

City of Allen Park Regular Council Meeting Minutes
Tuesday, January 14, 2020

Mayor Gail McLeod called the Meeting to order at 6:00 PM

Roll Call showed present: Councilman Felice “Tony” Lalli, Councilman Daniel Loyd, Councilwoman Pamela Sych, Councilman Matthew E. Valerius, Councilman Gary Schlack and Treasurer Maureen Armstrong
Excused: Councilman Robert L. Stites

Motion by Valerius

Supported by Schlack

RESOLVED, to approve the Agenda as presented

MOTION ADOPTED – 20-0114-0001

Motion by Lalli

Supported by Loyd

RESOLVED, to approve the Minutes for the Regular Meeting of December 17, 2019

MOTION ADOPTED – 20-0114-002

Motion by Lalli

Supported by Valerius

RESOLVED, to Appoint the following people:

Kurt Mazag	DDA	12/31/2023
Cynthia Riviera	Festivities	12/31/2023
Kyle Waligora	Festivities	12/31/2023
Phillipa Matakas	Festivities	12/31/2022
Ramona Gunderson	Festivities	12/31/2023
Tina Gaworecki	Festivities	12/31/2023
Charles Blevins	Historical	12/31/2024
Karen Kerezi	Historical	12/31/2024
Raymond Magusin	Historical	12/31/2024
Sandra Magusin,	Historical	12/31/2020
Scott O'Riley	Historical	12/31/2024
Herb Weiss	Housing	12/31/2024
Judith Oulette	Library	12/31/2022
Kristine Blahnik,	Library	12/31/2020
Mary Lou Provost	Library	12/31/2022
Carol Shriver	Parks & Rec	12/31/2022
Janine Rossman	Parks & Rec	12/31/2022
Margaret Leskosky	Parks & Rec	12/31/2022
Tina Gaworecki	Parks & Rec	12/31/2021

MOTION ADOPTED – 20-0114-003

Motion by Sych

Supported by Valerius

RESOLVED, to Accept and File the City Administrators operational updates/reports/documents and submissions

MOTION ADOPTED – 20-0114-004

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Motion by Loyd

Supported by Valerius

RESOLVED, to approve the CONSENT AGENDA as follows:

A. Purchasing Actions

1. Claims & Accounts
2. Payroll Report

B. Finance Actions

1. December 2019 – 1. Finance Overview
2. Budget to Actual Report
3. Balance Sheet
4. Cash Flow

C. Licenses & Permits

1. Handbill/Flyer Permit #01-2020 – Rene Linares/Fast Flyers – \$200 fee
2. Bottle/Can Drive Permit #01-2020 – Boy Scout Troop 1061 – fee waived

MOTION ADOPTED – 20-0114-005

Motion by Lalli

Supported by Loyd

WHEREAS, the City intends to issue and sell general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an amount not to exceed Four Million Dollars (\$4,000,000) for the purpose of paying all or part of the cost of capital improvement items in the City including but not limited to constructing, improving, furnishing and equipping a department of public works facility and related infrastructure and site improvements, together with all appurtenances and attachments thereto (the “Project”); and

WHEREAS, the total cost of the Project is estimated to be approximately Four Million Dollars (\$4,000,000); and

WHEREAS, to finance all or a portion of the cost of the Project, the City Council deems it necessary to borrow the principal amount of Four Million Dollars (\$4,000,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”); and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication, and no petition was filed with the Clerk within the required time period; and

WHEREAS, the City has received a proposal from Comerica Bank (the “Purchaser”) to purchase the proposed bonds pursuant to a negotiated sale.

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NOW, THEREFORE, BE IT RESOLVED THAT:

1. **Authorization of Bonds; Bond Terms.** Bonds of the City designated 2020 Capital Improvement Bonds (Limited Tax General Obligation) (the “Bonds”) are authorized to be issued in the aggregate principal sum of Four Million Dollars (\$4,000,000) for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The Bonds shall be in the form of serial bonds, term bonds, or a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, as determined by the Purchaser. The Bonds shall be dated as of the date of delivery, or such other date as determined by the Mayor, City Administrator or Finance Director of the City (each, an “Authorized Officer”).

The Bonds shall mature, be subject to prepayment, and bear interest at a rate or rates to be determined upon negotiated sale, payable on such interest payment dates as provided in the Sale Order (as defined herein), all within the parameters established herein.

Interest shall be payable to the registered owner of record as of the fifteenth (15th) day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Bonds shall be payable at the designated corporate trust office of a bank or trust company to be selected by an Authorized Officer as registrar and transfer agent for the Bonds (the “Transfer Agent”). In the alternative, if acceptable to the Purchaser, the Finance Director of the City may be selected as the Transfer Agent.

2. **Execution of Bonds.** The Bonds of this issue shall be executed in the name of the City with the facsimile or manual signatures of the Mayor and the City Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the City Treasurer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

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

Unless waived by any registered owner of Bonds to be redeemed, official notice of prepayment 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, whether presented for redemption or not, shall cease to accrue from and after the redemption date.

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In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

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

The Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the City Council, to be designated 2020 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. **Construction Fund; Proceeds of Bond Sale.** The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Council, to be designated 2020 CAPITAL IMPROVEMENT BONDS CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

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

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF ALLEN PARK

2020 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

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<u>Interest Rate</u> ____%	<u>Maturity Date</u> October 1, 20__	<u>Date of Original Issue</u> _____, 2020	<u>CUSIP</u>
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Registered Owner: Comerica Bank

Principal Amount: Four Million Dollars

The City of Allen Park, County of Wayne, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on October 1, 2020 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of _____, _____, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$4,000,000, issued for the purpose of paying the cost of various capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the City.

[INSERT OPTIONAL PREPAYMENT LANGUAGE]

[Notice of Redemption]

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

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

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

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

CITY OF ALLEN PARK
County of Wayne
State of Michigan

By _____
Its Mayor

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(SEAL)

By _____
Its City Clerk

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION: _____

CERTIFICATE OF AUTHENTICATION

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

_____, Michigan
Transfer Agent

By _____
Its Authorized Signatory

[Bond printer to insert form of assignment]

7. **Negotiated Sale; Sale Order; Authorization of Other Actions.** The City Council has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), has determined that a negotiated sale of the Bonds will result in the most efficient and expeditious means of selling the Bonds, will allow for the most favorable terms and will result in the lowest interest cost to the City.

Each Authorized Officer is hereby authorized to (1) accept an offer of the Purchaser to purchase the Bonds, (2) execute a commitment letter with the Purchaser, (3) finalize the details of the Bonds within the authorized parameters of the Resolution, (4) execute and deliver a Sale Order approving the final terms of the Bonds and (5) adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein. In pursuance of the foregoing, each Authorized Officer is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, within the parameters established by this resolution; *provided* that the principal amount of Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate on the Bonds shall not exceed three percent (3.0%) per annum and the final maturity of the Bonds shall not be later than October 1, 2026.

8. **Authorization of Other Actions.** The Finance Director is authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including filing an application to issue long-term securities with the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

9. **Useful Life of Project.** The estimated period of usefulness of the Project is hereby declared to be not less than seven (7) years.

10. **Tax Covenant.** The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

11. **Qualified Tax-Exempt Obligations.** The Bonds are hereby designated as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions.

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

AYES: Members: Gary Schlack, Matthew Valerius, Pamela Sych, Dan Loyd, Tony Lalli, Mayor Gail McLeod

NAYS: Members: NONE

MOTION ADOPTED – 20-0114-006

Motion by Sych

Supported by Valerius

RESOLVED, to authorize the City of Allen Park to seek proposals for new copy machines

MOTION ADOPTED – 20-0114-007

Motion by Schlack

Supported by Lalli

RESOLVED, to ratify the action of the City Administrator for The Sidock Group, Inc. for Schematic Design Services/Space Planning for the Proposed Public Service Facility at the cost of \$37,500.00 with funds to come from acct#401-000-987-300

MOTION ADOPTED – 20-0114-008

Motion by Lalli

Supported by Loyd

RESOLVED, to award the contract for the replacement and installation of residential water meters to the lowest bidder, Etna Supply, for a total cost of \$1,545,500.00 and request to use the of \$510,000.00 in the 19/20 Water Budget acct #592-600-985-000 and finance the remaining \$1,035,500 for two years

MOTION ADOPTED – 20-0114-009

Motion by Lalli

Supported by Valerius

RESOLVED, to adjourn the Regular Council Meeting at 6:40 PM

MOTION ADOPTED – 20-0114-010

Gail McLeod – Mayor

Michael I. Mizzi – City Clerk