

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE
CITY COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON
MONDAY, JULY 20, 2009.**

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

ROLL CALL

Present: Mayor Scrace, Council Members Parthum, Stempfle, Stevens, Walsh

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Public Service Director Weitzel, Assistant City Manager Fincham, Finance Director Johnson, Public Safety Director Fox and City Planner Jackson.

Motion by Council Member Stempfle second by Council Member Stevens to excuse Council Members Pfaehler and Weipert from the meeting for personal reasons.

UNANIMOUSLY ADOPTED.

SETTING AGENDA

City Manager Dame requested that the Village parking structure transient parking charge on Sundays review be added to the agenda as Item 5h. Also, that the public comment portion of the agenda be moved to just after Item 5a. Mayor Scrace stated that agenda is amended as requested.

RECEIVED AND FILED.

CONSENT AGENDA

Motion by Council Member Stempfle second by Council Member Walsh to approve the Consent Agenda consisting of the following:

1. Approval of minutes from the regular and closed session meetings held June 15, 2009.
2. Invoices
 - a) City of Grosse Pointe Farms - Purchase of Used Rubbish Packer, \$6,510.
 - b) Peter J. Dame - Purchase of Administrative Vehicle, \$13,500.
 - c) Aquatic Source - Opening of Swimming Pools at Neff Park, \$8,510.78
 - d) State of Michigan – MDOT - Cadieux Road Resurfacing, Progress Payment, \$27,659.39
 - e) Grosse Pointes-Clinton Refuse Disposal - Refuse Disposal, May, 2009, \$8,580.89
 - f) City of Detroit - Board of Water Commissioners
 - Sewage Disposal Services, May, 2009, \$59,680.81
 - g) Rich and Associates, Inc. - Professional Services, Kroger Project, \$6,066.96
3. Approval of Resolution approving the closure of Kercheval Avenue between Neff and Cadieux Road on July 24 and July 25, 2009 for the Annual Village Sidewalk Sale and Street Festival.
4. Approval of Resolution accepting the Michigan Green Communities Challenge relating to the City's energy reduction efforts.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

LEGISLATIVE UPDATE – COUNTY COMMISSIONER TIM KILLEEN

Wayne County Commissioner Tim Killeen updated Council on the budget process for Wayne County indicating that revenue losses continue for Wayne County in the general fund. He discussed various options the County is utilizing to pay down debt with no tax increase. He also discussed various commissions he serves on and future business ventures and job creation related to the "Airtropolis" or "Aerotropolis" project near the Metropolitan Airport. The City Council thanked Commissioner Killeen for his report and for his ongoing cooperation with and assistance to the City.

PUBLIC HEARING

TEFRA – CITY OF ROYAL OAK HOSPITAL FINANCE AUTHORITY – WILLIAM BEAUMONT HOSPITAL

Mayor Scrace indicated that this is a public hearing being held pursuant to the provision of Section 147(f) of the Internal Revenue Code of 1986, as amended, for the purpose of taking public comment concerning the issuance of hospital revenue and hospital revenue refunding bonds by the City of Royal Oak Hospital Finance Authority to provide funds to loan to William Beaumont Hospital (the "Hospital") to be used by the Hospital, together with other available funds, to a) finance or refinance the costs of the acquisition, construction, renovation and equipping of health care facilities, b) to refund the Hospital's prior bonds, c) to pay a portion of the interest to accrue the bonds, d) to find a debt service reserve fund for the bonds, e) to pay costs related to interest rate swaps and f) to pay the costs of issuing the bonds. Notice of this hearing was published in the *Detroit Free Press* and the *Detroit News*. The bonds will be payable from the revenues of the Hospital. The Hospital will own and operate the facilities financed with the bonds. The maximum principal amount will be \$120,000,000. The proceeds of the Bonds will be used to finance the costs of construction, acquisition, renovation, equipping, rehabilitation and/or improvements to the hospitals and other health care facilities; i) located at the main hospital campus in Royal Oak, ii) located at the Troy hospital facility and iii) located at the Sterling Heights Facility and iv) located at the Grosse Pointe facility and to refund certain prior bonds the proceeds of which are used to finance the costs of the acquisition, construction, renovation and equipping of the health care facilities. All interested citizens are encouraged and will be offered an opportunity at this hearing to comment on the foregoing.

The Mayor opened the public hearing for public comment: Hearing none and with no one coming forward, the Mayor declared the public hearing closed.

Motion by Council Member Stempfle second by Council Member Parthum that the following resolution be adopted:

WHEREAS, the City of Royal Oak Hospital Finance Authority (the "Authority") proposes to make loans to William Beaumont Hospital (the "Hospital"), to be used, in part, by the Hospital to finance or refinance the construction, acquisition, renovation, equipping, rehabilitation and/or improvement of hospital facilities in Grosse Pointe, Michigan; and

WHEREAS, the Authority intends to issue City of Royal Oak Hospital Finance Authority Hospital Revenue Bonds (William Beaumont Hospital Obligated Group) and City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group), in one or more series (collectively, the "Bonds") on behalf of the Hospital in the aggregate principal amount of not to exceed \$120,000,000 to provide funds with which to make loans to the Hospital; and

WHEREAS, the Bonds will be limited obligations of the Authority and will not constitute general obligations or debt of the City of Grosse Pointe, City of Royal Oak, the County of Oakland, the State of Michigan or any political subdivision thereof; and

WHEREAS, the City Council has held a public hearing after notice was published as provided in, and in satisfaction of the applicable public hearing requirements of, the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, a record of public hearing will be maintained with the City Clerk; and

WHEREAS, the Authority has requested that this City Council approve the issuance of the Bonds by the Authority; and

WHEREAS, the City Council of the City of Grosse Pointe desires to express its approval of the issuance of the Bonds by the Authority.

IT IS HEREBY RESOLVED BY THE CITY COUNCIL FOR THE CITY OF GROSSE POINTE, AS FOLLOWS:

1. Solely for the purpose of fulfilling the public approval requirements of the Code, the City Council of the City of Grosse Pointe hereby approves the issuance, sale and delivery of not to exceed \$120,000,000 in aggregate principal amount of the Bonds by the Authority.

2. The City Clerk is hereby directed to provide three (3) certified copies of this resolution to the Secretary of the Authority.

YEAS: Council Members Parthum, Stempfle, Stevens, Walsh, and Mayor Scrace
NAYS: None.
ABSENT: Council Members Pfaehler and Weipert

RESOLUTION DECLARED ADOPTED.

PUBLIC COMMENT

Greg Jakub, 560 Cadieux Rd. addressed Council regarding parking on Cadieux Rd. Mr. Jakub read a statement aloud to the Council objecting to the loss of property values due to a ban on parking on Cadieux Rd. A copy of the statement was submitted to the City Clerk for the record. Mr. Jakub also submitted a copy a draft ordinance related to street and parking regulation for Council's consideration.

SITE PLAN REVIEW – VILLAGE PALM AND POINTE FITNESS ELITE TRAINING – 17110 KERCHEVAL

City Planner Jackson made the following report:

Village Palm and Pointe Fitness Elite Training for Women have jointly submitted a rendering detailing the proposed new signage for the 17110 Kercheval Avenue façade which includes both company names on the storefront. The Village Palm, located on the main floor, will be a wall sign and Pointe Fitness Elite Training, located in the basement, is proposing a hanging sign with a small window sign. The proposed wall sign meets the requirements of the ordinance. No illumination is proposed but it is recommended that the tenant consider working with the landlord to provide some external illumination for the proposed wall sign. All proposed window signs are in compliance with the ordinance. The proposed hanging sign exceeds the maximum area permitted by ordinance. The ordinance allows the Council to modify the standards of the sign ordinance provided the resulting sign(s) are consistent with the design guidelines and the intent of the sign ordinance. The proposed hanging sign will be their only identification with the exception of the window sign.

Council discussion took place regarding the proposed signage for Pointe Fitness Elite Training. Concerns were expressed about the window and hanging sign size and design. The combined signs exceed the allowed sign area. It was requested that more consistency be developed between the Pointe Fitness and Village Palm signs and be considered by the owners. The larger hanging sign details were also discussed.

Motion by Council Member Parthum second by Council Member Stempfle to approve the site plan for signage for Village Palm, 17110 Kercheval as submitted and to approve the hanging sign, which exceeds ordinance standards, for Pointe Fitness Elite Training with the condition that the window sign is removed.

UNANIMOUSLY ADOPTED.

RESOLUTION - AUTHORIZE CONTRACT WITH MDOT FOR ST CLAIR RESURFACING PROJECT

City Manager Dame made the following report:

The proposed Resolution, if approved, authorizes the Mayor and the City Manager to sign MDOT's contract #09-5304, Control Section ARU 82457, Job No. 106821. The Council authorized the City Manager to apply for federal funding for the resurfacing of St. Clair from Waterloo to Mack Avenue to take place in the fall of 2009. Engineering costs for this project were approved by Council in March, 2009.

Unlike typical federally funded projects like Cadieux and Kercheval which require the municipality to pay 20% of construction, this federal program will cover 100% of the construction costs. This is a project funded by the "stimulus" program. The cost of the construction elements of the project are \$326,559 and could not have proceeded without the federal grant, due to a total FY 2009-10 road resurfacing budget of \$120,000 due to the City's fiscal constraints including declining state support for road funding under Act 51 from motor fuel taxes. To meet required design standards for this major road under the federal aid to state and local road program, there is one block of St. Clair between Mack and Charlevoix that requires removal of a parking lane. According to multiple surveys of on-street parking usage conducted by Chief Fox, a resident of that block, there are sufficient

parking spaces on one side to accommodate the actual demand for on-street parking there, and not cause significant problems for the residents of that block. The other blocks of St. Clair already have parking only on one side to Maumee. In preparation for this road work, the northernmost block of St. Clair has had some water main work done earlier in the summer, removing all the remaining residents on the west side of the street from an old 4 inch main to a 6 inch main already serving the east side, which has resulted in higher water volumes for those customers as an added benefit of these infrastructure improvements.

Motion by Council Member Stevens second by Council Member Walsh to approve the following resolution:

The City of Grosse Pointe Mayor and City Council hereby authorize Mayor Dale N. Scrace and City Manager Peter J. Dame to sign all documents relating to the intergovernmental agreement for the reconstruction of St. Clair Avenue from Mack Avenue to Waterloo Avenue between the Michigan Department of Transportation, MDOT Contract No. 09-5304, Control Section ARU 82457, Job No. 106821 and the City of Grosse Pointe.

UNANIMOUSLY ADOPTED.

RESOLUTION – AUTHORIZING ISSUANCE OF BONDS – NEFF ROAD PUMP STATION IMPROVEMENTS

City Manager Dame made the following report:

Using the State of Michigan S2 grant for the Neff Road Pump Station, a comprehensive review of the needs for the Neff Road Pump Station was completed. The City Council held a public hearing on the proposed improvements and formally adopted the project plan at the June 16 Council meeting, and submitted the rehabilitation plan to the State of Michigan.

As required under terms of the S2 grant, the City of Grosse Pointe applied for the State of Michigan Revolving Fund (SRF) loan to actually conduct rehabilitation work identified in the amount of \$770,000 on the Neff Road pumping station. The current SRF loans are provided at 2.5% over a 20-year period. The City has been notified by the State that the pump station project is on the list for funding in the fourth quarter of 2009, and that forty percent of this project will not have to be repaid due to federal stimulus funding. The City has had to meet certain steps to obtain funding over the course of this year, included submission of actual plans for bidding out and construction, and going through environmental assessments and historical clearances. The loan process actually requires the City to go through a bonding process. At an earlier Council meeting, notice on intent to issue bonds was granted and published in a local newspaper and no objections were made. The City is now required to approve a Bond Authorizing Resolution in order to receive the state financing. It was further noted that a special meeting would be necessary due to State time restraints to review and consider bids for the project. A date for the special meeting will be determined in the near future.

Motion by Councilmember Parthum second by Councilmember Stevens that the following resolution be adopted:

WHEREAS, the City does hereby determine that it is necessary to acquire, construct, furnish and equip sanitary sewage system improvements, including pump station improvements together with all appurtenances and attachments (the "Project"); and

WHEREAS, the cost of the Project is estimated to be approximately One Million Dollars (\$1,000,000); and

WHEREAS, the Project qualifies for the State of Michigan State Revolving Fund financing program being administered by the Michigan Municipal Bond Authority (the "Authority") and the Michigan Department of Environmental Quality ("MDEQ"), whereby the bonds of the City are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.50%) per annum; and

WHEREAS, to finance the cost of the Project, the City Council deems it necessary to borrow the principal sum of not to exceed One Million Dollars (\$1,000,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and

WHEREAS, a notice of intent was published in accordance with Act 34 which provides that the capital improvement 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, at least 45 days have elapsed since the date of publication of the notice of intent without the filing of a petition for referendum on the question of the sale and issuance of the bonds described in the notice of intent.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2009 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed One Million Dollars (\$1,000,000) for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined at the time of sale of the Bonds and approved by the Authority and either of the City Manager or City Treasurer (collectively, the "Authorized Officers"). Final determination of the principal amount of and interest on the Bonds and the payment dates and amounts of principal installments of the Bonds shall be evidenced by the execution of a purchase contract (the "Purchase Contract") between the City and the Authority providing for sale of the Bonds and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than April 1, 2010, the final principal installment shall be due no later than October 1, 2030 and the total principal amount shall not exceed \$1,000,000.

The Bonds shall bear interest at an interest rate per annum on the par value thereof as evidenced by execution of the Purchase Contract, but in any event not to exceed two and one-half percent (2.50%) per annum and any of the Authorized Officers as shall be appropriate shall deliver the Bonds in accordance with the delivery instructions of the Authority. The principal amount of the Bonds is expected to be drawn down by the City periodically, and interest on the principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Bonds shall be payable as provided in the Bond form in this Resolution.

The Bonds or principal installments thereof shall be subject to prepayment prior to maturity by the City with the prior approval of the Authority.

The Treasurer shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the Treasurer.

Upon payment by the City of all outstanding principal of and interest on the Bonds, the Authority shall deliver the Bonds to the City for cancellation.

2. Execution of Bonds. The Mayor and City Clerk are authorized to execute and deliver the Bonds in accordance with the delivery instructions of the Authority. 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. The Bonds bearing the manual or facsimile signatures of the Mayor and the City Clerk sold to the Authority shall require no further authentication.

3. Transfer of Bonds. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, 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 payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The City shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 6 of this Resolution and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

The City shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City; and upon presentation for such purpose the transfer agent shall under such reasonable regulations as it may prescribe transfer or cause to be transferred on said books Bonds as hereinbefore provided.

If any Bond shall become mutilated, the City, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the City, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of 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 depository account with a bank or trust company designated by the City Council, to be designated 2009 CAPITAL IMPROVEMENT 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.

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 Bonds, shall be deposited in trust, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest on the 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. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Council, to be designated 2009 CAPITAL IMPROVEMENT BONDS CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Resolution:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF GROSSE POINTE
2009 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

REGISTERED OWNER: Michigan Municipal Bond Authority

PRINCIPAL AMOUNT: _____ Dollars (\$____,000)

DATE OF ORIGINAL ISSUE: _____, 2009

The CITY OF GROSSE POINTE, County of Wayne, State of Michigan (the "City"), for value received, hereby promises to pay to the Michigan Municipal Bond Authority (the "Authority"), or registered assigns, the Principal Amount shown above, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided, on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted as provided in the Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.50%) per annum. Interest is first payable on April 1, 2010, and semiannually thereafter and principal is payable on the first day of April commencing April 1, 2011 (as identified in the Purchase Contract) and annually thereafter. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

During the time funds are being drawn down by the City under this Bond, 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 (subject to any principal forgiveness as provided in Schedule A), all accrued interest thereon, and any other amounts payable with respect thereto in accordance with the terms of this Bond.

Notwithstanding any other provision of this bond, as 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 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 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 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 this bond 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.

Additional Interest

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 City'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 provide 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 City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

This bond is the single, fully registered, nonconvertible bond in the principal sum of \$1,000,000, issued for the purpose of paying the cost of capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the City.

Bonds may 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.

This bond, including the interest hereon, 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.

This bond is transferable only upon the registration books of the City 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 City 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.

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.

IN WITNESS WHEREOF, the City, by its City Council, has caused this bond to be executed with the manual signatures of its Mayor and its Clerk and the corporate seal of the City to be impressed hereon, all as of the Date of Original Issue.

CITY OF GROSSE POINTE
 County of Wayne
 State of Michigan

(SEAL)

By: _____
 Its: Mayor

By: _____
 Its: Clerk

DEQ Project No.:
 DEQ Approved Amt:
 Loan Amount Forgiven: *
 Loan Amount to be Repaid: \$

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 City 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 City and described below provides for payment of a total principal amount greater than the amount of assistance approved by Order, (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

Principal Installment <u>Due on</u>	Amount of Principal <u>Installment</u>
April 1, 2011	\$40,000
April 1, 2012	40,000
April 1, 2013	40,000
April 1, 2014	40,000
April 1, 2015	45,000
April 1, 2016	45,000
April 1, 2017	45,000
April 1, 2018	45,000
April 1, 2019	45,000
April 1, 2020	50,000
April 1, 2021	50,000
April 1, 2022	50,000
April 1, 2023	55,000
April 1, 2024	55,000
April 1, 2025	55,000
April 1, 2026	60,000
April 1, 2027	60,000
April 1, 2028	60,000
April 1, 2029	60,000
April 1, 2030	60,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable April 1, 2010, and semi-annually hereafter.

The City agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the City by the Authority 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 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.

7. Sale of Bonds. The City hereby determines that it is in the best interest of the City to negotiate the sale of the Bonds to the Authority because the Clean Water Revolving Fund financing program provides significant interest savings to the City compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Bonds with the Authority.

8. Execution of Documents. The actions taken by the Authorized Officers with respect to the Bonds prior to the adoption of this Resolution are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, Supplemental Agreement and Issuer's Certificate to the Authority. Prior to the delivery of the Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of Bond contained in Section 6 of this Resolution as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

9. Approval of Bond Counsel. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority which may include advising the Authority with respect to this borrowing.

10. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond 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, and other matters, provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this Resolution, the interest rate per annum on the Bonds shall not exceed two and one-half percent (2.50%) per annum, and the Bonds shall mature in annual installments not to exceed twenty (20) in number.

11. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than twenty (20) years.

12. Tax Covenant. 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 Bonds 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 Bond proceeds and moneys deemed to be Bond proceeds.

13. Authorization of Other Actions. The Authorized Officers are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, to enable the sale and delivery of the Bonds as contemplated herein.

14. 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: Parthum, Stempfle, Stevens, Walsh, Mayor Scrace
Nays: None
Absent: Pfaehler, Weipert

RESOLUTION DECLARED ADOPTED.

2010 MUNICIPAL AND COMMUNITY CREDIT ALLOCATION

Assistant City Manager Fincham made the following report:

Each year, the City of Grosse Pointe receives transportation funds from the Suburban Mobility Authority – Regional Transportation bus system (SMART) based on state law and the voter approved SMART tax. These funds are distributed to the communities in the SMART area based on 2000 census figures. These funds must be spent on transportation programs that are operated/administered by the community or transferred to another community based transportation system. For Fiscal Year 2010, the City will receive \$5,329 in Municipal Credit Funds and \$7,934 in Community Credit Funds. Historically, the City has allocated these funds to programs such as Pointe Area Assisted Transportation System (PAATS) and charter bus service for community group functions. PAATS provides transportation to either the handicapped or elderly for medical, nutritional, social and recreation purposes. PAATS is also supported by the other Grosse Pointes and Harper Woods. Discussion took place regarding the proposed allocation.

Motion by Council Member Weipert second by Council Member Walsh to approve the 2010 allocation of \$13,263 in Municipal Credit and Community Credit Funds to Pointe Area Assisted Transportation System (PAATS) and authorize the City Manager or designee to execute the agreement.

UNANIMOUSLY ADOPTED.

BID AWARD – CONCRETE LEVELING IN VILLAGE – FRENCH CONSTRUCTION

Public Service Director Weitzel made the following report:

Three bids were received to raise and level concrete that has sunken along the curb line on Kercheval Avenue in the Village. This type of maintenance has been completed in the past on other city property with good results. The following is a list of bidders who submitted a quote:

French Construction	\$ 8,700
Concrete Levelers	\$ 9,488
A-1 Concrete Levels	\$13,550

Funds for this work would be charged to the Capital Projects Fund and sufficient funds are available for this expense for which \$25,000 has been budgeted. Because of the low bid results, the remaining budgeted funds will be used to do concrete replacement in the Village where concrete leveling is not applicable.

Motion by Council Member Parthum second by Council Member Walsh to award the bid to French Construction in the amount of \$8,700 for raising and leveling concrete in the Village as necessary.

UNANIMOUSLY ADOPTED.

COMCAST UNIFORM FRANCHISE AND SETTLEMENT AGREEMENT

City Manager Dame made the following report:

The existing cable franchise agreement with Comcast expired in June. In May, Comcast filed a uniform franchise agreement which did not include any PEG funding for maintaining the PEG channels for governments and school use. In particular, it did not include continued support for the Grosse Pointe War Memorial to coordinate PEG programming and transmission for the Grosse Pointes and Harper Woods, nor for its operation of WMTV5, an excellent community based PEG channel. After the City of Grosse Pointe threatened to file a lawsuit challenging Comcast's actions, Comcast filed for dispute resolution with the Michigan Public Service Commission. After a mediation session, a settlement was reached acceptable to all parties. Funding for the War Memorial will continue at approximately the same rate as currently received directly from Comcast under the former franchise. Instead of the 2% PEG fee sought by the Grosse Pointes as allowed under the new state law and being collected by AT&T from its subscribers, the agreement is for a 1.15% PEG fee. After discussion, the Council thanked City Manager Dame for his dedicated efforts regarding this franchise agreement.

Motion by Council Member Parthum second by Council Member Stevens to approve the settlement agreement, authorize the execution of the uniform franchise agreement with Comcast, and authorize the Grosse Pointe War Memorial to serve as the agent for receipt of PEG fees.

UNANIMOUSLY ADOPTED.

VILLAGE MUNICIPAL PARKING STRUCTURE – TRANSIENT PARKING CHARGE ON SUNDAYS

City Manager Dame made the following report:

Since April, Trader Joe's has been validating parking for its customers by providing up to three hours of free parking. This allows people visiting the Village to visit multiple locations in the Village and then obtain free parking by shopping at Trader Joe's. Trader Joe's reimburses the City for the cost of the parking. This system allows free parking to customers of the Village yet helps the City pay for the cost of providing the public parking. The City has received a written request from Trader Joe's corporate offices to eliminate the charge for parking on Sunday. Trader Joe's points out that nowhere else in the Village are people required to pay for parking on Sunday and it puts them at a cost disadvantage. If this request is approved, on Sunday, the gates will simply be up all day, allowing people to come and go without pulling a ticket stub or getting a validation stamp.

The change is not projected to reduce the budgeted revenues for the parking funds. Sundays are usually the lowest revenue producing days of the month. The use of the city parking structure has increased sufficiently since the validation system has begun to offset the loss of revenues from Sunday collections.

Motion by Council Member Stempfle second by Council Member Stevens to approve the elimination of a charge for hourly parkers in the Village Municipal Parking Structure on Sunday.

UNANIMOUSLY ADOPTED.

COUNCIL COMMENT

The City Council commented on the following issues:

- An update on the Kroger project was requested. It was noted that no additional information was available but if further details become available, Council will be advised as soon as possible.
- A Grosse Pointe Foundation project for banners and brackets for the light poles in the Village was briefly discussed. A more detailed plan will be submitted in the future.
- Appreciation was expressed to the City Manager and staff for their continuing efforts to be fiscally responsible in implementing programs and projects in the City.

On Motion, the meeting was adjourned at 8:10 p.m.

Julie E. Arthurs, City Clerk
City of Grosse Pointe