

CHARTER TOWNSHIP OF MONITOR
REGULAR TOWNSHIP BOARD MEETING
APRIL 13, 2015

The Supervisor called the meeting to order at 7:00 p.m.

Members present: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller
Members absent: None

The Pledge of Allegiance was recited by all present.

Public Input opened at 7:01 p.m. No public present wished to speak and public input was closed.

Motion by Kowalski supported by Miller to adopt the agenda as presented.
Motion carried.

Motion by Miller supported by Pike to approve the minutes of the March 23, 2015 regular meeting as presented.
Motion carried.

Motion by Pike supported by Kochany to pay the bills in the amount of \$30,626.17 from General Fund.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Kochany, Malkin, Miller

No: Arnold

Absent: None

Motion carried.

Issuance of Bonds for Road Millage

Tom Colis, Miller/Canfield Bond Counsel and Ryan Bendzinski, Bendzinski & Co. Municipal Financial Advisors, were present to discuss the process necessary going forward for the township's sale of private placement bonds for the road millage project.

Colis stated the township adopted a resolution of intent to issue bonds on February 23, 2015, which gave the public 45 days to request a referendum vote. No objections were filed with the township clerk and the board can proceed with consideration of a resolution authorizing the capital improvement limited tax general obligation bonds. The resolution sets the bond limitation not-to-exceed amount at \$9,000,000 but gives the township the flexibility to issue bonds at a lesser amount. The resolution also gives the final decision regarding the sale of the bonds to the Administrative officers of the board. Once the bond sale is final, the township would then have three (3) years to spend the bond money on road improvements with payback of the bonds biannually for a 10-year period.

Bendzinski, in his capacity as financial advisor to the township, ran a \$9,000,000 Public Offering vs. Private Placement comparison with all costs associated to the bond type. Given the interest rates available at the time the comparison was made, private placement bonds were shown to provide a savings of \$83,337.50 deposited in the road construction fund. If the board decided to

go with the lower amount of \$8,245,000 as previously discussed, that amount would be less along with the associated interest and issuance costs. The township would have the opportunity after the bids for the bonds come in to determine the final amount of the bond sale. The question was raised regarding going out for bid for the private placement bonds as opposed to just accepting the bid received with Chemical Bank. Bendzinski suggested for the sake of due diligence and transparency to request bids from the other three local banks.

R-2015-005 Resolution Authorizing 2015 Limited Tax General Obligation Bonds

Motion by Malkin supported by Miller to adopt Resolution R-2015-005, a resolution authorizing 2015 limited tax general obligation bonds for work associated with the township road millage project as follows:

**RESOLUTION AUTHORIZING
2015 LIMITED TAX GENERAL OBLIGATION BONDS**

WHEREAS, the Board of Trustees (the "Board") of the Charter Township of Monitor, County of Bay, State of Michigan (the "Township"), caused a notice of intent (the "Notice of Intent"), to issue bonds in an amount not to exceed Nine Million Dollars (\$9,000,000) for the purpose of paying part of the costs of acquiring and constructing road improvements in the Township, including all related appurtenances and attachments thereto (the "Project") to be published in *Bay City Democrat*; and

WHEREAS, the Notice of Intent was published in accordance with Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), which provides that the capital improvement bonds may be issued without a vote of the electors of the Township unless a proper petition for an election on the question of the issuance of the bonds is filed with the Township Clerk within a period of forty-five (45) days from the date of publication and no petition was filed within said time; and

WHEREAS, the Board determines that it is necessary and appropriate at this time to issue capital improvement bonds pursuant to Act 34 in an amount not to exceed Nine Million Dollars (\$9,000,000).

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. Bonds of the Township, designated 2015 LIMITED TAX GENERAL OBLIGATION BONDS (the "Bonds"), shall be issued in the aggregate principal sum of not to exceed Nine Million Dollars (\$9,000,000) for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$100,000 or integral multiples of \$1,000 in excess thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery, or such other date as provided in the order affirming the sale and delivery of the Bonds (the "Sale Order"). The Township Supervisor, Township Clerk and Township Treasurer (the "Authorized Officers") are each authorized to execute the Sale Order.

The Bonds shall mature on April 1 of each year in the years 2016 through 2024 and in the amounts as shall be determined by the Authorized Officers in the Sale Order.

The Bonds shall be subject to redemption prior to maturity in the manner, at the times and prices in the Sale Order. The Bonds shall be issued as serial bonds, term bonds, or a combination of both, all as provided in the Sale Order.

The Bonds shall bear interest from the date of original issue at a rate or rates to be determined on negotiated sale thereof, but in any event not exceeding 3.50% per annum, payable on October 1, 2015, and semi-annually thereafter, or such other interest payment dates as provided in the Sale Order.

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 Township to conform to market practice in the future. The principal of the Bonds shall be payable at The Huntington National Bank, Grand Rapids, Michigan who is hereby selected to act as the transfer agent for the bonds (the "Transfer Agent").

The Bonds may be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the Authorized Officers are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the Township with the facsimile signatures of the Supervisor and the Township Clerk and shall have the seal of the Township, or a facsimile thereof, printed or impressed on the Bonds. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Township Treasurer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer Agent; Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the Township. 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 Township shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Township. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be

surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

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

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

The Township Treasurer is authorized and directed in accordance with Act 34 to open a separate depository account with a bank or trust company designated by the Board to be known as the 2015 LIMITED TAX GENERAL OBLIGATION BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"). Moneys deposited into the Debt Retirement Fund are specifically pledged and shall be used solely for the purpose of paying principal of and interest on the Bonds as they mature except as otherwise permitted by law.

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

5. Construction Fund; Proceeds of Bond Sale. The Township Treasurer is authorized and directed to open a separate account to be known as the 2015 LIMITED TAX GENERAL OBLIGATION BONDS CONSTRUCTION FUND (the "Construction Fund"). The Township Treasurer shall deposit the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

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

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

CHARTER TOWNSHIP OF MONITOR

2015 LIMITED TAX GENERAL OBLIGATION BOND

Interest Rate Maturity Date Date of Original Issue CUSIP
_____% April 1, 20__ _____, 2015

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

The Charter Township of Monitor, County of Bay, State of Michigan (the Issuer), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (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, 2015 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the Transfer Agent). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the Issuer kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

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

Bonds of this issue maturing in the years 20__ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$100,000 or integral multiples of \$1,000 in excess thereof maturing in the year 20__ and thereafter shall be subject to redemption prior to maturity, at the option of the Issuer, in any order of maturity and by lot within any maturity, on any date on or after April 1, 20__, at par and accrued interest to the date fixed for redemption.

[Insert Term Bond Provisions, if any]

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

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

This bond is transferable only upon the registration books of the Issuer kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the

transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

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

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

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

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

CHARTER TOWNSHIP OF MONITOR
County of Bay
State of Michigan

By _____
Its Supervisor

By _____
Its Township 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.

The Huntington National Bank
Grand Rapids, Michigan
Transfer Agent

By _____
Its Authorized Signatory

[Bond printer to insert form of assignment]

7. Negotiated Sale. The Board has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34 determines that a negotiated sale of the Bonds will allow more flexibility in accessing the municipal bond

market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates, redemption provisions and costs to the Township, and will provide the Township with greater flexibility in structuring bond maturities and adjusting terms for the Bonds.

8. Delegation to Authorized Officer; Sale Order. The Authorized Officers are each hereby authorized to negotiate the sale of the Bonds with a bank or financial institution, execute a Sale Order accepting the bid of the purchaser and specifying the final terms of the Bonds and take all other necessary actions required to effectuate the sale, issuance and delivery of the Bonds within the parameters authorized in this resolution; provided that the maximum interest rate on any Bond shall not exceed 3.50% per annum and the bonds shall not be sold at a price less than 100% of the par amount of the Bonds.

9. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Bonds and in pursuance of the foregoing is each authorized to exercise the authority and make the determinations pursuant to Sections 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights and other matters within the parameters established by this resolution.

10. Continuing Disclosure Undertaking. To the extent required, the Township agrees to enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

11. Authorization of other Actions. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) approve the circulation of a final official statement describing the Bonds and to execute the same on behalf of the Township; (c) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds, if deemed appropriate by the Township's financial advisor; and (d) to take all other actions necessary or advisable, and make such other filings with the Michigan Department of Treasury or with other parties, to enable the issuance, sale and delivery of the Bonds as contemplated herein.

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

13. Tax Covenant; Qualified Tax-Exempt Obligations. The Township agrees, to the extent permitted by law, to take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including but not limited to actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and money deemed to be Bond proceeds. The Bonds are hereby designated as "qualified tax-exempt obligations" for the purpose of deduction of interest expense by financial institutions.

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

15. Retention of Registered Municipal Advisor. The retention of Bendzinski & Co., Municipal Financial Advisors, to act as Registered Municipal Advisors to the Township, is hereby approved.

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

Roll call vote:

Yes: Brandt, Pike, Arnold, Kochany, Malkin, Miller

No: Kowalski

Absent: None

Motion carried.

Discussion Regarding Petitions Received from Subdivisions

The Clerk voiced concern that the petitions drafted by our engineer, and circulated by subdivision residents for public improvements outside the scope of the township road millage, state the township will be responsible for all costs associated to initial studies with no cost obligations to the subdivisions. Kowalski stated this is a concern given payment of the bonds are based on all millage revenue and \$230,000 of the \$270,000 general fund budget for the next ten years. Kowalski believes, given the aggressiveness of the discussed bond sale, that these funds need to be safeguarded for actual construction costs rather than studies or, the bond amount needs to be decreased to allow for township funded engineering studies out of the general fund.

Brandt stated he has spoken with the township engineer to revise the petition language to place the cost of the studies into the special assessment cost in the event the additional necessary work is done and special assessment districts are created.

Brandt also stated the township should fund the study costs for the initial petitions he has received which are estimated at \$10,000.

Kowalski again suggested consideration to reduce the bond amount to cover these and other contingencies that may come up.

The majority of the Board members voiced the opinion to keep the initial bond sale at the previously discussed amount of \$8,245,000.

Replacement of Fire Department Rescue Vehicle

The Fire Chief and Fire Department personnel submitted April 6, 2015, per the board's March 23, 2015 meeting request, three proposals including the purchase of a new Rescue Vehicle.

The Fire Chief and Fire Department representatives were present to discuss any questions raised during board discussion of the proposals.

It was ultimately decided to purchase a new rescue and decide to either fix the old rescue prior to selling it or try to sell it as is after the new rescue has been purchased and put into service.

Motion by Malkin supported by Miller to accept the bid from Richardson Ford for a 2016 Ford F250 crew cab gas 4x4 truck in the amount of \$27,961.31 and authorize all associated additional costs necessary to put the truck into service as the township's new rescue vehicle.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

Supervisor's Recommendation of DDA Board Member Appointments

Motion by Kowalski supported by Malkin to approve the Supervisor's recommendation to reappoint G. Ayotte and D. Peden to the Monitor Township DDA Board for a term commencing April 1, 2015 and ending on March 31, 2018.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

Hall Request of Special Days Camps, October 24, 2015

Motion by Kowalski supported by Pike to grant the request to waive the hall rental fee for Special Days Camps use of the township hall on October 24, 2015; signed contract, clean-up fee and damage deposit required; security deposit required if applicable.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

REPORTS

Generator of Committee Status Report

Arnold gave a report based on the committee's findings at their February 11, 2014 meeting. Arnold stated a high power gas connection and a conversion regulator would be necessary if the township were interested in an automatic direct connect generator. A mechanical contractor would be necessary to change out the gas valves in the building and the electrical box in the fire department would need to be updated prior to installation of any direct generator. Arnold offered to turn over the information he has compiled if the board wished to proceed with obtaining specific information and quotes to install a generator in the fire department.

The meeting adjourned at 8:50 p.m.

Cindy L. Kowalski, Clerk

Gary A. Brandt, Supervisor