

October 28, 2019

Mayor Jenkins opened the regular meeting of the Gaylord City Council with a prayer by Council Member Sharrard at 7:00pm on Monday October 28th, 2019, in the City Council Chambers, located in the Gaylord City Hall, 305 East Main Street, Gaylord, Michigan. The Pledge of Allegiance followed the invocation.

Members Present: Wishart, Jenkins, Johnson, Ouellette, and Sharrard.

Members Absent: Hartz and Witt.

Motion by Ouellette, supported by Sharrard to dispense with the reading of the minutes of the October 14<sup>th</sup>, 2019 meeting and accept them as presented with the addition of the voting results for the motion to enter into a purchase agreement with Powerhome Solar for electric vehicle charging stations.

Ayes: Unanimous. Motion carried.

Motion by Ouellette, supported by Sharrard to excuse Council Members Hartz and Witt from tonight's meeting.

Ayes: Unanimous. Motion carried.

Public Comment: Kim Lavallo, Bagley Township Resident, asked if there was anyway a three way stop could be added at the middle school exit onto Fifth Street. She also asked if the City has seen an increase in drug problems due to the Methadone Clinics in the area.

Denise Pallarito, Otsego Lake Township Resident, addressed the council in regards to an access issue along new Iron Belle Trail. The railroad company has begun to enforce against trespassing by trail users whom try to cross their property from the trail to businesses along the Old 27 Business Loop. This will greatly impede snowmobilers from gaining access to these businesses and cause them a loss in revenue.

Henry Mason, Otsego County Commissioner, added that the railroad company has 1<sup>st</sup> right, since it is their property.

The following preamble and resolution were offered by Johnson, supported by Sharrard:

**WHEREAS**, the City Council of the City of Gaylord recognizes the significant economic and social benefits the public highway known as Old US 27 has played by serving as a major south to north United States Highway and artery for commerce and tourism for the better part of the 20<sup>th</sup> Century; and

**WHEREAS**, the City Council recognizes that these benefits contribute to the growth and

prosperity of the City of Gaylord, Otsego County, and the State of Michigan, and

**WHEREAS**, the City Council recognizes the value of preserving and promoting Old US 27 as a Heritage Route and Historic Roadway, and the need to preserve important sites and structures along its route;

**BE IT THEREFORE RESOLVED**, that the City Council of the City of Gaylord supports preserving and further development of the cultural, economic, and social resources associated with the heritage of Old US 27;

**AND BE IT FURTHER RESOLVED**, that the City Council does hereby request the Michigan Department of Transportation to designate Old US 27 as a Heritage Route, passing through the City of Gaylord.

Ayes: Unanimous. Motion carried.

Motion by Wishart, supported by Ouellette to approve the Solicitation Permit for the American Legion Post 458 for May 7, 8 and 9<sup>th</sup>, 2020.

Ayes: Unanimous. Motion carried.

Motion by Sharrard, supported by Ouellette to approve the signing of the Baird Placement Agent Engagement Letter for the financing of the John Deere Loader.

Ayes: Unanimous. Motion carried.

The following preamble and resolution were offered by Wishart and supported by Johnson:

WHEREAS, the City of Gaylord, County of Otsego, State of Michigan (the "City") desires to acquire a John Deere 624L Wheel Loader (the "Equipment"); and

WHEREAS, under the provisions of Act 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the City is authorized to enter into any contracts or agreements for the purchase of the Equipment to be paid for in installments over a period of not to exceed the useful life of the Equipment acquired as determined by resolution of the City; and

WHEREAS, an Installment Purchase Agreement (the "Agreement") between the City, AIS Construction Equipment, Williamsburg, MI (the "Vendor") and Huntington Public Capital Corporation (the "Bank"), for the installment purchase of the Equipment has been prepared; and

WHEREAS, the City shall acquire the Equipment for an aggregate purchase price of \$200,125 (the "Purchase Price"), of which amount, \$200,000 shall be financed (the "Financed Portion") through the execution of the Agreement; and

WHEREAS, the outstanding balance of all purchases by the City under Act 99, exclusive of

interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal property in the City at the date of such contract or agreement; and

WHEREAS, the purchase of the Equipment pursuant to an installment purchase agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, the Agreement is to be assigned to the Bank; and

WHEREAS, it is necessary to approve the Agreement and authorize the Mayor and City Clerk to execute the Agreement and authorize City officials to execute certain other documentation relative thereto.

NOW THEREFORE, BE IT RESOLVED THAT:

1. Approval of Agreement; Agreement Terms. The Agreement is hereby approved substantially in the form attached hereto as Exhibit A. The City shall incur the debt described in the Agreement through execution of the Agreement by the officers authorized below which debt shall consist of the Financed Portion of \$200,000 which shall be payable in five (5) annual principal installments payable on October 1 of each year commencing October 1, 2020, with interest payable semi-annually on April 1 and October 1 of each year commencing April 1, 2020, or such other dates and/or payment frequency as the Mayor and Clerk may determine in the Agreement, at a rate not to exceed 2.50% per annum. Payments due on the Agreement shall not be subject to prepayment prior to maturity.

2. Execution and Delivery of Agreement. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement and deliver it to the Vendor, substantially in the form attached hereto with such additions, changes and modifications as shall be approved by the City's Bond Counsel.

3. Useful Life of Equipment. The useful life of the Equipment is hereby determined to be not less than five (5) years.

4. Authorization of Officers. The Mayor, City Clerk, City Manager and Treasurer are each hereby directed and authorized to execute such additional documentation and open such accounts as shall be necessary to effectuate the closing of the Agreement and the assignment thereof.

5. Assignment of Agreement. The assignment of the Agreement by the Vendor to the Bank is hereby approved.

6. Security; Limited Tax Pledge. The City hereby agrees to include in its budget for each year, commencing with the present fiscal year, a sum which will be sufficient to pay the principal of and the interest coming due under the Agreement during such fiscal year. In addition, the City hereby pledges to levy ad valorem taxes on all taxable property in the City each year in

an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations.

7. Tax Covenant. The City covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the agreement from adjusted gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.

8. Qualified Tax-Exempt Obligation. The City hereby designates the Agreement as a "qualified tax-exempt obligation" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

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

Ayes: Unanimous. Motion carried.

The following preamble and resolution was offered by Sharrard, supported by Wishart:

**WHEREAS** the Gaylord Building Authority was originally formed by the City of Gaylord under the Michigan Building Authorities Act, MCL 123.951 *et seq* on March 23, 1965; the Board was to be directed by three commissioners appointed by the Gaylord City Council for a term of six years each;

**AND FURTHER,** the Gaylord Building Authority did acquire a number of properties for the purpose of providing the City of Gaylord with downtown parking, and some of those properties continue to be legally titled in the name of the Gaylord Building Authority;

**AND FURTHER,** the Gaylord Building Authority's term is perpetual and it has never been dissolved, and the Gaylord City Council has not made appointments to the Board in over six years; thus, pursuant to the Gaylord Building Authorities' Articles of Incorporation, there are presently no acting commissioners and no board;

**AND FURTHER,** the Gaylord Building Authority has served its purpose, which was to acquire parking for the benefit of the City of Gaylord, as its sole incorporating municipality, and it should therefore transfer its remaining real property to the City of Gaylord and promptly dissolve.

**NOW, THEREFORE, IT IS RESOLVED,** that the following individuals are hereby appointed as commissioners to the Gaylord Building Authority: Joseph Duff, Michael Koronka, and Patrick Mankowski;

**IT IS FURTHER RESOLVED,** that the duly appointed commissioners shall promptly meet

for the purpose of identifying all assets owned by the Gaylord Building Authority and, with the assistance of the City Attorney, to cause all real property still held by the Gaylord Building Authority to be transferred to the City of Gaylord; and, upon completion of the transfer, promptly take whatever action is necessary to windup and dissolve the Gaylord Building Authority.

Ayes: Unanimous. Motion carried.

No other business was presented and the meeting was adjourned at 7:51 p.m.

Kim Awrey, City Clerk

John Jenkins, Mayor