



## SPECIAL MEETING OF THE DOWAGIAC CITY COUNCIL

Municipal Building, 241 S. Front Street, Dowagiac, Michigan

Thursday, May 21, 12:00 p.m. (Noon)

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### AGENDA

- CALL TO ORDER -Mayor Donald D. Lyons
- PLEDGE OF ALLEGIANCE TO THE FLAG -Mayor Donald D. Lyons
- ROLL CALL -Mayor Donald D. Lyons  
-Mayor Pro-Tem Leon Laylin  
-Councilmember Charles Burling  
-Councilmember James Dodd  
-Councilmember Danielle Lucas  
-Councilmember Lori Hunt  
-Councilmember Bob Schuur
- APPROVAL OF MINUTES OF PREVIOUS MEETING – May 21, 2015

#### RESOLUTIONS –

1. Resolution authorizing a Blight Elimination Grant application with the State of Michigan for the demolition of the building at 200 E. Division.

#### ADJOURNMENT –

Kevin P. Anderson  
City Manager

Attachments

A regular meeting of the Dowagiac City Council was called to order by Mayor Lyons at 7:00 p.m.

Mayor Lyons led the Pledge of Allegiance to the flag.

PRESENT: Mayor Donald D. Lyons; Mayor Pro-Tem Leon D. Laylin; Councilmembers Charles K. Burling, James B. Dodd, Lori A. Hunt, Danielle E. Lucas and Bob B. Schuur.

ABSENT: None.

STAFF: Kevin P. Anderson, City Manager; Rozanne H. Scherr, Assistant City Manager.

Councilmember Dodd moved and Councilmember Laylin seconded that the minutes of the April 27, 2015 regular meeting be approved.

Approved unanimously.

#### COMMENTS FROM THE AUDIENCE (NON-AGENDA)

Andy Jackson, Representative from the Pokagon Band of Potawatomi Indians Pw-Wow Committee – invited Council and public to the Oshke Kno Kewewen Pow-Wow to be held Memorial Weekend, May 23-24, 2015, at Rodgers Lake.

#### COMMUNICATIONS

1. Dowagiac Union High School Commencement Parking/Block of Street, May 31, 2015.
2. Young Professionals of Greater Dowagiac Fireworks Show, July 3, 2015.

#### RESOLUTIONS

1. Resolution setting a public hearing for the 2015-16 Budget.

Councilmember Dodd offered and moved the adoption of the following resolution; seconded by Councilmember Schuur.

**WHEREAS**, the Dowagiac City Charter requires that a complete itemized budget proposal must be presented to the City Council; and

**WHEREAS**, City Council has begun a review of the proposed budget so that action can be taken on a budget pursuant to City Charter requirements; and

**WHEREAS**, prior to adoption of a budget the public is to be notified of a public hearing regarding the proposed budget.

**NOW, THEREFORE, BE IT RESOLVED** that the Dowagiac City Council acknowledges that the tentative budget for the fiscal year ending September 30, 2016 has been received for further review by the City Council.

**BE IT FURTHER RESOLVED** that the City Clerk be instructed to place on display copies of this proposed budget and to publish notice of a public hearing thereon at least six (6) days in advance of the June 1, 2015 City Council Meeting.

APPROVED unanimously.

2. Resolution to set a public hearing during the June 8, 2015 meeting to receive input regarding a proposed Conditional Transfer of Property pursuant to PA 425 of 1984 for property located at 56373 M-51 in Pokagon Township.

Councilmember Burling offered and moved the adoption of the following resolution; seconded by Councilmember Laylin.

**WHEREAS**, the City of Dowagiac and Township of Pokagon wish to enter into a contract for the conditional transfer of property, under the terms of Public Act 425 of 1984; and

**WHEREAS**, an agreement covering the terms and provisions of such a contract has been negotiated between the City and Township for the purposes of facilitating an "economic development project" as defined in the Act; and

**WHEREAS**, prior to entering into a conditional land transfer contract under the terms of the Act, each respective legislative body must first hold at least one public hearing in the manner provided by the Open Meetings Act (P.A. 267, 1976).

**NOW, THEREFORE, BE IT RESOLVED** that the City of Dowagiac, by the affirmative vote of its City Council, does hereby declare and establish that a public hearing will be conducted on Monday, June 8, 2015, at 7:00 p.m. in the Council Chambers of City Hall, at a regularly scheduled Council meeting, for the purposes of receiving public input on the proposed contract for the conditional transfer of property between the City of Dowagiac and Pokagon Township according to the terms of Public Act 425 of 1984.

**BE IT FURTHER RESOLVED** that notice of said hearing shall be published at least once in the *Dowagiac Daily News* in a manner in compliance with the Open Meetings Act, being Public Act 267 of 1976, and that said notice shall be published by posting at the Dowagiac City Hall, 241 South Front Street, Dowagiac, Michigan, provided such is allowed by Public Act 425 (1984).

ADOPTED unanimously.

3. Resolution to authorize special assessments pursuant to Chapter 66, Section 66.19 of the City Code, noxious weeds.

Councilmember Schuur offered and moved the adoption of the following resolution; seconded by Councilmember Lucas.

**WHEREAS**, Chapter 66, Section 66.19 of the Dowagiac City Code, "Single Lot Assessments-Generally," provides that the City of Dowagiac is authorized to levy a special assessment against single premises for expenses which are chargeable against such premises under the provisions of the Dowagiac City Code, and;

**WHEREAS**, the Dowagiac City Council, upon due consideration and deliberations, determined that certain noxious weeds and grasses were present upon the various single premises described in Appendix A attached hereto and incorporated herein by reference, and that the cutting of such noxious weeds and grasses by the City was necessary by virtue of non-compliance with the provisions of Chapter 86, Section 86.59 of the Dowagiac City Code, and;

**WHEREAS**, the expense incurred with respect to each parcel of land entered upon in carrying out the provisions of said Chapter 86 have been kept, which charges, together with an amount equal to fifty percent (50%) thereof to cover costs of publication, overhead and other expenses, are chargeable against such single premises as provided in Chapter 66 of the Dowagiac City Code, and;

**WHEREAS**, the City Manager has directed the City Assessor to prepare a special assessment roll covering all such charges which have not been paid, together with an additional amount equal to fifty percent (50%) thereof, to cover the cost of publication, overhead and other expenses, and;

**WHEREAS**, said roll has been filed with the City Clerk and is now being presented to the Council for confirmation and levy, and;

**WHEREAS**, said special assessment roll is attached hereto and made a part of this resolution.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Dowagiac, by the affirmative vote of its City Council, does hereby confirm the attached special assessment roll for the parcels more fully described in Appendix A attached hereto and incorporated herein by reference and directs the City Administration to levy said assessments against the individual properties therein set forth.

ADOPTED unanimously.

4. Resolution to authorize special assessments pursuant to Chapter 66, Section 66.19 of the Dowagiac City Code, deteriorated property.

Councilmember Schuur offered and moved the adoption of the following resolution; seconded by Councilmember Lucas.

**WHEREAS**, Chapter 66, Section 66.19 of the Dowagiac City Code, "Single Lot Assessments-Generally," provides that the City of Dowagiac is authorized to levy a special assessment against single premises for expenses which are chargeable against such premises under the provisions of the Dowagiac City Code; and

**WHEREAS**, the Dowagiac City Council, upon due consideration and deliberation, determined for the preservation of the public peace, health and safety of the city that certain deteriorating property condition(s) existed on private properties described in Appendix A, attached hereto and incorporated herein by reference, and that the abatement by the City of such deteriorating property condition(s) was necessary by virtue of non-compliance with the provisions of Chapter 18 of the Dowagiac City Code; and

**WHEREAS**, this expense is chargeable against such premises and the owner thereof under the provisions of the Charter, the Code and the law of the State of Michigan and is not of the class required to be prorated among several lots and parcels of land in a special assessment district; and

**WHEREAS**, an account of labor, material, and services for which such expenses incurred has been billed to the property owner by the City Building Official, as provided in Chapter 66 of the Dowagiac City Code; and

**WHEREAS**, this bill had not been paid; and

**WHEREAS**, the City Manager has directed the City Assessor to prepare a special assessment roll covering all such charges which have not been paid; and

**WHEREAS**, said roll has been filed with the City Clerk and is now being presented to the Council for confirmation and levy; and

**WHEREAS**, said special assessment roll is attached hereto and made a part of this resolution.

**NOW, THEREFORE, BE IT RESOLVED** that the Dowagiac City Council hereby confirms the attached special assessment roll for the parcels more fully described in Appendix A attached hereto and incorporated herein by reference and directs the City Administration to levy said assessments against the individual properties therein set forth.

ADOPTED unanimously.

5. Resolution to authorize special assessments pursuant to Chapter 82, Section 82.24(c) of the Dowagiac City Code, delinquent utilities.

Councilmember Schuur offered and moved the adoption of the following resolution; seconded by Councilmember Lucas.

**WHEREAS**, Chapter 82, Section 82.24 (c) of the Dowagiac City Code, "UTILITIES", provides that the City of Dowagiac is authorized to place as a lien on the premises to which electric, water and/or sewer service is provided for delinquent utilities for six (6) months or more; and,

**WHEREAS**, delinquent utilities with such lien are charged on the next property tax bill for the premises; and,

**WHEREAS**, the Dowagiac City Council upon review of the various single premises described in Appendix A attached hereto and incorporated herein by reference, determined by virtue of non-compliance with the provisions of Chapter 82, Section 82-24 (c) of the Dowagiac City Code.

**WHEREAS**, the City Manager has directed the City Assessor to prepare a special assessment roll covering all such charges which have not been paid; and

**WHEREAS**, said roll has been filed with the City Clerk and is now being presented to the Council for confirmation and levy; and

**WHEREAS**, said special assessment roll is attached hereto and made a part of this resolution.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Dowagiac, by the affirmative vote of its City Council, does hereby confirm the attached special assessment roll for the parcels more fully described in Appendix A attached hereto and incorporated herein by reference and directs the City Administration to levy said assessments against the individual properties therein set forth.

ADOPTED unanimously.

6. Resolution to authorize the acquisition of various parcels of property through the tax foreclosure process.

Councilmember Schuur offered and moved the adoption of the following resolution; seconded by Councilmember Laylin.

**WHEREAS**, the City Manager recommends that certain real property being offered for Tax Reverted Property Sale located in the City of Dowagiac, which is depicted on Exhibit "A" attached hereto, is suitable for public purposes to be utilized as a green space; and

**WHEREAS**, the City Council has reviewed the purchase price of the subject properties valued at \$20,996.22.

**NOW, THEREFORE, BE IT RESOLVED** that the Dowagiac City Council authorizes the purchase of the property described herein for the public purposes of public parks, public utilities, and neighborhood revitalization.

**BE IT FURTHER RESOLVED** that the City of Dowagiac, by the affirmative vote of its City Council, does hereby authorize its City Manager to make application to the Cassopolis County Treasurer, for the conveyance of tax-reverted lands as described on “Exhibit A” attached hereto, for the amount indicated.

**BE IT FURTHER RESOLVED** that the City Manager is authorized to represent the City of Dowagiac at the closing for the purchase of said real property and shall execute the documents necessary to effectuate the transfer of the property to the City of Dowagiac.

ADOPTED unanimously.

7. Resolution to authorize the Russom Park retention pond bid to Brad Thomas Excavating in the amount of \$43,529.25.

Councilmember Dodd offered and moved the adoption of the following resolution; seconded by Councilmember Schuur.

WHEREAS, Russom Park is a highly used park and the City of Dowagiac desires to reduce the amount of time storm water is detained near athletic fields in this park; and

WHEREAS, the City of Dowagiac has retained a qualified engineering firm, Wightman and Associates, to work with OCBA, the designated “Prime Professional” on this project, to study, bid out and advise on this matter; and

WHEREAS, bids have been received for the re-work; and

WHEREAS, options have been reviewed and grant funds are available through a change order to assist in the cost.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the Dowagiac City Council authorizes the City Manager to accept the bid from Brad Thomas Excavating in the amount of \$43,529.25.

ADOPTED unanimously.

8. Resolution to authorize the purchase of in-car cameras for the Police.

Councilmember Laylin offered and moved the adoption of the following resolution; seconded by Councilmember Burling.

WHEREAS, the City of Dowagiac Department of Public Safety has determined that the

replacement of the in-car camera system is necessary, and;

WHEREAS, the City of Dowagiac Department of Public Safety has determined that the addition of a body camera system for police officers will positively impact public safety in the City of Dowagiac, and;

WHEREAS, the City has funds available in the Motor Pool to fund this replacement,

NOW, THEREFORE, BE IT RESOLVED that the City of Dowagiac, by the affirmative vote of its City Council, does hereby approve the purchase of an in-car and body camera system in the amount of \$31,970, plus installation.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized and directed to act as signatory for the execution of same.

ADOPTED unanimously.

9. Resolution to authorize and direct the City Treasurer to pay the following bills and payroll due:

Councilmember Schuur offered and moved the adoption of the following resolution; seconded by Councilmember Burling.

**WHEREAS**, the following information has been reviewed by the City Manager and City Treasurer and is being presented to City Council with a recommendation to approve invoices and payroll #16 for the period ending 04/26/15:

Invoices	\$91,576.98
Payroll	<u>\$211,162.34</u>
Total	\$302,739.32

**BE IT RESOLVED** that the City Manager and City Treasurer are hereby authorized and directed to pay the following bills and payroll due:

<u>BILLS</u>	<u>PAYROLL</u>	<u>TOTAL</u>
\$91,576.98	\$211,162.34	\$302,739.32

ADOPTED on a roll call vote.

Ayes: Six (6) Burling, Dodd, Hunt, Laylin, Schuur, Lucas

Nays: None (0)

Absent: None (0)

Abstain: None (0)

9a. Resolution to authorize a lease with Advanced Dermatology, PLLC for space in the James E. Snow Professional Building.

Councilmember Dodd offered and moved the adoption of the following resolution; seconded by Councilmember Laylin.

WHEREAS, the City of Dowagiac residents are provided ambulance services by Advanced Dermatology, PLLC, and;

WHEREAS, Advanced Dermatology, PLLC needs improved facilities and the City of Dowagiac and terms have been negotiated for space in the first floor of the James E. Snow Professional Building,

NOW, THEREFORE, BE IT RESOLVED that the City of Dowagiac, by the affirmative vote of its City Council, does hereby approve the terms of a building lease with Advanced Dermatology, PLLC, and;

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized and directed to complete lease negotiations and act as signatory for the execution of a lease once the document review is complete.

ADOPTED unanimously.

COMMENTS FROM CITY OFFICIALS

ORDINANCE

1. Ordinance authorizing issuance of water supply and sewage disposal system junior lien revenue bonds, Series 2015.

**ORDINANCE NO. \_\_\_\_\_, 2015**

**ORDINANCE -----**

**ORDINANCE AUTHORIZING ISSUANCE OF  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM  
JUNIOR LIEN REVENUE BONDS, SERIES 2015**

WHEREAS, pursuant to Act 94, Public Acts of Michigan, 1933, as amended (the "Act") the Dowagiac City Council has determined to make improvements to the City of Dowagiac (the "City") water supply and sewage disposal system; and

WHEREAS, the improvements will enable the City to provide more efficient and better quality public services to the users of the water supply and sewage disposal system; and

WHEREAS, the improvements shall be financed in part by the issuance of revenue bonds or other evidences of indebtedness in accordance with the Act in the sum of not to exceed \$2,500,000 for a period of not to exceed thirty (30) years; and

WHEREAS, the Act permits the City to authorize, within limitations which shall be contained in the authorization ordinance, an officer to sell, deliver and receive payment for obligations, and to approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, place of delivery and payment, and other matters and procedures necessary to complete an authorized transaction.

THE CITY OF DOWAGIAC ORDAINS:

DEFINITIONS. Except as provided in this ordinance, the definitions contained in the Prior Ordinance (defined below) shall apply to the terms in this Ordinance. In addition, whenever used in this Ordinance except when otherwise indicated by context, the following definitions shall apply to the terms in this Ordinance:

“Additional Junior Lien Bonds” means any additional Junior Lien Bonds issued in the future pursuant to this Ordinance, the Prior Ordinance, or an ordinance supplementing these ordinances.

“Authorized Officer” means the Mayor and the City Manager of the City, or either of them acting alone.

“Authority” means the Michigan Finance Authority created by Executive Order 2010-2, which, among other things, transferred to the Michigan Finance Authority the powers, duties and functions of the Michigan Municipal Bond Authority, created and established pursuant to Act 227, Public Acts of Michigan, 1985, as amended.

“Bonds” as defined in the Prior Ordinance shall include the Series 2015 Bonds which are being issued as Junior Lien Bonds under Section 21 of the Prior Ordinance.

“Construction Fund” shall mean the 2015 Construction Fund created pursuant to Section 13.

“Contract Documents” means the Purchase Contract between the City and the Authority, the Supplemental Agreement by and among the City, the Authority and the State of

Michigan acting through the Department of Environmental Quality, and the Issuer's Certificate for the Series 2015 Bonds or such other closing documents required by the Authority for the issuance of the Series 2015 Bonds.

"Improvements" means the design, purchase, acquisition, and construction of improvements to the System, including, but not limited to improvements to the wastewater treatment plant and related facilities and appurtenances, as well as all work necessary and incidental to these improvements.

"Ordinance" means this Ordinance and all amendments hereto.

"Prior Ordinance" means Ordinance No. 6, 2010 adopted by the City Council of the City on October 11, 2010.

"Series 2015 Bonds" means the City's Water Supply and Sewage Disposal System Junior Lien Revenue Bonds, Series 2015 issued pursuant to this Ordinance.

NECESSITY, PUBLIC PURPOSE. It is hereby determined to be necessary for the public health, safety and welfare of the City to acquire and construct the Improvements to the System in accordance with the maps, plans and specifications therefore prepared by Flies & Vandenbrink Engineering Inc., which are hereby approved.

ESTIMATED COST; PERIOD OF USEFULNESS. The cost of the Improvements has been estimated by the engineers not to exceed \$2,500,000, including the payment of legal, engineering, financial and other expenses, which estimate of cost is approved and confirmed, and the period of usefulness of the Improvements is estimated to be greater than thirty (30) years.

ISSUANCE OF BONDS. To pay a portion of the cost of acquiring and constructing the Improvements and to pay the legal and financial expenses and all other expenses incidental to the issuance of the Series 2015 Bonds, the City shall borrow the sum of not to exceed \$2,500,000

and issue its revenue bonds pursuant to the provisions of the Act. The Series 2015 Bonds shall be issued in the aggregate principal sum of not to exceed \$2,500,000, as finally determined by the Authorized Officer at the time of sale, or such lesser amount thereof as shall have been advanced to the City pursuant to the Contract Documents.

During the time funds are being drawn down by the City under the Series 2015 Bonds, the Authority will periodically provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of the Series 2015 Bonds.

SERIES 2015 BOND TERMS. The Series 2015 Bonds shall be issued as one fully registered manuscript bond, shall be sold and delivered to the Authority in any denomination. The Series 2015 Bonds shall be dated the date of delivery to the Authority, or such other date approved by the Authorized Officer, and shall be payable on the dates determined by the Authorized Officer at the time of sale provided the final maturity shall be no later than thirty years after the date of issuance. The Series 2015 Bonds shall bear interest at a rate of not to exceed 3.00% per annum as determined by the Authorized Officer, payable semiannually on the dates determined by the Authorized Officer at the time of sale.

Notwithstanding the above, the final amount of any maturity and terms of the Series 2015 Bonds shall be as provided in the Contract Documents and will be finally determined by the Authorized Officer.

PAYMENT OF BONDS; PLEDGE OF NET REVENUES. As provided in Section 5 of the Prior Ordinance, the principal of and interest on the Series 2015 Bonds, as Junior Lien Bonds, shall be payable from the Net Revenues derived from the operation of the System, including future improvements, enlargements and extensions thereof, after provision has been made for the payment of expenses of administration, operation and maintenance thereof and the Net Revenues of the System, including future enlargements, improvements, and extensions thereto, are hereby pledged to the payment of the principal of and interest on the Series 2015 Bonds. To secure the payment of the principal of and interest on the Series 2015 Bonds, a statutory lien is created pursuant to the Act to and in favor of the Bondholders of the Series 2015 Bonds upon the Net Revenues of the System, including future enlargements, improvements, and extensions thereof, which is a junior lien of equal standing and priority with respect to the Net Revenues of the System securing other Junior Lien Bonds that may be issued in the future, but subordinate to the first lien on the Net Revenues of the System securing any First Lien Bonds. The Net Revenues so pledged shall be and remain subject to such lien until the payment in full of the principal of and interest on the Series 2015 Bonds or until Bonds are defeased as provided in the Prior Ordinance.

The Series 2015 Bonds, including both principal and interest thereon, shall not be a general obligation of the City and shall not constitute an indebtedness of the City for the purpose of any debt limitations imposed by any constitutional, statutory or charter provisions. References to “Bonds” in the last paragraph of Section 5 of the Prior Ordinance providing for a pledge of the City’s limited tax-general obligation full faith and credit shall be amended to “Series 2010 Bonds” and shall not apply to the Series 2015 Bonds.

PRIOR REDEMPTION. The Series 2015 Bonds issued and sold to the Authority shall be subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.

PAYING AGENT AND REGISTRATION.

Appointment of Paying Agent. The initial Paying Agent for the Series 2015 Bonds shall be the City Treasurer.

Registration of Series 2015 Bonds. The Series 2015 Bonds shall be fully registered Bonds. The Series 2015 Bonds will not be issued in book-entry-only form and, except as provided in (c) below, the provisions of Section 7(c) of the Prior Ordinance shall apply to the Series 2015 Bonds.

Authority's Depository. Notwithstanding any other provision of this Ordinance, so long as the Authority is the owner of the Series 2015 Bonds, (a) the Series 2015 Bonds are payable as to principal, premium, if any, and interest in lawful money of the United States of America, at The Bank of New York Mellon Trust Company, N. A., or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on the Series 2015 Bonds in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of

the Series 2015 Bonds shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

SALE OF BONDS. The Series 2015 Bonds shall be sold to the Authority. The City determines that a negotiated sale to the Authority is in the best interest of the City because the terms offered by the Authority are more favorable than those available from other sources of funding.

BOND FORM. The Series 2015 Bonds shall be substantially in the form attached hereto as Exhibit A, and incorporated herein, with such completions, changes and additions as may be required by the Authority or as recommended by the City's Bond Counsel and approved by the officers of the City signing the Series 2015 Bonds.

AUTHORIZED OFFICER. The Authorized Officer is hereby designated, for and on behalf of the City, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the Series 2015 Bonds to the Authority. The Authorized Officer is hereby authorized to execute and deliver the Contract Documents in substantially the form presented at this meeting, with such changes, additions and completions as are approved by the Authorized Officer. The City hereby approves the Contract Documents in the form on file with the Clerk with such changes as are approved by the Authorized Officer. Notwithstanding any other provision of this Ordinance, the Authorized Officer is authorized within the limitations of this Ordinance to determine the specific interest rate or rates to be borne by the bonds, not exceeding 3% per annum, the principal amount, interest payment dates, dates of maturities, and amount of maturities, redemption rights, the title of the Series 2015 Bonds, date of issuance, the amount of any rate covenant and additional bonds test, and other terms and conditions relating to the Series 2015 Bonds and the sale thereof provided, however, the last annual principal

installment shall not be more than thirty years from the date of issuance of the Series 2015 Bonds. The Authorized Officer's approval of the terms shall be evidenced by his or her signature on the document or agreement stating such terms. The Authorized Officer is hereby authorized for and on behalf of the City, without further City Council approval, to do all acts and take all necessary steps required to effectuate the sale, issuance, and delivery of the Series 2015 Bonds. The Authorized Officer, together with the Treasurer, or any one or more of them, are authorized to execute any orders, receipts, agreements, pledge agreements, documents or certificates necessary to complete the transaction, including, but not limited to, any issuers certificate, any certificates relating to federal or state securities laws, rules or regulations, any applications to the Michigan Department of Treasury, and any revenue sharing pledge agreement. The City hereby approves the Revenue Sharing Pledge Agreement in substantially the form presented to this meeting, with such changes as are approved by the Authorized Officer, and authorizes the Authorized Officer to execute and deliver the Revenue Sharing Pledge Agreement to the Authority if such action is recommended by the City's financial advisor.

EXECUTION OF BONDS. The Mayor or the Mayor Pro Tem and the Clerk or the Deputy Clerk of the City are hereby authorized and directed to sign the Series 2015 Bonds, either manually or by facsimile signature, on behalf of the City. Upon execution, the Series 2015 Bonds shall be delivered to the purchaser thereof.

CONSTRUCTION FUND. The proceeds of the Series 2015 Bonds shall be deposited in the Construction Fund. Such moneys shall be used solely for the purpose for which the Series 2015 Bonds were issued. Any unexpected balance in the Construction Fund remaining after completion of the Improvements may be used for such purposes as allowed by law. After

completion of the Improvements and disposition of remaining Series 2015 Bond proceeds, if any, pursuant to the provisions of this Section, the Construction Fund shall be closed.

CONTRACT WITH BONDHOLDERS. The provisions of this Ordinance shall constitute a contract between the City and the Bondholders from time to time, and after the issuance of any of such Series 2015 Bonds, no change, variation or alteration of the provisions of this Ordinance may be made which would lessen the security for the Series 2015 Bonds. The provisions of this Ordinance shall be enforceable by appropriate proceedings taken by such Bondholder, either at law or in equity.

INTERNAL REVENUE CODE. The City has consulted with its attorney and understands that the Code contains certain requirements on (i) the expenditure of proceeds from the sale of the Series 2015 Bonds, (ii) the investment of the proceeds from the issuance of the Series 2015 Bonds and (iii) the rebate of interest earned on the investment of the proceeds of the Series 2015 Bonds under certain circumstances. The City hereby covenants to comply with such requirements.

PUBLICATION AND RECORDATION. This Ordinance shall be published once in full in a newspaper of general circulation in the City qualified under state law to publish legal notices, and the same shall be recorded in the records of the City and such recording authenticated by the signature of the City Clerk.

ORDINANCE SUBJECT TO MICHIGAN LAW. The provisions of this Ordinance are subject to the laws of the State of Michigan.

SECTION HEADINGS. The section headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.



I, Jane P. Wilson, the duly qualified and acting Clerk of the City of Dowagiac, Cass County, Michigan do hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the City Council at a regular meeting held on May 11, 2015, and that notice of said meeting was given pursuant to Act. No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I further hereunto affixed my signature this 11<sup>th</sup> day of May, 2015.

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Jane P. Wilson, Clerk  
City of Dowagiac

**EXHIBIT A**

**UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF DOWAGIAC  
CITY OF DOWAGIAC**

**WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM  
JUNIOR LIEN REVENUE BONDS, SERIES 2015**

<b><u>Interest Rate</u></b>	<b><u>Maturity Date</u></b>	<b><u>Date of Original Issue</u></b>
_____ %	See Schedule I	_____, 2015

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Registered Owner: Michigan Finance Authority

Principal Amount: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

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The City of Dowagiac, Cass County, Michigan (the "Issuer"), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Water Supply and Sewage Disposal System of the Issuer (the "System"), including all appurtenances, additions, extensions and improvements thereto after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), the amounts and on the Dates of Maturity set forth on Schedule I hereto, together with interest thereon from the dates of receipt of such funds, or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on the first day of April and October of each year, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

The Issuer promises to pay to the Michigan Finance Authority (the "Authority") the principal amount of this Bond or so much thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality.

During the time funds are being drawn down by the Issuer under this Bond, the Authority will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N. A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

This Bond, being one fully registered manuscript bond, is issued in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and ordinances adopted by the City Council of the Issuer on October 11, 2010, and May 11, 2015 (the "Ordinance"), for the purpose of paying the cost of acquiring and constructing improvements to the System. This Bond is a self-liquidating Bond, and is not a general obligation of the Issuer within any constitutional, statutory or charter limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this Bond are secured by a statutory lien on the Net Revenues.

The Issuer hereby covenants and agrees to fix, and maintain at all times while any of the Bonds shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest upon all such Bonds as and when the same become due and payable, to maintain a bond and interest Redemption Account and 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. The statutory liens securing the Issuer's First Lien Bonds (as defined in the Ordinance) are first liens which are and shall remain superior to the lien on the Net Revenues securing this Bond. The Bonds of this series are Junior Lien Bonds (as defined in the Ordinance) and shall have equal standing with any Additional Junior Lien Bonds (as defined in the Ordinance) that may be issued pursuant to the Ordinance. Additional bonds of superior standing to the bonds of this series may be issued pursuant to the Ordinance. 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 or superior standing may hereafter be issued, and the general

covenants and provisions pursuant to which this Bond is issued, reference is made to the Ordinance.

Bonds of this series may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provided funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

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

IN WITNESS WHEREOF, the City of Dowagiac, Cass County, Michigan, by its City Council, has caused this Bond to be signed, by the manual or facsimile signatures of its Mayor and City Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 2015.

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Donald D. Lyons, Mayor

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Jane P. Wilson, Clerk

**TRANSFER**

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Tax Identification or Social Security No. \_\_\_\_\_) the within Bond and all rights thereunder, and hereby constitutes and appoints \_\_\_\_\_ attorney, to transfer the within Bond on the books kept for registration thereof by the Paying Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular, without alteration or enlargement or any change whatever.

DOWAGIAC CITY COUNCIL MEETING

Monday, May 11, 2015

Name of Issuer CITY OF DOWAGIAC  
DEQ Project No: \_\_\_\_\_  
DEQ Approved Amount: \$ \_\_\_\_\_

**SCHEDULE I**

Based on the schedule provided below, unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule, which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
_____	

Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of \_\_\_\_% per annum, payable \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter.

The Issuer agrees that it will deposit with The Bank of New York Mellon Trust Company, N. A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

DOWAGIAC CITY COUNCIL MEETING

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\*Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

ADOPTED on a roll call vote.

Moved by: Laylin

Seconded by: Lucas

Ayes: Six (6) Burling, Dodd, Hunt, Laylin, Schuur, Lucas

Nays: None (0)

Absent: None (0)

Abstain: None (0)

RESOLUTIONS (CONT)

10. Resolution to go into closed session pursuant to the Michigan Open Meetings Law, Public Act 267 of the Public Acts of 1976 as amended, to discuss the purchase of real property.

Councilmember Schuur offered and moved the adoption of the following resolution; seconded by Councilmember Laylin.

**WHEREAS**, the Michigan Open Meetings Law, Public Act 267 of the Public Acts of 1976 as amended, provides that public bodies may meet in closed session to discuss the purchase of real property; and

**WHEREAS**, the Mayor and City Council desire to meet with the City Manager to discuss the aforementioned items.

**NOW, THEREFORE, BE IT RESOLVED** the City Council will hereby adjourn to closed session to discuss the purchase of real property.

ADOPTED on a roll call vote.

Moved by: Schuur

Seconded by: Laylin

Ayes: Six (6) Laylin, Burling, Dodd, Hunt, Lucas, Schuur

Nays: None (0)

Absent: None (0)

DOWAGIAC CITY COUNCIL MEETING

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Abstain:           None (0)

CLOSED SESSION

TIME: 7:35 PM

LATER: 7:50 PM

ADJOURNMENT

Upon motion by Councilmember Laylin and seconded by Councilmember Burling, the Dowagiac City Council adjourned at 7:50 PM.

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Donald D. Lyons, Mayor

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Jane Phillipson-Wilson, City Clerk