

**CITY OF MASON  
REGULAR CITY COUNCIL MEETING  
MINUTES OF JUNE 4, 2007**

Clark called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Clark led in the Pledge of Allegiance and offered the invocation.

Present: Councilmembers: Bruno, Clark, Mulvany, Naeyaert, Preadmore, Whipple  
Also present: Martin Colburn, City Administrator  
Kathy Revels, Finance Director/Treasurer  
David Scutt, Fire Chief  
Kerry Minshall, Assistant Fire Chief  
Dennis McGinty, City Attorney  
Deborah Cwiertniewicz, Deputy City Clerk

**APPROVAL OF MINUTES - REGULAR COUNCIL MEETING: May 21, 2007**

The Minutes of May 21, 2007 were approved as submitted.

**APPROVAL OF BILLS**

MOTION by Naeyaert, second by Whipple,  
to approve the payment of bills in the amount of \$47,937.30 as submitted.

MOTION APPROVED UNANIMOUSLY

**PEOPLE FROM THE FLOOR**

Doug Williams of 1111 E. Columbia Street read a prepared statement regarding a complaint he submitted to the Mason Board of Ethics. The Board of Ethics, at its May 2 meeting, determined that its jurisdiction is restricted to actions occurring in the performance of a councilmember's official duty. The city attorney concurred with this decision. Mr. Williams requested that the ordinance be amended to allow the Board authority over an elected official's private behavior as well.

Rhonda Davis, Senior Facilities Project Manager for Independent Bank, inquired about the sign ordinance. Council suggested that she speak with staff being that her questions had been addressed at previous meetings and work sessions.

Motion by Preadmore, second by Bruno,  
to amend the agenda by adding Item No. 7(F) Executive Session – Attorney/Client  
Privileged Communication under regular business.

MOTION APPROVED UNANIMOUSLY

**REGULAR BUSINESS**

**Resolution No. 2007-24 – Approval of Installment Purchase Agreement with Dart Bank for Purchase of Fire Apparatus**

Colburn stated that Fifth Third Bank was the low bidder by \$60.47. However, he is recommending acceptance of Dart Bank's bid due to past performance and they are across the street. Resolution No. 2007-24 was introduced by Bruno and seconded by Mulvany. Discussion was held regarding the obligation to the low bidder and if not, how it could affect the potential of future bids. Minshall spoke regarding the status of the delivery of new fire truck.

**CITY OF MASON  
CITY COUNCIL RESOLUTION 2007-24  
APPROVAL OF INSTALLMENT PURCHASE AGREEMENT WITH DART BANK FOR  
FINANCING A FIRE APPARATUS**

June 4, 2007

**WHEREAS**, the Mason City Council approved a bid to purchase a Tanker/Pumper fire apparatus on August 7, 2006, and

**WHEREAS**, HME of Grand Rapids was awarded the bid at an expense of \$284,000 for the Tanker/Pumper as well as accessory equipment, and

**WHEREAS**, Dart Bank has provided a competitive bid of \$263,167.11, with an interest rate established at 4.50% to be paid over a five year period.

**NOW, THEREFORE, BE IT RESOLVED** that the Mason City Council accepts the bid from Dart Bank of \$263,167.11 on a five year installment plan and authorizes the City Administrator to sign the installment plan agreement.

Yes (5) Clark, Mulvany, Naeyaert, Preadmore, Whipple

No (1) Bruno

RESOLUTION APPROVED

**Resolution No. 2007-25 – Authorizing Publication of Notice of Intent to Issue 2007 Water Supply and Sanitary Sewer Disposal System Improvement Revenue Bonds (General Obligation Limited Tax)**

Resolution No. 2007-25 was introduced by Bruno and seconded by Mulvany.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2007-25  
RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENT TO ISSUE  
2007 WATER SUPPLY AND SANITARY SEWAGE DISPOSAL SYSTEM  
IMPROVEMENT REVENUE BONDS (GENERAL OBLIGATION - LIMITED TAX)  
JUNE 4, 2007**

**WHEREAS**, the City Council has determined that it will be necessary to issue bonds of the City pursuant to the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying a portion of the cost of the water supply and sanitary sewage disposal system improvement project described in the Notice included in this resolution, as well as all other necessary and related improvements (the "Project"); and

**WHEREAS**, Section 33 of the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (the "Act"), requires the publication of a notice of intent to issue the bonds necessary to produce the monies required to finance a portion of the cost of the Project; and

**WHEREAS**, the City Council has reviewed the estimate of costs for the Project in the approximate amount of Seven Million One Hundred Thousand Dollars (\$7,100,000); and

**WHEREAS**, not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000) of the aggregate Project costs, including the costs of issuance for the bonds, is proposed to be financed by the issuance of bonds of the City (the "Bonds") to pay the Project costs; and

**WHEREAS**, the City Council now desires to authorize and approve the Notice of Intent to Issue Bonds required by the Act for the Bonds; and

**WHEREAS**, the City has obtained qualified status from the Michigan Department of Treasury, and does not need further approval from the Department of Treasury to proceed with the issuance of the Bonds; and

**WHEREAS**, the City may wish to reimburse certain expenditures to be made from the general fund or other fund(s) of the City for the Project in advance of the issuance of the Bonds.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The City Clerk, or a designee thereof, shall cause the following notice to be published in its substantial form in the *Ingham County Community News*, a newspaper of general circulation within the City of Mason, as a display ad of at least 1/4 page in size:

**NOTICE OF INTENT TO ISSUE REVENUE BONDS  
TO THE ELECTORS AND TAXPAYERS  
OF THE CITY OF MASON  
AND CUSTOMERS AND USERS OF THE CITY'S  
WATER SUPPLY AND SANITARY SEWAGE DISPOSAL SYSTEM  
AND NOTICE OF RIGHT OF REFERENDUM**

**TAKE NOTICE THAT** the City Council of the City of Mason, Ingham County, Michigan (the "City"), intends to authorize the issuance of **NOT TO EXCEED** Five Million Five Hundred Thousand Dollars (\$5,500,000) City of Mason 2007 Water Supply and Sanitary Sewage Disposal System Improvement Revenue Bonds (General Obligation - Limited Tax) (the "Bonds") pursuant to the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of defraying a portion of the cost of certain improvements to the City's water supply and sanitary sewage disposal system, including, but not limited to, the acquisition and construction of a water treatment plant for the removal of radium, as well as all other necessary and related improvements, and engineering and financing costs. The Bonds may be issued by the City in one or more series, the aggregate principal amount of which will not exceed \$5,500,000.

The Bonds will be payable primarily from revenues derived from rates and charges received from users and customers of the City's water supply and sanitary sewage disposal system, and will be payable in not more than twenty-five (25) annual installments at a rate of interest to be determined upon sale of the Bonds not to exceed six percent (6.0%) per annum, payable on the unpaid principal balance from time to time remaining outstanding on the Bonds.

The total cost of the water supply and sanitary sewage disposal system improvement project is estimated to be \$7,100,000, a portion of which cost is to be paid from the proceeds of the Bonds. The City anticipates using available funds on hand to pay the remaining portion of the project cost.

**SOURCE OF FUNDING**

The State of Michigan, through its Department of Environmental Quality, makes funds available for municipal water system improvement projects at an effective interest rate of approximately 2.125% per annum through a State Drinking Water Revolving Loan Fund administered through the Michigan Municipal Bond Authority. The City will seek to finance a portion of the project cost through bonds issued through said State Drinking Water Revolving Loan Fund.

**SOURCES OF PAYMENT OF BONDS**

THE PRINCIPAL OF AND INTEREST ON THE BONDS shall be payable primarily from the net revenues derived from the operation of the City's water supply and sanitary sewage disposal system remaining after payment of operation and maintenance expenses. Said revenues consist of rates and charges for services, including connection fees, which rates and charges are required to be maintained and increased from time to time in order to provide sufficient revenues to meet expenses for operating and maintaining the water supply and sanitary sewage disposal system, anticipated principal of and interest on bonds, and to provide reserves for payment thereof. A schedule of the rates and charges is on file in the office of the City Clerk, City Hall, 201 West Ash Street.

**ADDITIONAL SECURITY – FULL FAITH AND CREDIT PLEDGE**

In the event the Bonds are sold to the Michigan Municipal Bond Authority, and/or in the event certain state or federal financing is received for the project costs, the City is authorized pursuant to the Revenue Bond Act to pledge its full faith and credit for the repayment of the Bonds. In this event, the City would be authorized within its charter tax rate limitations to levy such taxes or advance such funds from the general funds of the City as might be necessary to prevent or cure any default in the repayment of the Bonds resulting from an insufficiency of revenue derived from the operation of the City's water supply and sanitary sewage disposal system. Although it is not anticipated that the City will ever be required to advance such funds, the City would, in the event of an advance, be entitled to be repaid from the next water and sewage system revenues available after correction of any deficiency or default.

**NOTICE OF RIGHT OF REFERENDUM**

THIS NOTICE is given pursuant to the requirements of Section 33 of the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended. If within forty-five (45) days from the publication of this NOTICE OF INTENT to issue Bonds a PETITION signed by not less than TEN PERCENT (10%) OF THE REGISTERED ELECTORS residing within the limits of the City of Mason shall have been filed with the City Clerk requesting a REFERENDUM on the question of the issuance of the Bonds, then the same shall not be issued until approved by the vote of the majority of the electors of the City qualified to vote and voting thereon at a general or special election. The current number of registered electors in the City is 5,601.

Further information regarding the water supply and sanitary sewage disposal system improvement project and the Bonds described herein is available from the office of the City Clerk, City Hall, 201 West Ash Street.

Dated: June 4, 2007

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Martin A. Colburn, City Clerk  
City of Mason

2. Pursuant to Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, and the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended, the foregoing notice and method of publication thereof are hereby determined to be adequate to notify the residents and electors of the City of their referendum rights and of the nature of the debt obligations proposed to be issued.

3. To the extent advances to pay Project costs are required to be made from the City's General Fund or other funds, the City shall reimburse the General Fund or such other funds not earlier than the date on which the expenses are paid and not later than the latter of:

- (a) the date that is eighteen (18) months after the expenses are paid;
- or
- (b) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the expenses are paid.

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

RESOLUTION APPROVED UNANIMOUSLY

### **Resolution No. 2007-26 – Signature Authorization for MDOT Contract to Pave East Columbia Street**

Resolution No. 2007-26 was introduced by Mulvany and seconded by Bruno.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2007-26  
RESOLUTION TO PROVIDE SIGNATURE AUTHORITY FOR  
MDOT CONTRACT TO PAVE EAST COLUMBIA STREET  
June 4, 2007**

**WHEREAS**, the City of Mason has requested to participate with a Department of Transportation Federal Highway Administration project known as STP 0733(029); and

**WHEREAS**, the project consists of paving East Columbia Street from Mathews Street to Temple Street; including storm sewer, concrete curb and gutter, and sidewalk work; and

**WHEREAS**, Michigan Department of Transportation, administering Federal Surface Transportation Funds, will participate at a ratio equal to 81.85 percent of eligible costs up to an amount not to exceed \$509,760 with the city paying the balance.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the City Council of the City of Mason that Martin A. Colburn, City Administrator is the authorized signatory on behalf of the City of Mason, the Requesting Party, for the federal funding grant contracts with the Michigan Department of Transportation.

RESOLUTION APPROVED UNANIMOUSLY

### **Motion – 2007 Development Agreement**

Colburn stated that the Anderson's have requested that the property revert back to them at some point if it is not used within five years. McGinty offered language to insert into the agreement.

Motion by Whipple and seconded by Preadmore,  
to approve the 2007 Development Agreement with the Alice and Art Jewett Trusts and Dennis and Jeff Anderson with the addition of a section regarding the term of

agreement.

MOTION APPROVED UNANIMOUSLY

**Discussion – Letters of Interest – Vacant Council Seat**

Letters of interest and resumes were received from nine candidates. The applicants were invited to speak to Council at this time. Those present addressed Council regarding their decision to seek the vacant Council Seat. Those present were Jon Drosha, Steve Fox, Neal Johnson, James Mahan, Michael Waltz. Keith Rouse was unable to attend this meeting. Clark stated that he had spoken with Mr. Rouse this afternoon and informed Council regarding his decision to seek the vacant Council Seat. Bruno and Naeyaert stated that they would be supporting Neal Johnson due to his past experience on Council and that he had the next highest vote of the people in the last election. It was the consensus of the Council to review the six applicant packets received this evening and make a decision at the June 18, 2007 regular meeting.

**Executive Session – Attorney/Client Privileged Communication**

Motion by Whipple, second by Naeyaert,  
to adjourn to executive session to discuss an attorney/client privileged  
communication.

Yes (6) Mulvany, Naeyaert, Preadmore, Whipple, Bruno, Clark  
No (0)

MOTION APPROVED UNANIMOUSLY

The meeting adjourned to executive session at 8:23 p.m. and reconvened at 9:05 p.m.

Motion by Whipple, second by Preadmore,  
to amend the agenda by adding Item No. 7(G) Motion - Rayner Creek Drain  
License Agreement under regular business.

MOTION APPROVED UNANIMOUSLY

**Motion - Rayner Creek Drain License Agreement**

Motion by Whipple, second by Naeyaert,  
to approve and authorize the Mayor to execute the Rayner Creek Drain License  
Agreement.

Yes (5) Mulvany, Naeyaert, Preadmore, Whipple, Clark  
No (1) Bruno

MOTION APPROVED

**UNFINISHED BUSINESS**

- Whipple briefly commented regarding the remarks made by Doug Williams. He regrets that Mr. Williams did not remain at the meeting so he could respond to him directly.
- Bruno inquired if the benches for the playground have been ordered for Palmer Playground. Colburn stated that playground equipment and benches would be ordered in the 2007-2008 fiscal budget year.

**NEW BUSINESS**

- Naeyaert informed Council regarding correspondence she received from residents of the E. Oak and E. Elm Streets neighborhood group that will be pursuing a “Neighborhood Watch” due to a rental property that has raised concern.

**CORRESPONDENCE**

Distributed.

**LIAISON REPORTS**

- Mulvany informed Council regarding Historic District Commission business.

**ADMINISTRATOR'S REPORT**

Colburn informed the Council regarding current city business.

**PEOPLE FROM THE FLOOR**

None.

**ADJOURNMENT**

The meeting adjourned at 9:45 p.m.

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Martin A. Colburn, City Clerk

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Leon Clark, Mayor