

February 25, 2013

Mayor Jenkins opened the regular meeting of the Gaylord City Council with prayer by Council Member Wishart at 7:00 p.m. on Monday, February 25, 2013, 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: Campbell, Duczkowski, Jenkins, Johnson, Mankowski, Sharrard and Wishart.
Members Absent: None.

Motion by Wishart, supported by Sharrard, to amend the agenda for the meeting by adding the following as Item #1 under New Business:

- Presentation by the Alpine Regional Tennis Association

Ayes: Unanimous. Motion carried.

Motion by Campbell, supported by Duczkowski, to dispense with the reading of the minutes of the previous meeting and to accept them as presented.

Ayes: Unanimous. Motion carried.

Ms. Tammy LaBouef, 333 East Felshaw, expressed her concern over the recent announcement that Kmart was closing and the loss of jobs as a result, and questioned what the City Council is doing to provide more jobs in the community.

Ms. Laura Hansmann of the Alpine Regional Tennis Association appeared before City County to give a presentation regarding the Association's efforts to promote tennis in the community. City Council invited the Association to attend the next Planning Commission meeting to give the same presentation in an effort to include tennis as an activity in the next City of Gaylord Recreation Plan.

Motion by Mankowski, supported by Campbell, WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), authorizes the City of Gaylord, County of Otsego, State of Michigan (the "City") to refund all or any part of its outstanding securities; and, WHEREAS, the City has previously issued its Wastewater Treatment System Junior Lien Revenue Refunding Bonds, Series 1999 (Limited Tax General Obligation) (the "1999 Bonds") in the original principal amount of \$2,445,000, of which \$1,270,000 currently remains outstanding, and its 2003 General Obligation Limited Tax Bonds, dated as of April 1, 2003 (the "2003 Bonds", together with the 1999 Bonds, the "Prior Bonds") in the original principal amount of \$995,000, of which \$600,000 currently remains outstanding; and, WHEREAS, the City has been advised that it may achieve interest costs savings by refunding all or a portion of the Prior Bonds; and, AND WHEREAS, to finance the cost of refunding the Prior Bonds, the City deems it necessary to borrow the principal sum of not to exceed One Million Nine Hundred Seventy Thousand Dollars (\$1,970,000) and issue bonds therefor.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2013 General Obligation Limited Tax Refunding Bonds (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed One Million Nine Hundred Seventy Thousand Dollars (\$1,970,000) for the purpose of paying the costs of refunding the Prior Bonds, 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 \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity. The Bonds will be dated as of the date of delivery (or such other date as determined at the time of sale thereof), be payable on October 1 (or such other date as determined at the time of sale thereof) in the years 2013 to 2022, inclusive (or such other date as determined at the time of sale thereof), in the annual amounts determined at the time of sale and be subject to redemption in the manner and at the times and prices to be determined at the time of sale.

The Bonds shall bear interest at a rate or rates to be determined at the time of sale thereof, but in any event not to exceed three and one-half percent (3.50%) per annum, payable on October 1, 2013 (or such other date as determined at the time of sale thereof), and semiannually thereafter, by check or draft mailed by the Transfer Agent (as hereinafter defined) to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future.

2. Execution of Bonds; Book-Entry-Only Form. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. Bonds authorized by this resolution executed by facsimile signatures shall not be valid until authenticated by an authorized representative of the Transfer Agent. The principal of the Bonds shall be payable at a bank or trust company located in Michigan and qualified to act as bond registrar, paying agent and transfer agent or by the Treasurer of the City who may be appointed to act as transfer agent for the bonds (the "Transfer Agent"). The City Clerk, City Manager and Treasurer are each authorized to select and appoint 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 any officer of the City is 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.

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

4. Debt Retirement Fund. The City hereby pledges its limited tax full faith and credit for the prompt payment of the principal and interest on the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year. The Treasurer is authorized and directed to open a separate fund with a bank or trust company designated by the City Council to be known as the 2013 GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. Into said fund there shall be placed the accrued interest, if

any, received at the time of delivery of the Bonds.

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 the principal of and interest on the Bonds when due, 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 and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Use of Proceeds. The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds as provided in this paragraph. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the Debt Retirement Fund for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2013 GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS ISSUANCE FUND (the "Issuance Fund"). Moneys in the Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds.

The balance of the proceeds of the Bonds together with any moneys transferred by the City at the time of sale of the Bonds from the debt retirement funds for the Prior Bonds and any other available funds of the City, shall be held as cash or invested in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the "Escrow Fund") and used to pay principal, interest and redemption premiums, if any, on the Prior Bonds. The Escrow Fund shall be held by an escrow agent (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to call for redemption any Prior Bonds specified by the City upon sale of the Bonds, including publication and mailing of redemption notices, on any call date, as specified by the City. The investment held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal, interest and redemption premiums, if any, on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Fund, any amounts remaining in the debt retirement funds for the Prior Bonds shall be transferred to the Debt Retirement Fund for the Bonds. The City Clerk, City Manager and Treasurer are each authorized to select a Michigan bank or trust company to serve as Escrow Agent pursuant to the Escrow Agreement.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OTSEGO

CITY OF GAYLORD

2013 GENERAL OBLIGATION LIMITED TAX REFUNDING BOND

Interest Rate

Maturity Date

Date of Original Issue

CUSIP

Registered Owner:

Principal Amount:

The City of Gaylord, County of Otsego, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____, 20__ and semiannually thereafter. Principal of this bond is payable at the _____ office of _____, _____, Michigan, or such other paying agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is [a single, fully-registered, non-convertible bond][one of a series of bonds] of even date of original issue [in][aggregating] the principal sum of \$_____, issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended and pursuant to a resolution of the City Council of the City adopted _____, 2013 for the purpose of defraying the costs of refunding a certain prior bond issues of the City.

[Bonds of this issue or \$5,000 portions thereof maturing in the years 20__ and thereafter, shall be subject to redemption prior to maturity, at the option of the School District, in any order of maturity and by lot within a single maturity, on any date on or after ____, 20__ at the redemption price of par plus accrued interest to the date fixed for redemption.]

[Insert Term Bond provisions, if necessary]

[Notice of redemption of any bond shall be given at least thirty (30) days and no more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner or owners at the registered addresses shown on the registration books kept by the Transfer Agent. Bonds shall be called for redemption in multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered holder thereof. No further interest shall accrue on the bonds or portions of bonds called for redemption after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the same.]

[This][Any] bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same

aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

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

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

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

Ayes: Unanimous. Motion carried.

A Future Planning Committee Meeting was scheduled for Wednesday, February 27, 2013.

City Manager Joseph Duff gave a report on a request he had received from the Gaylord Chamber and Tourism Bureau to allow 2-way traffic on Michigan Avenue. City Council directed that C2AE evaluate the request and report on its feasibility to City Council.

Motion by Duczkowski, supported by Wishart, that the request from Patriot Day Golf Shootout asking to be recognized as a nonprofit organization operating in the community for the purpose of obtaining a gaming license, be recommended for approval.

Ayes: Campbell, Duczkowski, Jenkins, Mankowski, Sharrard and Wishart.

Nays: Johnson. Abstained: None. Motion carried.

Mayor Jenkins proclaimed March 16, 2013, "Shelia Simpson Day" in the City of Gaylord in honor of her designation as St. Patrick's Day Parade Marshall.

Motion by Johnson, supported by Mankowski, to approve a request by Eagle 101.5 for a Parade Permit for the 2013 St. Patrick's Day Parade to be held March 16, 2013. The Clerk is directed to file the required permit applications with the Michigan Department of Transportation.

Ayes: Unanimous. Motion carried.

No action was taken on a request by Elk County Animal Shelter for a Charitable Solicitation Permit.

Motion by Sharrard, supported by Duczkowski, to appoint Steven Hartz to the Planning Commission for a term to expire January 1, 2016.

Ayes: Unanimous. Motion carried.

Motion to adjourn.

Meeting adjourned at 7:59 p.m.

Rebecca Curtis, City Clerk

John Jenkins, Mayor