

CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
January 18, 2022

Mayor Meinert called the meeting to order at 6:00 P.M. in Council Chambers, 227 E. Lincoln Avenue, Reed City, Michigan.

Present Mayor, Roger Meinert. Council Members: Nathan Bailey arrived at 6:01 P.M., Trevor Guiles, Russell Nehmer, Brad Nixon and Nicole Woodside. Dan Burchett was absent. City Attorney, David Porteous and City Manager, Rich Saladin, were also in attendance. Department Heads attending were, Police Chief Chris Lockhart, Rich Rehkopf, Jeffrey Stein, Barbara Westerburg and Curt Brackenrich. The meeting was opened with the pledge to the flag. There were citizens in the audience.

Mayor Meinert took a moment to acknowledge three boy scouts from Reed City Troop 74 in the audience and welcome them to the meeting. The Mayor explained they were attending the meeting to earn the Citizenship in the Community Merit Badge, which is required to earn the Eagle Scout Rank.

Agenda Motion by Guiles, seconded by Nehmer, **CARRIED**, to approve the Agenda as presented. Affirmed by voice vote.

Minutes Motion by Bailey, seconded by Guiles, **CARRIED**, to accept the minutes of the December 20, 2021 regular meeting as presented. Affirmed by voice vote.

Bills Motion by Nixon, seconded by Guiles, **CARRIED**, to approve paying bills as presented for payment for a grand total approved amount of \$384,307.19. Roll call vote. Voting yes were, Nixon, Meinert, Guiles, Nehmer, Bailey and Woodside.

Audience Josh Redner, Engineer for Fishbeck, addressed council regarding the WWTP Improvements timelines and requirements. Parts I and II of the application has been submitted. Final plans and specs have gone to the SFR Manager and district engineers. Once approved by them it will be advertised for bids due to open on Monday, February 21, 2022. Bids will be review and evaluated. Part III of the application will need a Resolution to tentatively award to a contractor. Part 3 of the application needs to be sent soon after that. The City will need to hold a special meeting to award the bid sometime between February 28th and March 4th. Attorney Porteous commented on funding and risks involved.

Reports Chief Jeffrey Stein, Fire Dept., Police Chief Christopher Lockhart, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Barb Westerburg provided Financial Reports including a Revenue/Expenditure Report as of December 31, 2021.

Motion by Guiles, seconded by Bailey, **CARRIED**, to authorize the Fire Department to apply for the Michigan Township Participating Plan grant for \$26,500.00 for eight (8) sets of turnout gear for the Fire Department. Affirmed by voice vote.

Motion by Woodside, seconded by Nehmer, **CARRIED**, to approve the Department Head reports as submitted. Affirmed by voice vote.

Finance Advise Motion by Guiles, seconded by Bailey, **CARRIED**, to approve the Engagement Letter from PFM Financial Advisors LLC to provide financial advisory services as presented. Roll call vote. Voting yes were, Meinert, Guiles, Bailey, Nehmer, Woodside and Nixon.

Finance Advise Motion by Guiles, seconded by Bailey, **CARRIED**, to amend the previous motion to approve the Engagement Letter from PFM Financial Advisors LLC to provide financial advisory services as presented and authorize the Mayor to sign. Roll call vote. Voting yes were, Bailey, Guiles, Meinert, Nehmer, Nixon and Woodside.

- Bond Counsel** Motion by Guiles, seconded by Woodside, **CARRIED**, to approve the Letter of Engagement with Varnum Law for Bond Counsel Services and authorize the Mayor to sign. Roll call vote. Voting yes were, Nixon, Woodside, Nehmer, Bailey, Meinert and Guiles.
- Grants** Motion by Guiles, seconded by Nehmer, **CARRIED**, to allow the City Manager to seek grants from granting authorities as necessary for events that will promote community and tourism in our City and that will benefit the community at large. Roll call vote. Voting yes were, Meinert, Woodside, Bailey, Nehmer, Guiles and Nixon.
- Equipment** Motion by Nixon, seconded by Nehmer, **CARRIED**, to approve the purchase of the MiDeal Refurbish RDS equipment bid from Truck and Trailer Specialties of Boyne Falls, Inc., in the amount of \$105,944.00 for equipment and belly mount as presented for the Department of Public Works. Roll call vote. Voting yes were, Guiles, Nixon, Woodside, Bailey, Meinert and Nehmer.
- Budget Amend** Motion by Guiles, seconded by Bailey, **CARRIED**, to approve all three (3) Budget Amendments as presented by the City Treasurer. Roll call vote. Voting yes were, Nixon, Meinert, Guiles, Nehmer, Bailey and Woodside.

RESOLUTION FOR BUDGET AMENDMENTS

DATE: Jan. 18, 2022

Resolution by the City Council to Amend the 2021/22 fund/department budgets as follows:

<u>FUND/ACCOUNT DESCRIPTION</u>	<u>PRESENT BUDGET</u>	<u>ACTUAL TO DATE</u>	<u>ESTIMATED YEAR END</u>	<u>AMENDED BUDGET</u>	<u>INCREASE (DECREASE)</u>
1. Fund #101 General Fund					
<u>Expenditures (by Department)</u>					
Dept. 751 Parks	83,055	47,197	103,006	103,006	19,951
Total Increase in Expenditures					\$ 19,951
<u>Revenues (by account)</u>					
#685 Misc. - Other	150	20,101	20,101	20,101	19,951
Total Increase in Revenues					\$ 19,951
2. Fund #101 General Fund					
<u>Expenditures (by Department)</u>					
Dept. 172 City Manager	40,600	19,502	46,600	46,600	6,000
Dept. 257 City Assessor	28,285	7,370	22,285	22,285	(6,000)
Total Increase(Decrease) in Expenditures					\$ -
3. Fund #101 General Fund					
<u>Revenues (by account)</u>					
#402 Current Tax - Pers. Prop	34,500	62,462	60,000	60,000	25,500
#433 Commercial Facilities Tax	3,500	5,700	5,700	5,700	2,200
#692 Fund Reserve	89,950	-	62,250	62,250	(27,700)
Total Increase(Decrease) in Revenues					\$ -

Reason:

- | | |
|--|---------|
| 1. Budget tree cutting revenue in parks | 19,951 |
| 2. Move excess assessor budget to city manager budget to cover pension, dues, training | \$6,000 |
| 3. Recognize additional property tax revenue in excess of budgeted amounts & reduce Fund Reserve amount used to balance budget | 27,700 |

- C.M. Review Mayor Meinert requested council to think about the past few months with our new City Manager. It is in his contract to perform a 5 month review. It was the consensus of council members to have the review as an Agenda item at the next regular meeting.
- Resolution Motion by Guiles, seconded by Bailey, **CARRIED**, to approve Resolution No. 2022-01 a Resolution Authorizing Publication of Notice of Intent to Issue Bonds and Declaration of Intent to Reimburse Project Expenditures with Bond Proceeds. Roll call vote. Voting yes were, Meinert, Nixon, Woodside, Guiles, Nehmer and Bailey.

CITY OF REED CITY
COUNTY OF OSCEOLA, MICHIGAN

Resolution No. 2022-01

At a regular meeting of the City Council of the City of Reed City, County of Osceola, Michigan, held in said City on Tuesday, January 18, 2022.

PRESENT: Nate Bailey, Trevor Guiles, Roger Meinert, Russ Nehmer, Brad Nixon and Nicole Woodside.
ABSENT: Dan Burchett.

The following resolution was offered by Council Member Guiles and seconded by Council Member Bailey:

RESOLUTION AUTHORIZING PUBLICATION OF NOTICE
OF INTENT TO ISSUE BONDS AND
DECLARATION OF INTENT TO REIMBURSE PROJECT
EXPENDITURES WITH BOND PROCEEDS

WHEREAS, the City of Reed City (the "City") is authorized by Act 94 of the Michigan Public Acts of 1933, as amended ("Act 94"), and its charter, to issue and sell revenue bonds and to use the proceeds from the sale thereof to finance all or a portion of the costs of improvements to the City's existing wastewater system, including but not limited to improvements to the Reed City Wastewater Treatment Plant include demolition and removal of the south treatment plant, construction of two influent pump stations and new influent forcemains, construction of compressed gas mixing systems in the influent equalization tanks, construction of a headworks building including mechanical screening and grit removal equipment, replacement of aging equipment in the existing Sequencing Batch Reactor (SBR) treatment system, construction of a tertiary equalization tank with a compressed gas mixing system, construction of a tertiary filtration system, construction of an ultraviolet (UV) disinfection system, chemical feed system improvements, site work improvements, a new outfall to the Hersey River, and related appurtenances, and including the payment of engineering, legal, financial and other expenses incidental thereto and to the issuance of the bonds (the "Project"); and

WHEREAS, the City Council has determined that the estimated amount necessary to pay for the Project, including necessary expenses incidental thereto, requires the issuance, sale and delivery of the City's revenue bonds, in one or more series, in the aggregate principal amount of not to exceed \$17,500,000 (the "Bonds"); and

WHEREAS, the City has been advised by the Michigan Department of Environment, Great Lakes & Energy that financial assistance to accomplish the acquisition and construction of the Project is available through the Clean Water State Revolving Fund ("CWSRF") Loan Program administered by the Michigan Finance Authority; and

WHEREAS, the City has made application for participation in the CWSRF Loan Program; and

WHEREAS, it is anticipated that the City will advance a portion of the costs of the Project prior to the issuance of the Bonds, such advance to be repaid from proceeds of the Bonds upon the issuance thereof; and

WHEREAS, Treasury Regulation §1.150-2 (the "Reimbursement Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended, specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the City intends by this Resolution to qualify monies advanced by the City to the Project for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, it is necessary to publish a Notice of Intent to Issue Bonds in a newspaper of general circulation in the City and to allow a 45-day period for the filing of a petition for referendum requesting an election on said Bonds in compliance with the requirements of Act 94.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reed City:

1. The City Clerk is hereby authorized and directed to publish in the *Herald Review*, a newspaper of general circulation in the City, a Notice of Intent to Issue Bonds in substantially the form attached to this Resolution as Exhibit A. Said notice shall be published as a one-quarter (1/4) page display advertisement.
2. The City Council hereby determines that the Notice and the manner of publication provides information sufficiently adequate to inform the electors and taxpayers of the City and the users of the wastewater system of the nature of the Bonds and of their right to file a petition for referendum requesting an election on the Bonds. The newspaper named for publication is determined to reach the largest number of persons to whom the notice is directed.
3. The City declares for purposes of complying with the Reimbursement Regulations that it reasonably expects to reimburse itself from bond proceeds for costs of the Project paid and incurred by the City prior to the issuance of the Bonds; that the maximum principal amount of the Bonds to be issued to pay Project costs is not expected to exceed \$17,500,000; that such expenditures are for purposes of financing the costs of the Project and paying related bond issuance costs; and that the expenditures described above are "capital expenditures" which are costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election) under general Federal income tax principles (as determined at the time the expenditure is paid).
4. The City hereby confirms the retention of Varnum LLP as Bond Counsel in connection with the issuance of the Bonds and PFM Financial Advisors LLC as Financial Advisor in connection with the issuance of the Bonds.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be, and the same hereby are, rescinded.

Adopted this 18th day of January, 2022.

YEAS: Meinert, Nixon, Woodside, Guiles, Nehmer and Bailey.
NAYS: None.

Consent Motion by Woodside, seconded by Nehmer, **CARRIED**, to accept the Consent Agenda as presented. Affirmed by voice vote.

Mayor Mayor Meinert thanked the volunteers that helped put the ice rink together and get it started. Meinert stated it's very exciting to see and is a nice added feature. Reed City is headed in the right direction and there are a lot of great things coming our way. The ice rink is a great first step to the start of the new year.

Mayor Meinert will text Dan Burchett to remind him he is appointed to review bills prior to the February meeting.

City Manager Rich Saladin submitted a written report. In addition to the written report he reported on the following:

- Two grants closings are very close to being finalized. The Michigan Department of Housing and the CDBG have been very very gracious and easy to work with.
- Barb and Rich met with the Richmond Township Supervisor, Maynard Bluhm, regarding the billing process and practices. We're trying to streamline processes to save time and be more efficient.
- The Ice Rink, which was approved at the December meeting, became a reality within a short time and it took a lot of people volunteering their time to make it work. It's a nice little system that will be an asset to this community. It has been very well received.
- Rich had the privilege to participate in the new Office of Rural Development on a zoom meeting with Governor Whitmer, Director Gary McDowell, of the MI Dept. of Agriculture, Director Messer of Michigan Economic Development Corp. and approximately fourteen (14) other people. The state is looking for ways to invest money in rural areas and Rich is going to continue to seek those monies out for the City through the grant process for our infrastructure.
- Rich recognized and introduced Mr. Michael Sweet, Superintendent of Reed City Area Public Schools, who was in attendance in the audience.

- City Attorney Attorney Porteous addressed the draft of the burn ordinance that was presented at the last meeting along with the memo regarding it. City Manager Saladin and Chief Lockhart have had some discussion on it and would like some clarity in order to ensure fairness. Councilperson Guiles is concerned with the distances. A brief discussion was held.
- Council Russ Nehmer commented the Scouting for Food drive ended up with 3½ ton of food for the Star Burst Project for Osceola and Mecosta Counties. It was a great success.
- Trevor Guiles also thanked all of the volunteers for their help with the ice rink and reminded everyone of the ribbon cutting celebration on this Saturday at noon. There will be hot chocolate and cookies available.
- Nate Bailey remarked the Museum is always looking for new volunteers. He also commented as a member of the GACC to expect to see something from the GACC soon!
- Brad Nixon mentioned the Lake County Sherriff does various grants through pop bottle donations and other fund raising events. The Sherriff has a list of organizations who receive the money. Brad suggested getting in touch with him for potential funds that come available.
- Audience Lyndsey Eccles-Burchett commented the boy scouts are here tonight for the Citizenship in the Community merit badge and they also must volunteer 8 hours for a non-profit. The scouts are having a chili cook off on Saturday, February 26th from 1:00 – 3:00 P.M. They would like to have some representatives from the City participate and ask Mayor Meinert and City Manager Saladin to volunteer to be judges.
- Adjourn Mayor Meinert adjourned the meeting at 7:12 P.M.

Jacalyn R. Beam, City Clerk