

City of Corunna  
Regular Council Meeting  
Monday, September 20, 1999

Present: Weaver, Bayless, Dumond, Hornus, Ockerman, Runyan.

Absent: Bendall (excused).

Guests: Lisa Hitchcock, City Manager; Tim Crawford, Superintendent of Public Works; Dave Wenzlick; Gary Schooley, Parks and Recreation Director; Rick Holzheuer; Boy Scout Troop #95; Scott Johnson, Fire Chief; Bill Pearsall; Jackie Leone, The Argus Press; Judy Horton; Bill Constine, The Independent; Gene Sanderson; Dick & Pat Sanderson; Dr. James Billis; and other concerned citizens.

The meeting was called to order in the City Council Chambers by Mayor Weaver at 7:00 p.m.

Mayor Weaver read and presented a proclamation to the Corunna-Caledonia Township Fire Department recognizing them for raising funds for the Muscular Dystrophy Association over the last thirteen Labor Day weekends.

MINUTES OF THE PREVIOUS REGULAR MEETING: Dumond moved, Hornus seconded to approve the September 7, 1999 Regular Council Minutes as printed.

Roll call vote:

Yes: Ockerman, Dumond, Hornus, Runyan, Bayless.

No: None.

Motion CARRIED

AGENDA APPROVAL: Hornus moved, Dumond seconded to approve the agenda as presented.

Roll call vote:

Yes: Bayless, Runyan, Ockerman, Dumond, Hornus.

No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Bayless moved, Hornus seconded to approve the vendor disbursements as presented.

Roll call vote:

Yes: Runyan, Ockerman, Bayless, Hornus, Dumond.

No: None.

Motion CARRIED

CALL TO AUDIENCE – CITIZEN IN-PUT TO THE CITY COUNCIL: Dick Sanderson asked how many streets, alleys and sidewalks had been updated this summer. Tim Crawford advised that most of the alleys have been graded and a sidewalk program would begin next spring. Pat Sanderson advised that the sidewalk in front of the Bates' house, 217 W. McNeil Street, needs something done to it before someone gets hurt.

CONSIDER ADMINISTRATIVE POLICY #27 – PART-TIME EMPLOYEE BENEFITS:

Councilperson Bayless asked council for permission to abstain from voting on this issue. Runyan moved, Hornus seconded to allow Councilperson Bayless to abstain from voting on this issue.

Roll call vote:

Yes: Bayless, Runyan, Dumond, Hornus, Ockerman.

No: None.

Motion CARRIED

Dumond moved, Hornus seconded to adopt Administrative Policy #27 – Part-Time Employee Benefits.

Roll call vote:

Yes: Hornus, Dumond, Ockerman, Runyan.

No: None.

Motion CARRIED

CONSIDER APPOINTMENT OF JANICE HOLLAND, TERM TO EXPIRE DECEMBER 31, 2001 TO THE DOWNTOWN DEVELOPMENT AUTHORITY:

Hornus moved, Runyan seconded to appoint Janice Holland, term to expire December 31, 2001, to the Downtown Development Authority.

Roll call vote:

Yes: Dumond, Hornus, Ockerman, Runyan, Bayless.

No: None.

Motion CARRIED

CONSIDER REQUEST FROM CORUNNA ROTARY TO CONSTRUCT A ROLLER

HOCKEY RINK: Hornus moved, Dumond seconded to approve the request from the Corunna Rotary to construct a roller hockey rink in McCurdy Park. Gary Schooley advised that the magic square currently in the park would be resurfaced. He further advised that a roller hockey rink measured 165 feet by 80 feet and the magic square would need an additional 45 feet. He also advised that a light pole would have to be removed if the rink was expanded. Councilperson Ockerman asked if the Corunna Rotary would pay to remove the light poles. Mr. Schooley advised yes, they would pay for everything. Councilperson Runyan asked how far west the rink would be constructed. Mr. Schooley advised 45 feet. Ms. Hitchcock advised that a roller hockey rink was in the park's master plan. Councilperson Runyan asked if the rink would be used for leagues. Mr. Schooley advised yes. Ms. Hitchcock advised that the rink could be used for an ice skating rink in the winter if the "nice ice" which was proposed last year were purchased. Councilperson Ockerman asked how the city would control the construction of the rink. Mr. Schooley advised that the park's master plan would have to be followed. Councilperson Ockerman asked if the department of public works would help. Ms. Hitchcock advised that the department of public works would help whenever it was possible. Councilperson Dumond stated that Mr. Schooley would be the city's representative and would coordinate the construction.

Roll call vote:

Yes: Ockerman, Dumond, Hornus, Runyan, Bayless.

No: None.

Motion CARRIED

SET PUBLIC HEARING FOR OCTOBER 4, 1999 AT 7:15 P.M. TO CONSIDER

ORDINANCE 99-09 AMENDING SECTIONS 2-157 MEMBERSHIP AND 2-158 REMOVAL OF MEMBERS ON THE PLANNING COMMISSION: Dumond moved, Hornus seconded to set a public hearing for October 4, 1999 at 7:15 p.m. to consider Ordinance 99-09 amending Sections 2-157 Membership and 2-158 Removal of Members on the Planning Commission.

Roll call vote:

Yes: Bayless, Runyan, Ockerman, Dumond, Hornus.

No: None.

Motion CARRIED

SET PUBLIC HEARING FOR OCTOBER 4, 1999 AT 7:30 P.M. TO CONSIDER

ORDINANCE 99-10 AMENDING UNIFORM TRAFFIC CODE SUBSECTION 5.15 OPERATING A MOTOR VEHICLE WHILE UNDER THE INFLUENCE: Hornus moved, Dumond seconded to set a public hearing for October 4, 1999 at 7:30 p.m. to consider Ordinance 99-10 amending Uniform Traffic Code Subsection 5.15 Operating a Motor Vehicle While Under the Influence.

Roll call vote:

Yes: Runyan, Ockerman, Bayless, Hornus, Dumond

No: None.

Motion CARRIED

SET PUBLIC HEARING FOR OCTOBER 4, 1999 AT 7:45 P.M. TO CONSIDER

ORDINANCE 99-11 AMENDING UNIFORM TRAFFIC CODE SECTION 5.62A MOTOR VEHICLE DRIVING WHILE LICENSE SUSPENDED OR REVOKED:

Runyan moved, Hornus seconded to set a public hearing for October 4, 1999 at 7:45 p.m. to consider Ordinance 99-11 amending Uniform Traffic Code Section 5.62a Motor Vehicle Driving While License Suspended or Revoked.

Roll call vote:

Yes: Hornus, Dumond, Bayless, Ockerman, Runyan.

No: None.

Motion CARRIED

SET PUBLIC HEARING FOR OCTOBER 4, 1999 AT 8:00 P.M. TO CONSIDER

ORDINANCE 99-12 AMENDING SECTION 2-182 MEMBERSHIP OF HISTORICAL COMMISSION: Hornus moved, Ockerman seconded to set a public hearing for October 4, 1999 at 8:00 p.m. to consider Ordinance 99-12 amending Section 2-182 Membership of Historical Commission.

Roll call vote:

Yes: Bayless, Runyan, Dumond, Hornus, Ockerman.

No: None.

Motion CARRIED

CONSIDER RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF AN

INSTALLMENT PURCHASE AGREEMENT: Ms. Hitchcock advised that it was her recommendation to go with Old Kent Bank. Dumond moved, Hornus seconded to

approve the following resolution authorizing execution and delivery of an installment purchase agreement with Old Kent Bank-Central in the amount of \$224,200 with a 5.56 percent fixed interest rate for ten-years:

CITY OF CORUNNA

SHIAWASSEE COUNTY, MICHIGAN

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY  
OF AN INSTALLMENT PURCHASE AGREEMENT

WHEREAS, the City of Corunna (the “City”), desires to purchase water tower improvements (the “Property”), as described more fully on Exhibit A, having a total purchase price of \$224,200; and

WHEREAS, to finance the cost of acquiring the Property, the City deems it necessary to borrow the sum of \$224,200; and

WHEREAS, Act No. 99 of the Public Acts of Michigan of 1933, as amended (“Act 99”), provides a means by which the City may enter into agreements for the purchase of lands, property or equipment for public purposes, to be paid for in installments; and

WHEREAS, the City has entered into a contract to purchase the Property (the “Purchase Contract”) with L.C. United Painting Co. (the “Vendor”); and

WHEREAS, the City received proposals for financing the acquisition of the Property; and

WHEREAS, the proposal of Old Kent Bank-Central (the “Bank”) is the lowest responsive proposal, and the Bank has agreed to purchase the interest of the Vendor in the Purchase Contract and accept assignment thereof, and to finance the purchase of the Property by entering into an Installment Purchase Agreement pursuant to which the City will make payments of principal and interest to the Bank; and

WHEREAS, this City’s outstanding balance of all installment purchases, exclusive of interest, not including (i) contracts entered into under Act No. 31, Public Acts of 1948, First Extra Session, as amended, or (ii) contracts or leases between public corporations or municipalities, but including the principal amount of the Installment Purchase Agreement authorized by this resolution, shall not exceed one and one-quarter percent (1-1/4%) of the taxable value of the real and personal property in the City.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. Acquisition of the Property is hereby found to be a public purpose and in the best interest of the health, safety and welfare of the City.

2. The City hereby approves the proposal of the Bank and authorizes and directs the Mayor and City Clerk (i) to execute an Installment Purchase Agreement (the "Agreement") in the amount of \$224,200 in substantially the form as submitted herewith, and (ii) to execute an Installment Note (the "Note") with the Bank in conformance with the Agreement, each with an interest rate on the principal amount outstanding of 5.56 percent (5.56%) per annum.
3. The City shall include in its budget each year the amount necessary to make all installment payments of principal and interest thereon under the Agreement during such year, when and as the same shall become due.
4. The City shall, at all times while any payments on the Agreement are outstanding, have control of the Property and shall maintain the same for public purposes.
5. The useful life of the Property is hereby determined to be at least ten (10) years.
6. The obligation of the City to make the principal and interest payments pursuant to the Note are the general obligations of the City, and the City hereby pledges its limited tax full faith and credit, general obligation to the payment of principal of, and interest on the Note, subject to charter, constitutional and statutory limitations.
7. The City hereby covenants and agrees for the benefit of the Bank, and any assignee thereof, that it will comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and except as required by law, will take no action or omit to take any action which, by commission or omission, would cause the payments on the Note (the "Installment Payments") not to be excluded from the adjusted gross income of the Bank for Federal income tax purposes or to be "arbitrage bonds" as defined in Section 148 of the Code and any successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder.
8. The City will not permit any of the proceeds of the Agreement or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of any of the payments on the Note from the treatment afforded by Section 103(a) of the Code, as amended from time to time, by reason of the classification of such payments as "private activity bonds" within the meaning of Section 141 of the Code, or as obligations guaranteed by the United States of America, as provided in Section 149(b) of the Code; or cause the interest on the Installment Payments to be includable in any alternative minimum tax other than an alternative minimum tax which applies to all tax exempt bonds generally.
9. The City reasonably anticipates that the amount of qualified tax-exempt obligations, which will be issued by the City and all subordinate entities during the calendar year 1999, shall not exceed \$5,000,000.

10. The City hereby designates the Installment Payments in the principal amount of \$224,200 as “qualified tax-exempt obligations” for purposes of Section 265 (b) 3(B) of the Internal Revenue Code of 1986, as amended (the “Code”).
11. The proceeds of the Note shall not be used to reimburse the City for expenditures incurred prior to the declaration of official intent required by Section 1.103-8(a)(5) of the Treasury regulations.
12. The authority granted herein shall not be construed to require the City to levy taxes in excess of any charter, constitutional or statutory limitations.
13. The Mayor and the City Clerk are hereby authorized to do all acts and things and to execute any documents or certificates as may be necessary or desirable, and to deliver such documents to the parties to effectuate the transaction described in the Agreement.
14. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and they are hereby rescinded.

Roll call vote:

Yes: Dumond, Hornus, Ockerman, Runyan, Bayless.

No: None.

Motion CARRIED

DISCUSSION OF EMPLOYEE CONTRACT PROCEDURES: Ms. Hitchcock advised that at the last meeting council had requested that something be put in writing regarding the different options available that involved employee contract procedures. She explained the different options that were available and advised that option number three would be the best option to go with. The labor committee would negotiate the contracts and would then make a recommendation to the council. Councilperson Runyan advised that the labor committee is made up of two members and asked if there was a reason why there were two members instead of three. Councilperson Dumond advised that the labor committee had three members, but when Frank Dvorak resigned from council, no one was reappointed to the committee. Councilperson Runyan advised that he thought three members would be better. Councilperson Dumond advised that the Michigan Municipal League does not recommend having any council member on the labor committee. Mayor Weaver asked for a motion to have the labor committee negotiate contracts with the department heads. Hornus moved, Dumond seconded to have the labor committee negotiate contracts with the department heads and to bring a recommendation back to council for consideration. Councilperson Runyan asked if the contracts would be negotiated individually or as a group. Ms. Hitchcock advised that the contracts would be different. Councilperson Ockerman stated that an individual should be there as an individual. Ms. Hitchcock advised that the labor committee should make that decision.

Roll call vote:

Yes: Ockerman, Dumond, Hornus, Runyan, Bayless.

No: None.

Motion CARRIED

Councilperson Ockerman asked if another member needed to be appointed to the committee. Mayor Weaver advised that he would appoint someone at the next meeting. Councilperson Ockerman asked why the appointment had to wait. Councilperson Bayless asked if it was a conclusion that only council people could be on the committee. Councilperson Bayless stated a councilperson could be appointed now, but in the long range, council might want to think about handling the situation differently. Councilperson Ockerman suggested to the mayor that he to appoint someone from council to the labor committee with the intent to get someone at-large to replace one of the members on the committee. Councilperson Runyan advised that the appointee should be someone who is familiar with the budget. Ockerman moved, Runyan seconded to appoint another councilperson to the labor committee at the present time and to pursue an at-large individual to replace one of the councilpersons within the next two months.

Roll call vote:

Yes: Bayless, Runyan, Ockerman, Dumond, Hornus.

No: None.

Motion CARRIED

Mayor Weaver advised that he would appoint Cal Hornus to the labor committee if he was interested in the position. Councilperson Hornus advised that he would be willing to serve on the committee. Dumond moved, Bayless seconded to approve the appointment of Cal Hornus to the labor committee.

Roll call vote:

Yes: Runyan, Ockerman, Bayless, Hornus, Dumond.

No: None.

Motion CARRIED

CALL TO AUDIENCE – CITIZEN IN-PUT TO THE CITY COUNCIL: Gene Sanderson asked if there was a chance that the city could get the railroad to clean up the railroad tracks on South Shiawassee Street. He advised that the lot on the corner of South Shiawassee Street and John Street needed to be mowed again. Mr. Sanderson asked Mr. Schooley if he found out who had sent the key in that was used to unlock the padlock on the power box at the Stu Couetts pavilion. Mr. Schooley advised Diane Maurer sent the key in one week after the lock was cut off. Mr. Sanderson asked if someone could remove the tree at the lot on John Street that had fallen during the windstorm.

Bill Pearsall thanked the city council and the mayor for the proclamation to the fire department.

Dick Sanderson advised that he read in the paper that the state had ruled that it was illegal to spend taxpayer's money to pay for hams given to employees or for an employee retirement party. He asked if the city manager had heard anything about it. Ms. Hitchcock advised no. Councilperson Ockerman advised that council does not want to do anything illegal and asked Ms. Hitchcock to check into the situation.

Rick Holzheuer thanked council for the allowing Boy Scout Troop #95 to attend the meeting. He explained that the troop was working on a Citizenship in the Community merit badge and one of the badge requirements was to visit a local branch of government. He then introduced the troop members.

Judy Horton advised that a work bee was scheduled for October 3, 1999 to sand, repair, and stain the playscape.

CLOSED SESSION – UNION NEGOTIATIONS: Hornus moved, Dumond seconded to leave the regular session and go into closed session for union negotiations.

Roll call vote:

Yes: Hornus, Dumond, Bayless, Ockerman, Runyan.

No: None.

Motion CARRIED Time was 7:58 p.m.

Hornus moved, Dumond seconded to leave the closed session and return to the regular session.

Roll call vote:

Yes: Bayless, Runyan, Dumond, Hornus, Ockerman.

No: None.

Motion CARRIED Time was 8:37 p.m.

No action took place during the closed session.

ADJOURN: Hornus moved, Dumond seconded to adjourn.

Roll call vote:

Yes: Bayless, Runyan, Ockerman, Dumond, Hornus.

No: None.

Motion CARRIED Time was 9:00 p.m.

---

AVERY WEAVER, MAYOR

---

YVONNE F. LONG, CITY CLERK