing City wells

Notice of Intent to Issue these bonds was passed by Council on December 17, 2018 and the next step in the process to complete the projects is to issue and sell revenue bonds.

The final estimated construction cost schedule is complete showing the costs of the four projects at \$3,748,869, with a contingency of \$322,491 to be added, putting the total estimated costs at \$4,071,360.

The total amount of the bonds will include approximately \$128,640 to sufficiently pay for the costs of issuance, that includes items such as; costs of printing the bonds, rating agency fees, preliminary and final official statements, publication of notices, municipal advisor fees, transfer agent fees, escrow trustee fees, bond counsel fees, and any other cost necessary to sell and deliver the bonds.

RECOMMENDATION: To approve the attached Resolution Authorizing the Issuance and Sale of 2019 Revenue Water Bonds in an amount not to exceed \$4,200,000 and to grant the City Manager or the City Finance Director the authority to sell and deliver the bonds without any further Council action.

FISCAL EFFECTS: The Water Fund has sufficient resources to make the annual required principal and interest payments for the bonds being issued. Without the sale of these bonds, the Water Fund would not have the resources to complete these projects.

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com



- ALTERNATIVES:**
- 1) Cancel the Projects
 - 2) Delay the Projects
 - 3) Suggestions by City Council

**CITY GOAL CLASSIFICATION: GOAL AREA IV –
INFRASTRUCTURE**

Goal Statement: Preserve, rehabilitate, maintain and expand city infrastructure and assets.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jon B. Bartlett".

Jon B. Bartlett
Finance Director

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

**City of Marshall
County of Calhoun, State of Michigan**

Resolution #2019-

**RESOLUTION AUTHORIZING SALE OF
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2019**

A RESOLUTION TO PROVIDE FOR:

- Sale of \$4,200,000 of Bonds to construct water supply system improvements.
- Publication of Official Notice of Sale in *The Bond Buyer*;
- Delegation of Sale of Bonds to Authorized Officer without further approval of City Council;
- Other matters necessary to prepare for sale and delivery of Bonds.

PREAMBLE

WHEREAS, the City of Marshall, County of Calhoun, State of Michigan (the "City") has by an Ordinance duly adopted on the date hereof (the "Ordinance") authorized the issuance and sale of not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000) in principal amount of the City's Water Supply System Revenue Bonds, Series 2019 (the "Bonds"); and

WHEREAS, Bendzinski & Co., Registered Municipal Advisors with the Municipal Securities Rulemaking Council, Municipal Advisor to the City (the "Municipal Advisor") has recommended that the City sell the Bonds by competitive sale through publication of a Notice of Sale; and

WHEREAS, the City Council wishes to authorize either the Finance Director or the City Manager of the City (the "Authorized Officer") to award sale of the Bonds to the lowest bidder, and to deliver and receive payment for the Bonds without the necessity of the City Council taking further action prior to sale and delivery of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Preliminary Official Statement. The Authorized Officer is directed to approve circulation of a preliminary official statement describing the Bonds and, once the Bonds are sold, to deem such preliminary official statement "final" for purposes of compliance with Securities and Exchange Commission Rule 15c2-12.

2. Ratings and Bond Insurance. The Authorized Officer is authorized to apply for one or more ratings on the Bonds as shall be recommended by the Municipal Advisor. If the Municipal Advisor recommends that the City consider qualification for approval for municipal bond insurance or purchase of municipal bond insurance, then the Authorized Officer is hereby authorized and directed, on behalf of the City, to apply for municipal bond insurance, to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which Bonds, if any, shall be insured.

3. Notice of Sale. The Authorized Officer shall, in consultation with the Municipal Advisor, fix a date of sale for the Bonds, approve circulation of a Preliminary Official Statement describing the Bonds, and publish the Notice of Sale of the Bonds in *The Bond Buyer*, New York, New York, or such other newspaper as may fulfill the requirements of state law. The Notice of Sale for the Bonds shall be in substantially the following form, with such revisions as the Authorized Officer may determine to be in the best interests of the City within the parameters set forth in Section 5 of this resolution, in consultation with the Municipal Advisor and Miller, Canfield, Paddock and Stone, P.L.C. (“Bond Counsel”).

OFFICIAL NOTICE OF SALE

\$4,200,000

CITY OF MARSHALL

County of Calhoun, State of Michigan

WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2019

BID OPENING: Bids for the purchase of the above bonds (the “Bonds”) will be publicly opened and read by an agent of the City of Marshall on **Tuesday, July 9, 2019** and may be submitted until **1:00 p.m.** Eastern Time.

SEALED BIDS for the purchase of the Bonds will be received at the office of Bendzinski & Co., Municipal Finance Advisors, 17000 Kercheval Ave., Suite 230, Grosse Pointe, Michigan 48230.

FAXED BIDS, signed by the bidder may be submitted by fax to Bendzinski & Co. at fax number (313) 961-8220 provided that faxed bids must arrive before the time of bid opening, and the bidder bears all risks of transmission failure.

ELECTRONIC BIDS: Electronic bids will be received by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or Client Services, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. If any provision of this Official Notice of Sale shall conflict with information provided by Bidcomp/Parity, as the approved provider of electronic bidding services, this Official Notice of Sale shall control. No change of the dated date will be allowed for the computation of the winning bid.

Bidders may choose any means to present bids but a bidder may not present a bid by more than one means. The City will award or reject bids on the date of the bid opening.

BOND DETAILS: The Bonds will be registered bonds of the denomination of \$5,000 or integral multiples thereof up to the principal amount of that maturity, originally dated as of the date of delivery thereof (currently anticipated to be July 25, 2019), and will bear interest from their date payable on October 1, 2019, and semiannually thereafter.

The Bonds will mature on April 1 of each year, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2021	\$ 90,000	2028	\$160,000	2035	\$270,000
2022	100,000	2029	175,000	2036	290,000
2023	110,000	2030	190,000	2037	310,000
2024	120,000	2031	205,000	2038	330,000
2025	130,000	2032	220,000	2039	350,000
2026	140,000	2033	235,000	2040	370,000
2027	150,000	2034	255,000		

TERM BOND OPTION: Bidders shall have the option of designating the Bonds maturing in the years 2021 through 2040, inclusive, as term bonds or serial bonds or both. The bid must designate whether each of the principal amounts shown above for the years 2021 through 2040, inclusive, represent a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2021 through 2040, inclusive, shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

If the term bond option is selected, then the principal amount of the term bonds of a maturity to be redeemed on the dates set forth above may be reduced by the principal amount of the term bonds of the same maturity which have been previously redeemed or called for redemption (other than as a result of a mandatory redemption) or purchased or acquired by the City and delivered to the transfer agent. The City may satisfy mandatory redemption requirements by the purchase and surrender of term bonds in lieu of the calling of such term bonds for redemption.

PRIOR REDEMPTION OF BONDS: The Bonds maturing or subject to mandatory redemption on or before April 1, 2027 are not subject to optional redemption prior to maturity.

Bonds or portions of Bonds in multiples of \$5,000 maturing or subject to mandatory redemption on or after April 1, 2028 shall be subject to redemption prior to maturity at the option of the City in such order of maturity as the City shall determine and within any maturity by lot, on any date on or after April 1, 2027, at par and accrued interest to the date fixed for redemption.

Notice of redemption of any Bond or portion thereof shall be given by the transfer agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the transfer agent. No further interest on a Bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the transfer agent to redeem the Bond or portion thereof. 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.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding 6.00% per annum, to be fixed by the bids therefor. The interest on any one Bond shall be at one rate only and all Bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate on the Bonds shall not exceed 2.00% per annum. No proposal for the purchase of less than all of the Bonds or at a price less than 99.00% of their par value will be considered. In submitting a bid for the Bonds, the bidder agrees to the representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel.

AWARD OF BONDS - TRUE INTEREST COST: The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2019 and semi-annually thereafter) necessary to discount the debt service payments from their respective

payment date to July 25, 2019 in an amount equal to the price bid. July 25, 2019 is the anticipated date of delivery of the Bonds. In the event there is an election to exercise the Term Bond option, true interest cost shall be calculated by applying the interest rate of such Term Bonds to each mandatory sinking fund redemption for such Term Bonds.

BOOK-ENTRY-ONLY: The Bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. An authorized agent of DTC will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple of \$5,000, and bondholders will not receive certificates representing their interest in Bonds purchased. The book-entry-only system is described further in the preliminary Official Statement for the Bonds. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, or other designated office, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to any interest payment date. As long as The Depository Trust Company or its nominee, Cede & Co., is the bondholder, payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the DTC Participants and Indirect Participants as described in the preliminary official statement for the Bonds. Interest shall be paid by check or draft mailed to the registered owner of record as shown on the registration books kept by the transfer agent as of the 15th day of the month prior to an interest payment date. The Bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and an Ordinance adopted by the City Council on June 17, 2019 (the “Ordinance”) for the purpose of defraying the cost of acquiring and constructing improvements and extensions to the City’s Water Supply System (the “System”) including the funding of a bond reserve fund. The bonds are payable solely and only from the Net Revenues of the System, and a statutory first lien on said Net Revenues has been established by the Ordinance. The City has covenanted and agreed that while any bonds payable solely and only from the Net Revenues of the System shall be outstanding that the City shall fix and maintain at all times such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System, to produce net revenues equal to one-hundred ten percent (110%) of the annual principal and interest on all of said bonds when due, to maintain a bond reserve account therefor, and to provide for such other expenditures and funds for the System as are required by the Ordinance. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally, now existing or hereafter enacted, and by the application of general principles of equity including those relating to equitable subordination.

ADDITIONAL BONDS: For the terms upon which additional bonds of equal standing with the bonds of this issue as to the Net Revenues of the System may be issued, reference is made to the Ordinance.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$42,000 payable to the order of the Treasurer of the City, will be required of the successful bidder. THE SUCCESSFUL BIDDER IS REQUIRED TO SUBMIT ITS GOOD FAITH DEPOSIT TO THE CITY AS INSTRUCTED BY THE CITY OR THE MUNICIPAL ADVISOR NOT LATER THAN NOON, EASTERN TIME, ON THE NEXT BUSINESS DAY FOLLOWING THE SALE. The good faith deposit will be applied to the purchase price of the Bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the Bonds shall be made at the closing.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants and the issue price rules set forth below, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

ISSUE PRICE: The winning bidder will be required to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached either as Appendix __ or __ of the preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

- a. the City is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- b. all bidders shall have an equal opportunity to bid;
- c. the City anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- d. the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the City shall so advise the winning bidder. The City will not require bidders to comply with the “hold-the-offering price rule,” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder, in consultation with the City, may elect to apply the “hold-the-offering price rule” (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering price rule” (as described below), bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% Test (as described below). The winning bidder must notify the City of its intention to apply either the “hold-the-price rule” or the 10% Test at or prior to the time the Bonds are awarded.

If the winning bidder does not request that the “hold-the-offering price rule” apply to determine the issue price of the Bonds, then the following two paragraphs shall apply:

- a. The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds; and
- b. Until the 10% Test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the bonds of that maturity, provided that, the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

If the winning bidder does request that the “hold-the-offering price rule” apply to determine the issue price of the Bonds, then the following three paragraphs shall apply:

- a. The winning bidder, in consultation with the City, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The winning bidder shall promptly advise the City, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering price rule or both.
- b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of the award at the

offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- i. the close of the fifth (5th) business day after the sale date; or
- ii. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public;

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

- c. The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds.

By submitting a bid, each bidder confirms that:

- a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
- b. any agreement among underwriters or selling group agreement relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.
- c. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of establishing issue price.

Further, for purposes of this Notice of Sale:

- a. “public” means any person other than an underwriter or a related party,
- b. “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to

a third party distribution agreement participating in the initial sale of the Bonds to the public);

- c. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- d. “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

[[QUALIFIED TAX EXEMPT OBLIGATIONS: The City has designated the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986, as amended.]]

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

DELIVERY OF BONDS: The City will furnish executed Bonds to be delivered at its expense to an authorized agent of DTC. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o’clock noon, Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the Bonds shall be made in immediately available funds.

BOND INSURANCE AT PURCHASER’S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City

has requested and received a rating on the Bonds from a rating agency, the City will pay for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser of the insurance. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.**

CUSIP NUMBERS: CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for the Bonds. Application for CUSIP numbers will be made by the Municipal Advisor. The CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser of the Bonds.

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Bendzinski & Co., at the address and telephone listed under REGISTERED MUNICIPAL ADVISOR below. The City will provide the winning bidder with 50 final Official Statements within 7 business days from the date of sale so as to permit the underwriter to comply with Rule 15c2-12. Additional copies of the Official Statement will be supplied by Bendzinski & Co. upon request and agreement by the purchaser of the bonds to pay the cost of additional copies. Requests for additional copies should be made to Bendzinski & Co. within 24 hours of the date of sale.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City will execute and deliver prior to delivery of the bonds a written continuing disclosure undertaking in order to enable the underwriters of the bonds to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

REGISTERED MUNICIPAL ADVISORS: Bendzinski & Co. Municipal Finance Advisors, Grosse Pointe, Michigan (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Council ("MSRB"). The Municipal Advisor has been retained by the City to provide certain financial advisory services relating to the planning, structuring and issuance of the Bonds. The Municipal Advisor is not engaged in the business of underwriting, trading, marketing or the distribution of securities or any other negotiable instruments. The Municipal Advisor's duties, responsibilities and fees arise solely as a Registered Municipal Advisor to the City and it has no secondary obligation or other responsibility. Further information relating to the bonds may be obtained from Bendzinski & Co. Municipal Finance Advisors, 17000 Kercheval Ave., Suite 230, Grosse Pointe, Michigan 48230, Telephone (313) 961-8222.

BIDDER CERTIFICATION - NOT "IRAN LINKED BUSINESS": In submitting a bid for the Bonds, the bidder represents that it is not an "Iran linked business" within the meaning of the Iran Economic Sanctions Act, Act 517 of the Public Acts of Michigan of 2012.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked “Proposal for Water Revenue Bonds.”

**Jon Bartlett, Finance Director
City of Marshall, Michigan**

4. Bank Qualified Bonds. If the Authorized Officer determines that the City does not intend to issue, or to authorize to be issued on its behalf, tax-exempt obligations totaling an aggregate issue price of \$10,000,000 or more within the 2019 calendar year, then the City designates the Bonds as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code of 1986, as amended. Any such designation shall be evidenced by execution of the Non-Arbitrage and Tax Compliance Certificate or other certificate to be delivered by the City in connection with delivery of the Bonds.

5. Award of Sale. The Authorized Officer is hereby authorized on behalf of the City, subject to the provisions and limitations of this Resolution, to award sale of the Bonds to the bidder whose bid meets the requirements of law and which produces the lowest true interest cost to the City computed in accordance with the terms of the Notice of Sale as published. If fewer than three (3) bids are received from underwriters (as defined by the Internal Revenue Code of 1986, as amended) at the time set for competitive sale, the City may reject all bids and carry out a negotiated sale to comply with the regulations of Treas. Reg. § 1.148-1(f).

This authorization includes, but is not limited to, determination of original principal amount of the Bonds; the interest rates and prices at which the Bonds are sold; the date of the Bonds; the schedule of principal maturities and whether the Bonds shall mature serially or as term bonds; the provisions for early redemption including mandatory redemption of term bonds, if any, and payment dates of the Bonds, provided that the Bonds shall bear interest at a rate or rates not exceeding 6.00% per annum, the purchase price for the Bonds, exclusive of any original issue discount or premium, shall not be less than 99.00% of the principal amount of the Bonds plus accrued interest if any, and the Bonds shall mature in annual installments not to exceed twenty (20) in number. In making such determinations the City is authorized to rely upon data and computer runs provided by the Municipal Advisor.

6. Continuing Disclosure Undertaking Agreement. After awarding sale of the Bonds, the Authorized Officer is authorized to prepare, execute and deliver a final Official Statement describing the Bonds. The City hereby agrees to execute a Continuing Disclosure Undertaking Agreement in order to enable the underwriters of the Bonds to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

7. Other Actions. In the event that an Authorized Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then a person designated by an Authorized Officer is authorized to take the actions delegated to an Authorized Officer by this Resolution. The officers, administrators, agents and attorneys of the City are authorized and directed to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds and expenditure of Bond proceeds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Bonds and expenditure of Bond proceeds in accordance with this resolution, including payment of costs of issuance including bond counsel fees, municipal advisor fees, rating agency fees, costs of printing the Bonds and the preliminary and final official statements, publication of the Notice of Sale, and any other costs necessary to accomplish sale and delivery of the Bonds.

8. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Marshall, County of Calhoun, State of Michigan, at a Regular meeting held on Monday, June 17, 2019 at 7:00 p.m., Eastern Time, 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 267.

I further certify that the following Members were present at said meeting: _____
_____ and that the following Members were absent:
_____.

I further certify that Member _____ moved for adoption of said resolution and that Member _____ supported said motion.

I further certify that the following Members voted for adoption of said resolution:
_____ and that the following Members voted against
adoption of said resolution: _____.

City Clerk



ADMINISTRATIVE REPORT
June 17, 2019 – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council

FROM: Jon B. Bartlett, Finance Director
Tom Tarkiewicz, City Manager

SUBJECT: FY 2019 Year-End Budget Amendments

BACKGROUND: Public Act 2 of 1968, better known as the Uniform Budgeting and Accounting Act, requires an amendment to the adopted budget when it can be determined that the budget projections will be different than originally anticipated. Each June, staff reviews the revenues and expenditures in order to develop an amended budget resolution to more closely reflect the actual operational costs and the associated revenues. All numbers in the “change column” that have a parenthesis, reflect a negative direction in terms of the budget. For example, if the “change column” for revenue has a parenthesis, then revenues are expected to be lower than originally budgeted.

The following is a summary of the recommended budget amendments:

General Fund

- Revenues: Property Taxes, Fines & Forfeits, Intergovernmental, Charges for Services, and Miscellaneous are lower than anticipated. Interest Earned, Rents, and Other financing Sources were higher than anticipated. Overall, Revenue is estimated to be \$41,093 less than originally budgeted.
- Expenditures: Overall, all departments were very close in meeting their budgets. It is estimated that General Fund expenditures will be \$185,172 less than the original estimated.
- The General Fund is anticipated to have a \$144,536 surplus at the end of FY2019.

Recreation

Revenues are estimated to be \$35,510 less than expected due to a slight decrease in property tax revenue and a much larger decrease in user fees. Expenditures are estimated to be the same as originally projected.

Farmer's Market

Revenues are down \$10,715 and expenditures are estimated the same as originally budgeted.

MVH-Major Streets

Revenues increased due to additional State Operating Assistance. Expenditures are \$467,416 more due to timing of projects and the Marshall Ave Bridge over Rice Creek failure.

MVH-Local Streets

Revenues increased \$74,930 due to additional State Operating Assistance.

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

MRLEC

Revenues increased \$23,921 due to reimbursement from the State of Michigan for the Property Room Manager. Expenditures are up slightly due to increased operating costs.

Local Development Finance Authority

Revenue decrease is due to staff's decision to not bond for the Industrial Park Watermain extension to MPM. The increase in expenditures is due to the \$160,000+ cost overrun for the watermain extension to MPM.

Downtown Development Authority

Revenue increase is due to a slightly higher reimbursement for the DDA's personal property loss.

Marshall House

Revenue decrease is due to an increase in turnovers for the year and holding some apartments open for the remodeling project that should begin in July 2019. Expenditures are lower by \$60,000 due to lower operating costs.

FiberNet

Revenue decrease is due to the delay in the project, which resulted in a substantial decrease in the number of customers that were estimated to be hooked up to the FiberNet. Expenditures are higher than expected due to moving some capital outlay that was expected to be constructed in FY2020 into FY2019.

Electric

Revenue and expenditures are lower than expected due to the delay in construction/opening of the new commercial businesses that were to open in the spring of 2019.

Dial-A-Ride

Results are very close to original expectations if you factor out the bus purchases that were half of what was originally estimated.

Wastewater

Revenues are estimated to be \$79,637 lower than expected due to lower than anticipated residential and commercial sales. Expenditures are estimated to be \$140,019 lower than expected due to lower overall operating costs.

Water

Revenues are estimated to be \$74,296 lower than expected and expenditures are estimated to be \$173,970 higher than expected due to MEC water studies required by the MDEQ (now EGLE)

Data Processing

Expenditures were slightly higher than anticipated.

Motor Pool

The City, using a company called Tax-Exempt Leasing, leased to purchase many large value vehicles (vector truck, bucket truck, plow truck) that were not originally budgeted for, but were approved by Council in early 2018, and due to the lead time, most were delivered in FY2019.

RECOMMENDATION: To adopt the attached resolution to amend the FY 2019 Budget.


FISCAL EFFECTS: As detailed by the information included in this Administrative Report.

ALTERNATIVES: As suggested by Council.

Respectfully Submitted,



Jon B. Bartlett
Finance Director



Tom Tarkiewicz
City Manager

**CITY OF MARSHALL, MICHIGAN
RESOLUTION #2019-**

**THE CITY OF MARSHALL
AMENDED GENERAL APPROPRIATION ACT RESOLUTION
July 1, 2018 – June 30, 2019**

THE CITY OF MARSHALL RESOLVES that the revenues and expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby amended on a departmental and fund total basis as follows:

<u>General Fund Revenues</u>	<u>Adopted</u>	<u>Amended Mid-Year</u>	<u>Amended June, 2019</u>	<u>Change</u>
Taxes	3,647,761	3,647,761	3,644,579	(3,182)
Licenses and Permits	147,000	147,000	147,000	0
Intergovernmental Revenues	867,352	867,352	821,500	(45,852)
Charges for Services	58,150	58,150	45,350	(12,800)
Fines and Forfeits	51,800	51,800	23,400	(28,400)
Rents	45,000	45,000	51,000	6000
Interest	10,000	10,000	31,000	21,000
Miscellaneous	308,502	308,502	290,000	(18,502)
Other Financing Sources	1,476,857	1,476,857	1,517,500	40,643
Total Revenues	6,612,422	6,612,422	6,571,329	(41,093)
<u>General Fund Expenditures</u>				
City Council	3,509	3,939	5,204	(1,265)
City Manager	172,515	172,515	172,515	0
Assessor	138,600	138,600	70,000	68,600
Attorney	50,000	50,000	60,000	(10,000)
Human Resources	86,650	86,650	83,000	3,650
Clerk	101,860	101,860	101,860	0
Finance/Treasurer	540,651	540,651	510,185	30,466
City Hall	76,346	76,346	73,000	3,346
Chapel	906	906	906	0
Other City Property	31,420	31,420	35,600	(4,180)
Cemetery	171,339	171,339	163,500	7,839
Non-Departmental	811,614	811,614	760,445	51,169
Police	1,823,621	1,823,621	1,823,621	0
Crossing Guards	12,501	12,501	12,501	0
Dispatch	112,500	112,500	114,100	(1,600)
Fire	1,149,187	1,149,187	1,149,187	0
Inspection	124,606	124,606	124,606	0
Planning/Zoning	38,545	38,546	25,846	12,700
Streets	785,606	785,606	757,725	27,881
Engineering	32,604	32,604	32,604	0
Public Svcs. Build Operations	145,443	145,443	145,443	0
Community Development	0	0	0	0
Compost	32,488	32,488	32,488	0

	<u>Adopted</u>	<u>Amended Mid-Year</u>	<u>Amended June, 2019</u>	<u>Change</u>
Parks	94,523	94,523	97,957	0
Capital Improvements	74,500	74,500	74,500	0
Total Expenditures	6,611,535	6,611,965	6,426,793	185,172
GF Net Surplus/(Deficit)	887	457	144,536	

GF - Recreation				
Revenues	416,010	416,010	380,500	(35,510)
Expenditures	409,868	409,868	409,868	0
Net Surplus/(Deficit)	6,142	6,142	(29,368)	

GF – Farmers Market				
Revenues	30,815	30,815	20,100	(10,715)
Expenditures	25,570	25,570	25,570	0
Net Surplus/(Deficit)	5,245	5,245	(5,470)	

Leaf/Brush				
Revenues	93,730	93,730	93,730	0
Expenditures	93,662	93,662	93,662	0
Net Surplus/(Deficit)	68	68	68	

MVH-Major & Trunkline				
Revenues	622,080	622,080	640,000	17,920
Expenditures	881,984	942,584	1,410,000	(467,416)
Net Surplus/(Deficit)	(259,904)	(320,504)	(770,000)	

MVH-Local				
Revenues	387,070	387,070	462,000	74,930
Expenditures	435,004	479,504	479,504	0
Net Surplus/(Deficit)	(47,934)	(92,434)	(17,504)	

MRLEC				
Revenues	287,079	287,079	311,000	23,921
Expenditures	325,689	325,689	311,000	14,689
Net Surplus/(Deficit)	(38,610)	(38,610)	0	

Drug Forfeiture Fund				
Revenues	0	0	800	0
Expenditures	0	0	0	0
Net Surplus/(Deficit)	0	0	800	

	<u>Adopted</u>	<u>Amended Mid-Year</u>	<u>Amended June, 2019</u>	<u>Change</u>
<u>Local Develop. Finance Auth.</u>				
Revenues	941,263	941,263	641,500	(299,763)
Expenditures	966,165	966,165	1,120,000	(153,835)
Net Surplus/(Deficit)	(24,902)	(24,902)	(478,500)	
<u>Downtown Develop. Auth.</u>				
Revenues	185,109	185,109	192,000	6,891
Expenditures	167,963	167,963	167,963	0
Net Surplus/(Deficit)	17,146	17,146	24,037	
<u>GF - Airport</u>				
Revenues	167,920	167,920	160,000	(7,920)
Expenditures	168,933	168,933	168,933	0
Net Surplus/(Deficit)	(1,013)	(1,013)	(8,933)	
<u>Marshall House</u>				
Revenues	881,000	881,000	856,605	(24,395)
Expenditures	865,779	865,779	805,779	60,000
Net Surplus/(Deficit)	15,221	15,221	50,826	
<u>FiberNet</u>				
Revenues	1,080,000	1,080,000	550,000	(530,000)
Expenditures	1,831,100	1,831,100	2,250,000	(418,900)
Net Surplus/(Deficit)	(751,100)	(751,100)	(1,700,000)	
<u>Electric</u>				
Revenues	18,250,500	18,250,500	13,141,387	(5,109,113)
Expenditures	17,765,800	17,765,800	14,387,000	3,378,800
Net Surplus/(Deficit)	484,700	484,700	(1,245,613)	
<u>Dial-A-Ride</u>				
Revenues	858,471	861,871	735,390	(126,481)
Expenditures	860,522	863,922	740,000	123,922
Net Surplus/(Deficit)	(2,051)	(2,051)	(4,610)	
<u>Wastewater</u>				
Revenues	1,990,002	1,990,002	1,910,365	(79,637)
Expenditures	2,080,019	2,080,019	1,940,000	140,019
Net Surplus/(Deficit)	(90,017)	(90,017)	(29,635)	

	<u>Adopted</u>	<u>Amended Mid-Year</u>	<u>Amended June, 2019</u>	<u>Change</u>
Water				
Revenues	1,884,296	1,884,296	1,810,000	(74,296)
Expenditures	1,944,630	3,806,030	3,980,000	(173,970)
Net Surplus/(Deficit)	(60,334)	(1,921,734)	(2,170,000)	

Data Processing				
Revenues	184,790	184,790	187,000	2,210
Expenditures	208,116	208,116	(213,600)	(5,484)
Net Surplus/(Deficit)	(23,326)	(23,326)	(26,600)	

Motorpool				
Revenues	863,193	863,193	900,000	36,807
Expenditures	821,903	821,903	1,640,000	(818,097)
Net Surplus/(Deficit)	41,290	41,290	(740,000)	

RESOLVED, the use of prior year's fund balance/net position reserves is not reflected in a Fund's revenue figure above, and that the source of funding for a Fund's Net Loss/(Deficit) shall be the use of prior year's fund balance/net position reserves;

This Resolution shall take effect upon adoption.

Dated June 17, 2019

Trisha Nelson, City Clerk

I, Trisha Nelson, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on June 17, 2019

and that said meeting was conducted and that the minutes of said meeting were kept and will be or have been made available.

Trisha Nelson, City Clerk