

MINUTES OF THE RESCHEDULED CITY COUNCIL MEETING OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, SEPTEMBER 11, 2006, IN THE COUNCIL-COURT ROOM OF THE MUNICIPAL BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 7:30 p.m. by Mayor Novitke.

Roll Call: Mayor Novitke
Council members: Dickinson, Granger, Howle, Reynolds, Spicher, Waldmeir
Absent: None

Also Present: Acting City Administrator Maison
Assistant City Attorney Charles Berschback
City Clerk Hathaway
City Engineer Lockwood
Don Kiem, Bond Counsel
Mike Gormely, Financial Advisor

The Mayor recognized September 11th as being a Day of Remembrance in honor of those who perished in the terrorist attacks on September 11, 2001, and declared a moment of silence.

The following Commission members were in attendance:

Lee Allcut, Board of Canvassers
Angelo DiClemente, Beautification
Tom Fahrner, Mayor's Mack Avenue Business Study
Mike Zolik, Planning Commission

Motion by Waldmeir, seconded by Howle, that all items on tonight's agenda be received, placed on file, and taken in order of appearance.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

Motion by Reynolds, seconded by Dickinson, regarding **Application for Permit to Hold a Parade-Grosse Pointe North High School**, that Council approve such parade request of the above organization to take place on Friday, October 13, 2006.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir

No: None

Absent: None

Hearing no objections, the Mayor moved ahead on tonight's agenda to discuss Item 9A, **Resolution Authorizing Issuance of Bond Anticipation Notes**.

The following individuals provided an overview, recommending adoption of the proposed resolution:

Don Kiem, Bond Counsel
Miller, Canfield, Paddock and Stone

Mike Gormely, Financial Advisor
NatCity Investments, Inc.

Motion by Granger, seconded by Waldmeir, regarding **Resolution Authorizing Issuance of Bond Anticipation Notes**, that the City Council adopt the following proposed Resolution authorizing issuance of bond anticipation notes to cover the costs of various recreation facilities projects:

RESOLUTION AUTHORIZING ISSUANCE
OF BOND ANTICIPATION NOTES

CITY OF GROSSE POINTE WOODS
County of Wayne, State of Michigan

Minutes of a regular meeting of the City Council of the City of Grosse Pointe Woods, County of Wayne, State of Michigan, held on the 11th day of September, 2006, at 7:30 o'clock p.m., prevailing Eastern Time.

PRESENT: Members: _____

ABSENT: Members: _____

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

WHEREAS, the City of Grosse Pointe Woods, County of Wayne, State of Michigan (the "City"), has determined that it is necessary to construct, improve, renovate, relocate, resurface, install, upgrade, equip and re-equip facilities, infrastructure and sites at Lake Front Park and boardwalk area, including generally and without limitation bathhouse, concession stand, diving well, baby pool, tennis courts platform tennis courts, storage and maintenance facilities, water lines and other infrastructure, parking lots, roadways, bridge repairs, additional landscape features and recreational equipment; improve, expand, equip and re-equip the Activities Building at Lake Front Park; relocate public structures; and acquire and install additional recreational equipment for use at any Grosse Pointe Woods park (the "Projects"); and

WHEREAS, the cost of the Projects is estimated to be not less than Six Million Dollars (\$6,000,000); and

WHEREAS, the City expects to borrow an estimated principal sum of not less than Two Million Two Hundred Fifty Thousand Dollars (\$2,650,000) and issue general obligation limited tax bonds therefor (the "Bonds") pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to pay part of the cost of the Projects; and

WHEREAS, a notice of intent was published in accordance with Act 34 which provides that the 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

WHEREAS, forty-five (45) days have elapsed since the date of publication of the aforementioned notice of intent, and no petition has been filed with the City Clerk in connection therewith; and

WHEREAS, the City Council (the "Council") deems it necessary to borrow the principal amount of not to exceed One Million Three Hundred Twenty-five Thousand Dollars (\$1,325,000) and issue a bond anticipation note (the "Note") therefor pursuant to the provisions of Section 413 of Act 34, in anticipation of the issuance of the Bonds to pay certain costs of the Projects coming due prior to the issuance by the City of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Necessity For Notes; Authorization of Notes; Note Terms. The Council declares that it is necessary for the City to issue its Notes in anticipation of the issuance of the Bonds in order to pay for the costs of some of the Projects, and to reimburse the City for expenditures made with respect to the Projects prior to issuance of the Notes.

A note of the City designated 2006 GENERAL OBLIGATION LIMITED TAX NOTE (the "Notes" or the "Note") is authorized to be issued in the aggregate principal sum of not to exceed One Million Three Hundred Twenty-Five Thousand Dollars (\$1,325,000) in anticipation of the issuance of the Bonds, including the costs incidental to the issuance, sale and delivery of the Note. The Note shall be issued in fully-registered form in the denomination of \$1,325,000 or such lesser amount as provided hereafter and shall be dated as of the date of delivery thereof. The Note shall not be convertible or exchangeable into more than one fully-registered note. The Note shall be payable on December 1, 2008, or such other date as determined by the City Administrator and the City Treasurer, but in no event to exceed three years from the date of issuance of the first installment of the Note.

The Note is expected to be delivered to the Purchaser (hereafter defined) in installments (the "delivery installments") and each delivery installment shall be noted on the registration grid set forth on the Note.

Each delivery installment of the Note will bear interest from the date of its delivery to the City as shown on registration grid set forth on the Note at the fixed or variable rate or rates of interest not to exceed six percent (6%) per annum as finally determined by the City Administrator and the City Treasurer at the time of sale of the Note, payable on the first day of April or October following the date of delivery of said delivery

installment, and semiannually thereafter on April 1 and October 1 of each year until maturity or earlier prepayment of said installment.

The Note shall be sold in the manner set forth in Section 7 of this resolution.

The Note or portions thereof will be subject to prepayment prior to maturity, in the manner and at the times as provided in the form of Note contained in this resolution: provided, however, that the Note may not be prepaid in part in an amount that will result in an outstanding principal amount of less than \$100,000.

2. Execution of Notes. The Notes shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and the City Clerk and shall have the seal of the City, or a facsimile thereof, impressed or printed on the Notes. No Note executed with the facsimile signatures of the Mayor and the City Clerk shall be valid until authenticated by an authorized officer or representative of the Paying Agent. If a Paying Agent is appointed, the Notes shall be delivered to the Paying Agent for authentication, if necessary, and be delivered by the Paying Agent to the purchaser or other person in accordance with instructions from the City Administrator or the City Treasurer upon payment of the purchase price for the Notes. If a Paying Agent is not appointed, the Notes shall be delivered to the Purchaser as provided in this resolution.

3. Payment of Notes; Paying Agent; Transfer of Notes. Principal of and interest on the Notes shall be payable in lawful money of the United States of America by check, draft or electronic transfer by the City Treasurer to the registered owner of the Notes at the address shown on the registration books of the City kept by the City's City Treasurer or by the Paying Agent (hereafter defined) if a Paying Agent is appointed by the City.

At the request of the Purchaser of the Notes a bank or trust company qualified to serve as registrar, paying agent and transfer agent (the "Paying Agent") for this issue shall be appointed by the City Administrator and the City Treasurer at the time of sale of the Notes. The City reserves the right to replace the Paying Agent at any time upon written notice to the registered owners of record of the Notes not less than sixty (60) days prior to an interest payment date.

The Paying Agent, if appointed, shall keep the books of registration for this issue on behalf of the City. Any Note 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 Note for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Note or Notes shall be surrendered for transfer, the City shall execute and the Paying Agent shall authenticate and deliver a new Note or Notes, for like aggregate principal amount. The Paying Agent shall require the payment by the noteholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Security for the Notes; Limited Tax Pledge; Debt Retirement Fund; Defeasance of Notes. The City hereby pledges the proceeds of the Bonds for prompt payment of the principal of and interest on the Notes. As additional security for the Notes, principal and interest, the City hereby pledges its limited tax full faith and credit for the prompt payment of the Notes, and the City shall budget each year the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Notes 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 in the amount necessary to pay such debt service in said fiscal year, subject to applicable constitutional, statutory and charter tax rate limitations.

The City Treasurer or designee is authorized and directed to open a depository account with a Michigan bank or trust company or to create an account on the books of the City to be designated 2006 GENERAL OBLIGATION LIMITED TAX NOTES 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 Notes 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 Notes, shall be deposited in trust, this resolution shall be defeased and the owners of the Notes shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Notes from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Notes as provided herein.

5. Construction Fund; Proceeds of Note Sale. The City Treasurer or designee is authorized and directed to open a separate depository account with a Michigan bank or trust company or to create an account on the books of the City to be designated 2006 GENERAL OBLIGATION LIMITED TAX CONSTRUCTION ACCOUNT (the "Construction Account") and deposit into the Construction Account the proceeds of the delivery installments of the Notes, less the premium, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Account shall be used solely to pay the costs of the Projects and the costs of issuance of the Notes.

6. Note Form. The Notes shall be in substantially the following form, with such changes as are necessary to conform the Notes to the terms established at the time of sale of the Notes:

Registered
UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF GROSSE POINTE WOODS
2006 GENERAL OBLIGATION LIMITED TAX NOTE

Registered Owner:

Principal Amount: Dollars

The CITY OF GROSSE POINTE WOODS, 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 or such portion thereof as shall have been advanced to the City from the Registered Owner, in lawful money of the United States of America, on _____, 200__, unless prepaid prior thereto as hereinafter provided, with interest on each principal installment from the date each said installment is delivered to the City as set forth on the registration grid hereon until paid at the rate of _____ percent (____%) per annum, payable on _____ 1, 200__, and semiannually thereafter, provided that the principal payments required herein to the registered owner shall not exceed the total of the principal installments of this note drawn by the City, which installments shall be added the registration grid attached hereto as drawn. Both principal of and interest on this bond are payable in lawful money of the United States of America by check or draft mailed to the registered holder at the address shown on the registration books of the City, and for the prompt payment hereof, the full faith and credit of the City are irrevocably pledged.

This note constitutes an issue aggregating the principal sum of \$_____, issued for the purpose of paying part of the cost of constructing, improving, renovating, relocating, resurfacing, installing, upgrading,

equipping and re-equipping facilities, infrastructure and sites at Lake Front Park and boardwalk area, including generally and without limitation bathhouse, concession stand, diving well, baby pool, tennis courts platform tennis courts, storage and maintenance facilities, water lines and other infrastructure, parking lots, roadways, bridge repairs, additional landscape features and recreational equipment; improving, expanding, equipping and re-equipping the Activities Building at Lake Front Park; relocating public structures; and acquiring and installing additional recreational equipment for use at any Grosse Pointe Woods park (the "Projects"). This note is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and a duly adopted resolution of the City.

This note or any portion of this note shall be subject to redemption prior to maturity at the option of the City, at any time in whole or in part, at par and accrued interest to the date fixed for redemption, upon not less than ten (10) days notice to the holder; provided, however, that this note may be redeemed in part on if the outstanding portion of this note that is not being redeemed is greater than or equal to \$100,000 upon such partial redemption.

In case less than the full amount of an outstanding note is called for redemption, the [City/Paying Agent (hereafter defined)], upon presentation of the note called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new note in the principal amount of the portion of the original note not called for redemption.

Notice of redemption shall be given to the registered owner of any note or portion thereof called for redemption by mailing of such notice not less than ten (10) days prior to the date fixed for redemption to the registered address of the registered owner of record. A note or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the [City/Paying Agent] to redeem said note or portion thereof.

[This note shall be registered as to principal and interest on the books of the City kept by the City Treasurer as transfer agent and paying agent (the "Paying Agent") and noted hereon, after which it shall be transferable only upon presentation to the Paying Agent with a written transfer by the registered owner or the registered owner's attorney duly authorized in writing. Such transfer shall be noted hereon and upon the books of the City kept for the purpose by the Paying Agent.

OR

This note is transferable only upon the registration books of the City kept by _____ or successor as paying agent and transfer agent (the "Paying 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 note together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered note or notes 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 note and upon the payment of the charges, if any, therein prescribed.]

This note, including the interest thereon, is payable from the proceeds of bonds to be issued by the City to pay the costs of the Projects and to redeem the notes of this issue. This note, including the interest thereon, is also payable as a first budget obligation from the general funds of the City, including, if necessary, the levy of 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 note and the series of notes 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 note, does not exceed any constitutional, statutory or charter debt limitation.

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

IN WITNESS WHEREOF, the CITY OF GROSSE POINTE WOODS, by its City Council, has caused this note to be signed in the name of the City by the [manual/facsimile] signatures of the Mayor and the City Clerk and [a facsimile of] its corporate seal to be [affixed/printed] hereon, all as of _____.

CITY OF GROSSE POINTE WOODS
County of Wayne
State of Michigan

By _____ [facsimile] _____
Mayor

(SEAL)

By _____ [facsimile] _____
City Clerk

[Insert Paying Agent's Certificate of Authentication if required.]

REGISTRATION
NOTHING TO BE WRITTEN HEREON EXCEPT
BY THE BOND REGISTRAR/PAYING AGENT

Date of Registration of Delivery	Name of Registered Owner	Principal Installment Delivered	Signature of Bond Registrar/ Paying Agent

7. Negotiated Sale. Pursuant to Section 309(1) of Act 34, the Council determines to sell the Note at a negotiated sale at a price not less than 100% of the principal amount thereof. The City Administrator and the City Treasurer are each individually authorized to negotiate the sale of the Note to a bank, financial institution or underwriter of municipal securities (the "Purchaser") and to accept an offer to purchase the Note on behalf of the City without any further authorization or approval from this Council; provided, however, that the terms of the Note shall be within the parameters stated in this resolution. The City hereby determines that a negotiated sale of the Note will enable the City to obtain flexible maturity and redemption schedules in keeping with issuance of the Note in anticipation of the issuance of the Bonds.

8. Useful Life of Project. The estimated period of usefulness of the Projects is hereby declared to be not less than fifteen (15) years.

9. Tax Covenant; Qualified Tax Exempt Obligations. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Notes from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Note proceeds and moneys deemed to be Note proceeds. The City hereby

designates the Notes as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

10. Authorization of Other Actions. The City Administrator and the City Treasurer are each individually authorized to file such applications or other documents with the Michigan Department of Treasury or other parties as may be necessary or advisable to effectuate the sale and delivery of the Notes, including an application for prior approval in accordance with Section 303(7) of Act 34. The City Administrator, the City Clerk and the City Treasurer are each authorized and directed to take all other actions necessary or advisable to enable the sale and delivery of the Notes as contemplated herein.

11. Adjustment of Note Terms. The City Administrator and the City Treasurer are each individually authorized to adjust the final Note details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing 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, provided that the principal amount of Notes issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Notes shall not exceed six percent (6%), and the Notes shall mature in not more than three (3) years from the date of issuance.

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 _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

Approved as to form:

Miller, Canfield, Paddock and Stone, P.L.C.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Grosse Pointe Woods, County of Wayne, State of Michigan, at a regular meeting held on September 11, 2006, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

City Clerk

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

Motion by Waldmeir, seconded by Granger, regarding **Resolution Authorizing Issuance of Bond Anticipation Notes**, that the City Council authorize the Mayor and City Clerk to sign the 2006 General Obligation Limited Tax Note at such time deemed appropriate.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

Hearing no objections, Item 8E regarding **Property and General Liability Insurance** was addressed next.

The Mayor directed administration to present the matter regarding the annual property and general liability insurance to the City Council earlier in the year.

The following individual was present to provide an overview:

Bob Bucko
Municipal Insurance Alliance (M.I.A.)

Motion by Dickinson, seconded by Howle, regarding **2006/2007 General Liability/Property Insurance Coverage**, that the Council concur with the recommendations of the City Administrator and City Comptroller and AWARD a contract to:

Municipal Insurance Alliance (M.I.A.)
Stevenson Co.
48597 Hayes Rd.
Shelby Twp., MI 48315

in the amount of \$197,577.00.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

Motion by Howle, seconded by Reynolds, regarding **Lake Front Park – Dredging Project**, that the Council concur with the recommendation of the City Administrator and City Engineer and AWARD a contract to:

Malcolm Marine, Inc.
1159 Fred Moore Hwy., P. O. Box 177
St. Clair, MI 48079

for dredging of the canals at Lake Front Park, in the amount of \$71,408.00, to be paid from the Bond Anticipation Notes.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

The Chair declared a recess at 8:22 p.m., and reconvened at 8:28 p.m.

Motion by Granger, seconded by Spicher, regarding **Lake Front Park – AquaClimb**, that the Council authorize the purchase of one AquaClimb from:

B & B Pools
31071 Industrial
Livonia, MI 48150

in the amount of \$14,550, to be paid from the Bond Anticipation Notes.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

Motion by Reynolds, seconded by Howle, regarding **Lake Front Park – Pool Renovations, B & B Pools**, that the matter regarding an increase to the contract originally awarded to B & B Pool on July 10, 2006, (from \$1,068,925.00 to \$1,100,000.00 to cover contingencies) be tabled to the City Council Meeting on September 18, 2006.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir
No: None
Absent: None

Motion by Granger, seconded by Dickinson, regarding **Lake Front Park – Pool Renovations, Anderson, Eckstein & Westrick**, that the City Council concur with the recommendation of the City Administrator and approve an amount not to exceed \$25,000.00 for Anderson, Eckstein, & Westrick to perform inspection, testing, supervision, and administration for the Lake Front Park pool renovation/rehabilitation project to be funded through the bond anticipation notes.

Upon roll call vote, motion carried by the following vote:

Novitke: Yes
Reynolds: Yes
Spicher: Yes
Waldmeir: Yes
Dickinson: Yes
Granger: Yes
Howle: No

Motion by Spicher, seconded by Waldmeir, that the City Attorney statements dated August 31, 2006, from the City Attorneys BE APPROVED for payment:

- City Attorney Don Berschback in the amount of \$11,324.50.
- City Attorney Charles Berschback in the amount of \$4,842.50.

Motion carried by the following vote:

Yes: Dickinson, Granger, Howle, Novitke, Reynolds, Spicher, Waldmeir

No: None

Absent: None

Motion by Waldmeir, seconded by Spicher, to adjourn tonight's meeting at 8:53 p.m.
PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk