

## **REGULAR COUNCIL PROCEEDINGS**

### **CITY OF FLAT ROCK, MICHIGAN**

**MONDAY, NOVEMBER 3, 2014**

The regular meeting of the Flat Rock City Council convened at the Municipal Building on the above date at 7:30 p.m.

**1. PLEDGE OF ALLEGIANCE**

**2. ROLL CALL OF COUNCIL MEMBERS:**

PRESENT: Mayor Dropiewski, Councilmembers: Beller, Bergeron, Martin, Tefend, Thomas and Wrobel

ALSO PRESENT: Fire Chief Bill Vack, Police Chief John Leacher, DPS Director Matt Sype, Recreation Director Joann Pawlukiewicz, Treasurer Brian Marciniak, Building Director Bernie Ciupak, Economic Development Director Liz Hendley and Attorney David Grunow

**3. APPROVAL OF MINUTES:**

**Resolution 11-03-01**

Motion by Thomas  
Supported by Martin

RESOLVED, to approve the minutes of the regular City Council meeting of October 20, 2014 as presented

Motion carried unanimously

**4. CITIZENS TO BE HEARD:**

Sue Farrar of the Beautification announced the 1<sup>st</sup> Annual Home Halloween Decorating Contest winners and presented certificates and cash prizes. The cash prizes were donated by Scott Little of Superior Comfort Heating and Cooling. The winners are as follows:

**Original Category**

1<sup>st</sup> place – Doug Hill, 23348 Meadows will receive \$50.00

2<sup>nd</sup> place – Jerry Whaley, 29634 Magnolia will receive \$25.00

**Creative Category**

1<sup>st</sup> place– Matthew and Michelle Holtz, 29631 Evergreen will receive \$50.00

2<sup>nd</sup> place-Cheryl Martin, 29843 Aspen Drive will receive \$25.00

**Scary Category**

1<sup>st</sup> place- Barry Gritton, 30284 Cherry Blossom Lane will receive \$50.00

2<sup>nd</sup> place- Donald Wunderlich, 29391 Red Cedar Drive will receive \$25.00

**Business**

Re/Max Masters, Inc. will receive a framed Certificate of Appreciation

Sue also announced Santa comes to Flat Rock on December 2<sup>nd</sup> from 6:30 – 8:00 PM and Santa’s mailbox will be at the library from December 2<sup>nd</sup> – 19<sup>th</sup>. She announced Christmas Home Decorating Contest will be judged on December 11<sup>th</sup>.

**5. REPORTS FROM DEPARTMENT HEADS:**

Fire Chief Bill Vack noted fire personal went to training in Pueblo, Colorado for specialty training for hazardous material products shipped on CN Railroad. CN covered all the cost of the training. Chief Vack noted the new ambulance specs are complete. The specs came in under the budget amount; the final cost is \$164,011. The following motion was made:

**Resolution 11-03-02**

Motion by Martin  
Supported by Beller

RESOLVED, to approve the fire department ambulance specs as presented and authorize the City Clerk to sign the required documents. The total bid purchase amount for the ambulance is \$164,011

Motion carried unanimously

**6. REPORTS FROM COUNCIL MEMBERS:**

Councilwoman Dawn Thomas quoted Alice Walker “the most common way people give up their power is by thinking they don’t have any” she noted the importance of voting on Election Day tomorrow. She gave an update on the JV football team; they won their last game, totaling 3 wins for the season. She noted Varsity didn’t win any this year but did a great job. Councilwoman Thomas thanked the Police and Fire for being out on Halloween, keeping the children safe.

Councilman John Bergeron thanked Scott Little of Superior Comfort Heating and Cooling for the monetary donation to the Halloween Home Decorating Contest and congratulated the winners. He noted the opportunity to pass out candy to the trick-or-treaters on the senior bus for the Halloween Home Decorating Tour. He noted his children dressed up and his wife passed out homemade chocolate chip cookies. He noted it was a fun time.

Councilman Jim Martin reminded residents leaves can’t be raked into street and must be placed in bags. He also noted burning of leaves is illegal.

Councilman Ken Wrobel reminded residents to vote on Election Day.

Councilman Steve Beller reminded residents to vote on Election Day.

**7. MAYOR’S COMMENTS:**

Mayor Dropiewski police and fire employees for their presence on Halloween, making sure it was safe.

Mayor Dropiewski reminded resident to vote on Election Day. He noted the importance of every vote. He also noted the ballot is two sided and noted to vote the entire ballot.

**8. UNFINISHED BUSINESS:**

**Item 8-A-Public Hearing to hear and receive public comments or suggestions regarding amendment to Article 4 - Off Street Parking and Loading Requirements**

Mayor Dropiewski opened the Public Hearing and opened the public to speak

The following audience members and city officials spoke regarding the public hearing:

- Byron Nolen, attorney for Gabriela Nolen of 25191 East Huron River Drive
- Pat Sell, 25125 E. Huron River Drive
- Roxann Dumas, 29706 Larches
- Jim Sturgill, 24537 Meadows
- Charles Laura, representing father who resides at 25245 E. Huron River Drive
- David Grunow, City Attorney
- Ken Wrobel, Councilmember
- Dawn Thomas, Councilmember
- Mayor Dropiewski

The public hearing was closed and the following motion was made:

**Resolution 11-03-03**

Motion by Martin  
Supported by Thomas

RESOLVED, to send the amendment to the Zoning Ordinance, Article 4 - Off Street Parking and Loading Requirements back to the Planning Commission and for the Council to send any questions or concerns to the Planning Commission

Discussion: Councilman Wrobel noted the Council should follow the recommendation of the Planning Commission

Motion carried unanimously

**9. NEW BUSINESS**

**Item 9-A-Request from the Rockwood Area Lions Club to solicit candy on November 21st and 22nd, 2014**

**Resolution 11-03-04**

Motion by Martin  
Supported by Beller

RESOLVED, to approve the request from the Rockwood Area Lions Club to solicit candy on November 21st and 22nd, 2014

Motion carried unanimously

**Item 9-B- Mayoral re-appointments to the Beautification Commission: Robin Yarger and Darilyn Scafidi**

**Resolution 11-03-05**

Motion by Martin  
Supported by Wrobel

RESOLVED, to approve the Mayoral commission reappointment to the Beautification Commission: Robin Yarger and Darilyn Scafidi with term ending dates of December 31, 2017

Motion carried unanimously

**Item 9-C-Request to adopt resolution for Cross Connection Control**

**Resolution 11-03-06**

Motion by Thomas  
Supported by Martin

RESOLVED, to approve the request to adopt the Cross Connection Control Plan as required by Michigan Department of Environmental Quality; the plan is required as part of the water system operation plans

Motion carried unanimously

**Item 9-D-Resolution to approve 33rd Judicial District Court Budget for the period of January 1, 2015 through December 31, 2015**

**Resolution 11-03-07**

Motion by Thomas  
Supported by Wrobel

RESOLVED, to approve the 33rd Judicial District Court Budget for the period of January 1, 2015 through December 31, 2015

Motion carried unanimously

**Item 9-E-Adoption of Bond Authorization Resolution**

**Resolution 11-03-08**

Motion by Thomas  
Supported by Tefend

RESOLVED, to approve the adoption of Bond Authorization Resolution for 2014 capital improvement bonds (limited tax general obligation)

WHEREAS, the City of Flat Rock, County of Wayne, State of Michigan (the "City"), does hereby determine that it is necessary to pay all or part of the costs of capital improvement items in the City including, but not limited to, acquiring, constructing, furnishing and equipping street improvements for the City, including the reconstruction and paving of

Aspen Road and Huron Woods Subdivision, together with all related infrastructure improvements and all related appurtenances and attachments thereto; and the acquisition and construction of various capital improvements to City Hall, including, but not limited to, parking lot improvements, boiler replacement and signage and various improvements to recreational facilities (the "Project"); and

WHEREAS, the cost of the Project is estimated to be approximately Three Million Five Hundred Thousand Dollars (\$3,500,000); and

WHEREAS, to finance part of the cost of the Project, the City Council deems it necessary to borrow the principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") to pay part of the cost of the Project; and

WHEREAS, a notice of intent for bonds 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 no petition was filed with the Clerk within such time period.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated **2014 Capital Improvement Bonds (Limited Tax General Obligation)** (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) for the purpose of paying part of the cost of the Project, 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, numbered consecutively in order of registration, dated as of the date of delivery. The Bonds shall bear interest, mature and be payable at the times and in the manner set forth in Sections 6 and 7 hereof.

The Bonds shall be sold at public sale at a price not less than 99% of the principal amount thereof.

The Bonds shall be subject to redemption prior to maturity in the manner and at the times and prices set forth in Sections 6 and 7 hereof and if term bonds are selected by the original purchaser of the bonds, then the bonds will be subject to mandatory redemption in accordance with the foregoing maturity schedule at par.

If the delivery of the Bonds is delayed beyond the year 2014 due to market or other conditions, the dated date of the Bonds, the designation of the Bonds, and the names of the funds established by this Resolution may be adjusted accordingly by the Mayor or Treasurer to reflect the year of issue.

Interest shall be payable 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. Interest shall be payable

to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at the designated office of The Huntington National Bank, Grand Rapids, Michigan, as the transfer agent for the Bonds (the "Transfer Agent").

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the Mayor and Treasurer are each 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.

2. Execution of Bonds. 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 and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Finance Director upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

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.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

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 City Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the City Council, to be designated 2014 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 City 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 2014 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:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WAYNE

**CITY OF FLAT ROCK**

2014 CAPITAL IMPROVEMENT BOND  
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	October 1, _____	_____, 2014	

Registered Owner:

Principal Amount:

Dollars

The City of Flat Rock, County of Wayne, 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 October 1, 2015 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, or such other transfer 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 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 one of a series of bonds aggregating the principal sum of \$3,500,000, issued for the purpose of paying the cost of certain 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 of this issue maturing in the years 2015 to 2024, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$5,000 maturing in the year 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2024, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This 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.

IN WITNESS WHEREOF, the City of Flat Rock, by its City Council, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

**CITY OF FLAT ROCK**

County of Wayne

State of Michigan

By: \_\_\_\_\_

Its Mayor

By: \_\_\_\_\_

Its City Clerk

(SEAL)

\_\_\_\_\_

\_\_\_\_\_

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

THE HUNTINGTON NATIONAL BANK  
Grand Rapids, Michigan  
Transfer Agent

By: \_\_\_\_\_  
Authorized Signatory

[Bond printer to insert form of assignment]

7. Notice of Sale. The City Clerk is authorized to fix a date of sale for the Bonds and to publish a notice of sale of the Bonds in *The Bond Buyer*, New York, New York, which notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

\$3,500,000  
CITY OF FLAT ROCK  
COUNTY OF WAYNE, STATE OF MICHIGAN  
2014 CAPITAL IMPROVEMENT BONDS  
(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received at the office of Bendzinski & Co., 615 Griswold, Suite 1225, Detroit MI 48226, on \_\_\_\_\_, \_\_\_\_\_, 2014 until \_\_:\_\_ \_\_.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the offices of Bendzinski & Co. at (313) 961- 8220, provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the Section “GOOD FAITH” below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, numbered in order of registration, and will bear interest from their date payable on October 1, 2015, and semiannually thereafter.

The bonds will mature on the 1st day of October in each of the years, as follows:

2015	\$100,000	2025	\$175,000
2016	125,000	2026	175,000
2017	125,000	2027	200,000
2018	125,000	2028	200,000
2019	125,000	2029	200,000
2020	150,000	2030	225,000
2021	150,000	2031	225,000
2022	150,000	2032	225,000
2023	150,000	2033	250,000
2024	175,000	2034	250,000

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2015 to 2024 inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2024, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from October 1, 2015 through the final maturity as term bonds and the consecutive maturities on or after the year 2015 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on October 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 6.00% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed two percent (2%) per annum. No proposal for the purchase of less than all of the bonds or at a price less than 99% of their par value will be considered.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered

owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15th day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are authorized for the purpose of paying the cost of acquiring and constructing certain capital improvements for the City. The bonds will be a first budget obligation of the City, payable from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$35,000 payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2015 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to \_\_\_\_\_, 2014, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each

such maturity is ultimately sold to members of the general public.

“QUALIFIED TAX EXEMPT OBLIGATIONS”: The City has designated the bonds as “Qualified Tax Exempt Obligations” for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o’clock noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Council, has been prepared and may be obtained from Bendzinski & Co., Municipal Finance Advisors, financial advisors to the City, at the address and telephone listed under REGISTERED MUNICIPAL ADVISOR below. Bendzinski & Co., will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Council Rule 15c2-12. Additional copies of the Official Statement will be supplied by Bendzinski & Co., upon request and agreement by the purchaser to Bendzinski & Co., within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any and all increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the City has requested and received a rating on the Bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Council, on or prior to the sixth month after the end of each fiscal year commencing with the fiscal year ended June 30, 2014, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

REGISTERED MUNICIPAL ADVISORS: Further information relating to the bonds may be obtained from the City's Registered Municipal Advisors, Bendzinski & Co., Municipal Finance Advisors, 615 Griswold, Suite 1225, Detroit MI 48226, (telephone (313) 961-8222, Facsimile (313) 961-8220).

ENVELOPES containing the bids should be plainly marked "Proposal for 2014 Capital Improvement Bonds (Limited Tax General Obligation)."

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Meaghan K. Bachman  
City Clerk  
City of Flat Rock

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

9. Tax Covenant; Qualified Tax Exempt Obligations. 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. The City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

10. Official Statement; Qualification for Insurance; Ratings. The Mayor and Treasurer are hereby authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds, if deemed economically advantageous to the City; (c) apply for ratings on the Bonds; and, (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

11. Continuing Disclosure. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Council, and the Mayor and Treasurer are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

12. Authorization of Other Actions. The Mayor and Treasurer 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 are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, 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 within the parameters described in this resolution. The Mayor and Treasurer are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

13. Award of Sale of Bonds. The Mayor and Treasurer are each hereby authorized on behalf of the City to award the sale of the Bonds to the bidder whose bid meets the requirements of law and which produces the lowest true interest cost to the City computed in accordance with the terms of the Official Notice of Sale as published.

14. Bond Counsel and Financial Advisor. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel is hereby approved, notwithstanding Miller Canfield's periodic representation in unrelated matters of potential parties to the 2014 Capital Improvement Bonds transaction. The City hereby appoints Bendzinski & Co., Municipal Finance Advisors to act as financial advisor with respect to the Bonds.

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

Motion carried unanimously

10. **CITIZENS TO BE HEARD (ADDITIONAL COMMENTS):**

NONE

11. **CORRESPONDENCE:**

**Item 11-A- Thank you card from Flat Rock Towers Co-op to the Flat Rock Community Center for the Halloween Home Tour**

Read as follows: "Thank you again for a wonderful time this past Monday. Everyone is so great at the center that includes our city bus driver Ken and our special friend Shelly. The Towers is so lucky to reside in such a beautiful community with beautiful people. Love, Tower Friends

12. **ADJOURNMENT:**

**Resolution 11-03-09**

Motion by Martin  
Supported by Wrobel

RESOLVED, to adjourn the regular City Council meeting of November 3, 2014 at 8:25 PM

All voting yes; motion carried unanimously

\_\_\_\_\_  
**JONATHAN DROPIEWSKI, MAYOR**

DATE: \_\_\_\_\_  
**Approved**

\_\_\_\_\_  
**MEAGHAN K. BACHMAN, CITY CLERK**