

City of Corunna
Regular Council Meeting
Monday, August 21, 2000

Present: Billis, Bayless, Bendall, Dumond, Hornus, Ockerman, Runyan.

Absent: None.

Guests: Lisa Hitchcock, City Manager; Judy Horton; Larry LeCureux; Chief Mark Hetfield, Police Department; Arnold Dunchock; Bernie Yott; Gene & Shirley Sanderson; Jackie Leone, The Argus Press; Stephanie Wuttke, The Independent; Officer Jeff Haynes, Police Department; Clark Long; Jill Horton; and other concerned citizens.

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

MINUTES OF THE PREVIOUS REGULAR MEETING: Hornus moved, Dumond seconded to approve the minutes of the previous regular meeting.

Roll call vote:

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

No: None.

Motion CARRIED

AGENDA APPROVAL: Hornus moved, Ockerman seconded to approve the agenda as presented with the deletion of Item No. 2) Consider Charter Amendment Resolutions.

Roll call vote:

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

No: None.

Motion CARRIED

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

Roll call vote:

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

No: None.

Motion CARRIED

CALL TO AUDIENCE: Jill Horton stated a big hole was left in her yard when Consumers removed some gas pipes last fall. The company came back and repaired the curb, but there are still barricades around the hole and she was wondering when it would be fixed. Ms. Horton further stated a big pile of concrete was also left in her yard. Councilperson Ockerman asked Ms. Horton if she contacted city hall. Ms. Horton advised yes and the company came back and started to repair her yard, but they quit before the job was completed. Councilperson Ockerman asked Ms. Horton if she was given a time frame. Ms. Horton advised no. Councilperson Ockerman asked Ms. Horton if she re-contacted city hall. Ms. Horton advised no. Councilperson Ockerman advised Ms. Horton she should have done that since council is usually the last resort. Generally, someone goes to the city manager or the superintendent of public works first, and if the person is not

satisfied then the person comes to council. Mayor Billis asked if Ms. Horton could be given any type of answer. Ms. Hitchcock advised she would contact Consumers Energy. She further advised she spoke with Ms. Horton two weeks ago and Ms. Horton told her she was not concerned about her yard since it would be done when the streetscape project was done. Ms. Hitchcock also advised she has noticed that Consumers Energy has come back and worked on the yard again.

Arnold Dunchock stated according to The Argus Press, the county has until August 29 to put something on the ballot that would seemingly be of great interest to the city government and the people of Corunna, which is the relocation of a substantial portion of the county government to the area that is known as the Griffin property. He understands that one governmental unit does not have a say over another governmental unit, but at the same time, he understands self-interest and that can touch upon the city government, the downtown business community and the people in the City of Corunna. He further stated he was preparing a detailed letter to send to the county commissioners when it occurred to him that this might be the last council meeting before August 29th. He recognizes there might be a limitation on the position that the city as a unit may or may not take, but he is concerned as a member of the downtown community that if this relocation takes place it is going to have an extreme adverse effect on what remains of the Corunna business community. The city might have to have a survivor type of showdown to see which business or professional office will be the last to survive. He also stated he is trying to get information from the county through the Freedom of Information Act but he has not received anything yet. It is his understanding there are water and sewer connections at the Griffin property, but if the property needs roads then who would be responsible for maintaining them. Mr. Dunchock advised it would seem to him there would be basis for Corunna to be legitimately concerned. The purpose for him coming to council was the time frame and it was important for him to get something to council. He also understands there is no such thing as a draft letter once it becomes public. He asked council to read the information he gave them. Mr. Dunchock stated he would like Corunna to take some type of position and he recognizes that the city might take an opposite view than he does, but the time has come for some kind of decision to be made. One of the reasons the county says they have to relocate is because of the inhospitality of the Corunna government. There is no cooperation by Corunna so therefore the county has to move. Mayor Billis stated he was concerned on the impact that it is going to have on the citizens and the businesses as well. He does not know exactly what the county is proposing or what it will propose. He further stated he has heard many different things and the county is in the process of getting a land survey. Once they get the survey, they will have a committee look into the usage of that piece of property and see how it can be used best by the county. He also stated he would like to see himself and the city get involved in the process with a committee of its own and meet with the county on an ongoing basis to follow what is going on. The city also needs to consider what the vacated property could be used for and the property would be put back on the tax roll. Mayor Billis advised everyone is concerned about the impact the relocation will have on the city and the city should be involved in the process. Mr. Dunchock stated he went to the county today to find out what they were proposing and in fairness to the county, they wanted to respond to his questions all at once. He further stated there should be some kind of a packet available for nosy or concerned citizens. Right now, he is against the relocation but he was not sure what the county is proposing. He also stated the building

on Mack Street has two floors that were designed by the county commissioners for the courts and the county is talking about moving the courts because they have to be close to the jail. Right now, the district court is close to the jail, but they are not talking about moving the circuit court.

Gene Sanderson asked Councilperson Hornus if he did any follow-up on getting the lot cleaned up on the corner of John Street and Shiawassee Street. Ms. Hitchcock stated Councilperson Hornus talked to her about the railroad tracks. Councilperson Hornus asked what was being done with the corner lot. Ms. Hitchcock asked if the lot needed to be mowed again. Mr. Sanderson advised yes. Ms. Hitchcock stated she would talk to Mr. Crawford about it Tuesday morning. She further stated the person she tried to contact at the railroad was on vacation so she wrote a letter to the railroad. She also stated she should hear from the railroad sometime this week. Mr. Sanderson stated it was his understanding that Larry Julian was trying to get all of the railroad crossings cleaned up and suggested that Ms. Hitchcock contact him. Ms. Hitchcock stated she sent him a copy of the letter she sent to the railroad because she heard that also and hopefully something will be done. Mr. Sanderson stated after he had the little argument with the Veterans of Foreign Wars commander a while back, he has noticed that they mow their property regularly and it looks pretty good and he gives them credit for that. Mr. Sanderson asked how the lady, who owns the property on John Street, could afford to pay \$300.00 each time the city mows the property. He stated he would mow the property for \$300.00.

CONSIDER REQUEST TO HOLD FUNDRAISERS: Councilperson Dumond stated he did not have a problem with fundraisers because there are worthwhile fundraisers that are put on, but the city should be very careful about setting a precedent that will affect the city. He suggested setting a cost to cover expenses incurred by the city. Jill Horton stated she was the chairperson for Nathan Louch. She further stated Nathan's parents are residents of Corunna and explained Nathan Louch has been diagnosed with leukemia and there are expenses that are not covered by insurance. She further explained there are organizations that Nathan's parents can apply to but these organizations will only cover expenses from the day approval is given. She also explained she put together a committee to start working on fundraisers for Nathan. Ms. Horton stated she held a rummage sale last weekend, and in September she would like to hold a "kids fun day" on Saturday, September 16 between 10:00 a.m. to 2:00 p.m. She further stated she would like to use the commercial building in case of rain and she would need electricity to run the popcorn machine. Councilperson Ockerman asked what day of the week the event would be held. Ms. Horton advised Saturday. Councilperson Ockerman asked if the event would interfere with anything. Ms. Hitchcock advised there is nothing scheduled in the commercial building for the day Mrs. Horton has requested. She further advised there should be insurance coverage listing the city as an additional insured if there is going to be an animal petting zoo. Councilperson Ockerman stated he personally was in favor of setting a precedent for something like this as long as there is no liability to the city. He further stated he felt Mr. McCurdy would be ecstatic to see the community use the park for a benefit like this. He also stated council gets to address each request and if someone wants to do something good for someone in the community then council should be jumping up and down trying to help someone out. Councilperson Runyan stated he felt the same way as Councilperson Ockerman did, but if the city is going to let the building

be used for free then will it be done just for city residents or for the general public. Ms. Hitchcock advised the city needs to set some guidelines because there could be people coming in from other areas. Councilperson Hornus suggested setting a policy for local residents only. Mayor Billis stated the second fundraiser request is for the community center. Ms. Hitchcock advised that is what was originally requested, but Mrs. Kribs has recommended that they use the commercial building instead. Ms. Hitchcock further advised that is also her recommendation. Mayor Billis asked if the city knows what the second fundraiser is requesting. Ms. Hitchcock advised she did not speak to the person, but Mrs. Kribs did and Mrs. Kribs told the person that she was recommending to council that they approve the commercial building and the person did not have a problem with that. Councilperson Dumond stated he did not have a problem with someone using the commercial building, but he was concerned with the community center because it takes a lot of time to set up and clean the building. Hornus moved, Dumond seconded to approve the request from Going Nuts for Nathan to hold their fundraiser in the commercial building on September 16 from 10:00 a.m. to 2:00 p.m., to approve the request from the Nathan Williams group to hold their fundraiser on September 17 from 12:00 p.m. to 7:00 p.m. and to require both groups to have adequate liability insurance. Councilperson Runyan asked if the second family were residents of Corunna. Ms. Hitchcock advised no, they were residents of Caledonia Township. Councilperson Runyan asked if the city was opening up the park facilities to the general public. There could be people coming from Flint or wherever asking to hold their fundraiser in the park. Councilperson Hornus advised that is why the council needs to draw the line. He asked Councilperson Runyan if he did not want the second family to hold their fundraiser in the park. Councilperson Runyan advised no that is not what he was saying. Councilperson Hornus stated he was going by the letter that stated Nathan Williams was a Corunna resident and he did not know he lived in Caledonia Township. He further stated Caledonia Township was not far removed from Corunna and he would consider Mr. Williams to be a local resident. Councilperson Runyan stated he has been down this same road but council needs to stipulate some type of limit. Councilperson Hornus stated each request would be brought to council on an individual basis. Mayor Billis stated the two requests before council could be settled tonight. As far as setting a precedent, anytime somebody comes to council with a request for something like this, the council will always have the ability to look at the variables for each request. He further stated he does not know what all of the variables might be and he does not think council knows what all of the variables might be if somebody from out of town wants to use the park. It might be something council might agree to, but it would depend on what the variables are. He also state he does not know if council was actually setting a precedent.

Roll call vote:

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

No: None.

Motion CARRIED

CONSIDER SIDEWALK REPLACEMENT BID: Hornus moved, Bendall seconded to accept the bid from Randy's Custom Concrete for sidewalk replacement in the amount of \$4.00 per square foot for a four inch slab and \$4.25 per square foot for a six inch slab in an amount not to exceed \$10,000.

Roll call vote:

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

No: None.

Motion CARRIED

CONSIDER COMPUTER BIDS: Dumond moved, Bendall seconded to purchase two computers

less the monitors for the total bid price of \$2,755.00 from Gateway.

Roll call vote:

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

No: None.

Motion CARRIED

CONSIDER BOND RESOLUTION: Dumond moved, Hornus seconded to approve the following resolution:

**BOND RESOLUTION TO ISSUE \$895,000
GENERAL OBLIGATION LIMITED
TAX PUBLIC IMPROVEMENT BONDS (SERIES 2000)**

WHEREAS, pursuant to Section 6.28 of the Charter of the City of Corunna (the "City") and the Home Rule Cities Act, being Act No. 279 of the Public Acts of Michigan of 1909, as amended (the "Act"), the City has the authority to issue bonds, supported by the City's limited tax, full faith and credit, general obligation, to make public improvements to the City's water supply system, sanitary sewer system, storm sewer system and street system (the "Public Improvements"); and

WHEREAS, the City desires to make the Public Improvements to enable the City to provide more efficient and better quality public services to City residents; and

WHEREAS, at an election held on April 8, 1996, the following proposal was approved:

Shall the City of Corunna (Shiawassee County, Michigan) levy up to five (5) mills (\$5 per 1,000 SEV) for a period of twenty (20) years for the purpose of acquiring and constructing additions and improvements to the City's water supply system, sanitary sewer system, storm sewer system, and street system. Five (5) mills will produce approximately \$175,000 in 1996.

WHEREAS, the costs of the Public Improvements are estimated to be approximately Two Million Nine Hundred Fifty-Five Thousand Dollars (\$2,955,000), of which One Million Eight Hundred Thousand Dollars (\$1,800,000) will be proceeds of two Michigan Department of Transportation ("MDOT") Grants, Two Hundred Sixty Thousand Dollars (\$260,000) will be provided by the City from funds on hand and appropriated for this purpose, and Eight Hundred Ninety-Five Thousand Dollars (\$895,000) will be proceeds of general obligation limited tax public improvement bonds to be issued by the City and repaid from the taxes generated by the approved millage.

WHEREAS, to finance the City's portion of the cost of the Public Improvements the City deems it necessary to borrow the sum of Eight Hundred Ninety-Five Thousand Dollars (\$895,000) and to issue its General Obligation Limited Tax Public Improvement Bonds (Series 2000) therefor.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. Definitions. Whenever used in this Bond Resolution or in the Bonds to be issued hereunder, except when otherwise indicated by the context, the following definitions shall apply:
 - (a) "Bonds" means the City's General Obligation Limited Tax Public Improvement Bonds (Series 2000) authorized and issued pursuant to Section 6.28 of the City Charter, the Act and this Bond Resolution.
 - (b) "Bond Resolution" means this Resolution and all amendments hereto.
 - (c) "City" means the City of Corunna, Shiawassee County, Michigan.
 - (d) "City Council" means the legislative and governing body of the City.
 - (e) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.
 - (f) "Public Improvements" means the improvements authorized to be undertaken pursuant to this Bond Resolution.
1. Necessity; Estimated Cost; Period of Usefulness. It is necessary for the public health, safety and welfare of the City to undertake the Public Improvements and to issue bonds of the City to finance a portion of the cost of construction of the Public Improvements, the total estimated cost of which is Two Million Nine Hundred Fifty-Five Thousand Dollars (\$2,955,000). The period of usefulness of the Project is estimated to be not less than twenty-five (25) years.
2. Issuance of Bonds; Tax Pledge. To defray a portion of the cost of the Public Improvements, including legal, engineering, financial and other expenses, the City shall issue its bonds known as General Obligation Limited Tax Public Improvement Bonds (Series 2000) in the aggregate principal sum of Eight Hundred Ninety-Five Thousand Dollars (\$895,000) (the "Bonds"). The balance of the cost of the Public Improvements shall be paid by funds received from two MDOT grants or otherwise appropriated by the City.

The City hereby pledges its limited tax, full faith and credit, general obligation for the prompt payment of the principal of and interest on the Bonds as and when due. Unless the City has sufficient funds on hand, the City shall annually levy a tax on all taxable property in the City for the prompt payment of principal of and interest on the Bonds, which tax shall be limited as to rate and amount by applicable charter, constitutional and statutory limitations on the taxing power of the

City. The pledge by the City shall be a first lien on the budget of the City in the event of insufficient moneys.

3. Bond Terms. The Bonds shall be issued only in fully registered form as to both principal and interest, of the denomination of \$5,000 each, or any whole multiple thereof (except if the Bonds are issued in book entry only form as hereinafter provided); provided, however, that no Bond may include principal maturing in more than one year. The Bonds shall be dated September 1, 2000, shall be numbered consecutively in order of registration, and shall be payable serially on November 1 of each year as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2001	40,000	2006	50,000	2011	70,000
2002	40,000	2007	55,000	2012	75,000
2003	45,000	2008	60,000	2013	75,000
2004	45,000	2009	60,000	2014	80,000
2005	50,000	2010	65,000	2015	85,000

The Bonds shall bear interest at a rate or rates not exceeding seven and one-half (7.5%) per annum, payable semiannually on May 1 and November 1 of each year, commencing May 1, 2001.

4. Payment of Principal and Interest: Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the person appearing on the Bond registration books as the registered owner thereof. Payment of principal on the Bonds shall be made at the principal office of the Paying Agent, as paying agent, upon surrender of the Bonds. Payment of interest on the Bonds shall be paid to the registered owner at the address as it appears on the registration books.
5. Redemption. The Bonds maturing in the years 2001 through 2010 shall not be subject to redemption prior to maturity. The Bonds maturing on or after November 1, 2011, shall be subject to redemption prior to maturity, at the option of the City, as a whole or in part, in such order as the City shall determine, on any one or more interest payment dates, on or after November 1, 2010. Bonds so called for redemption shall be redeemed at the par value thereof and accrued interest to the date of redemption, without a premium.

Notice of redemption of Bonds shall be given by first class mail not less than thirty (30) days prior to the date fixed for redemption, to the Registered Owner at the registered address. Bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Paying Agent to redeem the Bonds.

6. Book Entry Eligible: At the option of the initial purchaser of the Bonds, 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; if this option is selected, 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 integral multiple thereof, and purchasers will not receive certificates representing their interest in Bonds purchased.
7. Paying Agent and Transfer: The City shall, from time to time, designate and appoint a Paying Agent, which shall also act as transfer agent and bond registrar. In the event of a change in Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bonds.

Bonds may be transferred only by submitting the same, together with a satisfactory instrument of transfer signed by the registered holder or his legal representative duly authorized in writing, to the Paying Agent, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in denominations of \$5,000 or any integral multiple thereof, in the same aggregate principal amount as the Bonds submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed and treated by the City and the Paying Agent as the absolute owner thereof, and any payment of principal and interest on any Bond to the registered holder thereof shall constitute a valid discharge of the City’s liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption.

8. Tax Exemption: The Bonds provided for herein are authorized by the Constitution and the Statutes of the state of Michigan, and the City Charter, and are exempt from any and all taxation whatsoever by the state of Michigan or by any taxing authority with the State.
9. Execution. The Mayor or Mayor Pro-Tem, and the City Clerk or City Treasurer are hereby authorized and directed to sign the Bonds, either manually or by facsimile signature, on behalf of the City. Upon execution, the Bonds shall be delivered to the purchaser thereof, upon payment of the purchase price in accordance with the accepted bid therefor, plus accrued interest on the Bonds to the date of delivery thereof.
10. Bond Form. The Bonds shall be substantially in the form attached hereto as Exhibit A, and incorporated herein.

11. Bond Payment Fund. There shall be established and maintained on the books of the City kept by the Treasurer, a fund for the Bonds designated “2000 General Obligation Bonds, Bond Payment Fund” (the “Bond Payment Fund”). Into the Bond Payment Fund, there shall be placed the accrued interest, premium, if any, and capitalized interest, if any, received at the time of delivery of the Bonds. Moneys in the Bond Payment Fund shall be expended solely for payment of principal of and interest on the Bonds. The City shall budget annually a sufficient amount to pay the annual principal of and interest on the Bonds. The obligation of the City to pay the principal of and interest on the Bonds will be a first budget obligation. The City hereby pledges to budget and set aside each year from the first collection of taxes not limited by law to other purposes, a sum sufficient to pay the principal of and interest on the Bonds coming due prior to the next collection of taxes.

The balance in the Bond Payment Fund shall be depleted annually, following the payment of principal of and interest on the Bonds on November 1 of each year, such that the balance therein shall not exceed the greater of (A) one year’s investment earnings on the Bond Payment Fund; or (B) one-twelfth of annual debt service.

12. Construction Fund. Prior to delivery and sale of the Bonds, there shall be established and maintained on the books of the City kept by the Treasurer a separate account designated the “2000 General Obligation Bond, Construction Fund” (the “Construction Fund”). The Construction Fund shall be maintained at a bank designated by the City. After deducting a sum equal to the amount of any (i) accrued interest from the date of the Bonds to the date of delivery thereof, (ii) premium, if any and (iii) capitalized interest, if any, which sums shall be deposited in the Bond Payment Fund in accordance with Section 11 hereof, the balance of the proceeds of the Bonds shall be deposited into the Construction Fund. The moneys on deposit in the Construction Fund from time to time shall be used solely for the purpose for which the Bonds were issued. Any unexpended balance shall be used for such purposes as allowed by law. After completion of the Project and disposition of remaining bond proceeds, if any, pursuant to the provisions of this Section, the Construction Fund shall be closed.
13. Investment of Funds. Moneys in the separate funds may be invested in obligations of the United States of America, subject to limitations imposed by arbitrage regulations and Section 148 of the Code. Income received from the investment of such funds shall be credited to the related fund, to the extent such credit would not cause the Bonds to be treated as arbitrage bonds within the meaning of the Code.
14. Internal Revenue Code of 1986. The City has consulted with its attorney and understands that the Internal Revenue Code of 1986, as amended, contains certain requirements on (i) the expenditure of proceeds from the sale of the Bonds, (ii) the investment of the proceeds from the issuance of the Bonds and

(iii) the rebate of interest earned on the investment of the proceeds of the Bonds under certain circumstances. The City hereby covenants to comply with such requirements.

15. Qualified Tax-Exempt Obligations. The City does not reasonably anticipate that the amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the City during the calendar year 2000 will exceed Five Million Dollars (\$5,000,000). The City hereby designates the \$895,000 General Obligation Limited Tax Public Improvement Bonds, Series 2000 as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986 (the “Code”), as amended. The Bonds are not private activity bonds as defined in Section 141 of the Code.
16. Sale of Bonds. Upon receipt of an Order of Exception from prior approval or upon receipt of an Order of Approval, unless the Bonds are authorized by law to be sold at private sale, the City Clerk shall cause an Official Notice of Sale, in substantially the form attached hereto as Exhibit B, to be published in a publication printed in the English language and circulated in this state, which carries as a part of its regular service the notice of sale of municipal bonds which has been approved by the Department of Treasury, at least seven (7) full days before the date fixed for the sale of the Bonds. The City Clerk may, but is not required to, also publish the Official Notice of Sale in a newspaper of general circulation in the City. The Bonds shall bear interest at a rate not exceeding seven and one-half percent (7.5%) and sold at a discount of not exceeding one and one-half percent (1.5%).
17. Conflict. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and they are hereby rescinded.

EXHIBIT A

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SHIAWASSEE
CITY OF CORUNNA

General Obligation Limited Tax Public Improvement Bond (Series 2000)

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u> September 1, 2000	<u>CUSIP No.</u>
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Registered Owner:

Principal Amount:

The City of Corunna, County of Shiawassee, State of Michigan, acknowledges itself indebted 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 Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon 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 May 1, 2001, and semiannually thereafter on the first day of May and November of each year.

Principal of this Bond is payable at the principal office of _____ in _____, Michigan, or such other Paying Agent as the City may hereafter designate (the "Paying Agent") by notice mailed to the Registered Owner not less than sixty (60) days prior to the next interest payment date. Interest on this Bond is payable to the Registered Owner of record as of the fifteenth (15th) day of the month preceding the payment date as shown on the registration books of the City maintained by the Transfer Agent, by check or draft mailed to the Registered Owner at the registered address.

This Bond is one of a total authorized issue of bonds of even date and like tenor except as to date of maturity and rate of interest, numbered in order of registration, aggregating the principal sum of \$895,000, issued in accordance with the provisions of Section 6.28 of the Charter of the City, Act 279 of the Public Acts of Michigan of 1909, as amended, and a resolution adopted by the City Council on August 21, 2000, for the purpose of paying part of the cost of certain public improvements in the City.

The City has pledged its limited tax, full faith, credit and resources for the prompt payment of the principal of and interest on the Bonds, in which event the City may levy a tax on all taxable property in the City for the payment of principal and interest on the Bonds, which tax shall be limited as to rate and amount by applicable charter, constitutional and statutory limitations on the taxing power of the City.

Bonds maturing on or after November 1, 2011 are subject to redemption prior to maturity as a whole or in part, at the option of the City, in such order as the City shall determine, on any one or more interest payment dates, on or after November 1, 2010. Bonds called for redemption shall be redeemed at the par value thereof plus accrued interest to the date of redemption, without a premium.

Notice of redemption of Bonds shall be given by first class mail not less than thirty (30) days prior to the date fixed for redemption, to the Registered Owner at the registered address. Bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Paying Agent to redeem said Bonds.

This Bond shall be registered in the name of the Registered Owner on the registration books of the City kept by the Paying Agent. This Bond is exchangeable at the request of the Registered Owner, in person or by his/her attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and at the Owner's sole expense, for other bonds of an equal aggregate amount, upon surrender of the Bond to the Paying Agent. Upon such transfer, a new registered bond or bonds of the same series and

the same maturity will be issued to the transferee in exchange therefor. No transfer will be valid unless made upon the registration books.

The City had designated the Bonds of this series as "qualified tax exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Bond, exist and have been done and performed in regular and due time and form as required by law and that the total indebtedness of the City of Corunna, including this Bond, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Corunna, County of Shiawassee, State of Michigan, by its City Council, has caused this Bond to be signed, by the manual or facsimile signature, as the case may be, of the Mayor and the City Clerk, in the name of the City, all as of September 1, 2000.

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the \$895,000 City of Corunna General Obligation Limited Tax Public Improvement Bonds, Series 2000, and has been registered in the name of the Registered Owner designated on the face thereof in the bond register maintained for the City of Corunna.

Date: _____

By: _____

Authorized Representative
As Paying Agent, Bond Registrar
Transfer Agent

WRONGFUL USE OF CERTIFICATE

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

-OR-

TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) within Bond and all rights thereunder, and hereby constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof by the Transfer Agent, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B
OFFICIAL NOTICE OF SALE
\$895,000
CITY OF CORUNNA
(County of Shiawassee, Michigan)
GENERAL OBLIGATION LIMITED TAX
PUBLIC IMPROVEMENT BONDS (SERIES 2000)

SEALED BIDS for the purchase of the above Bonds will be received by the undersigned at the City Hall located at 402 North Shiawassee Street, Corunna, Michigan 48817, on the 13th day of September, 2000, until 4:00 p.m., Eastern Daylight time, at which time and place said bids will be publicly opened and read.

IN THE ALTERNATIVE sealed bids will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226, where they will simultaneously be opened and read. Bidders may choose either location to present bids and good faith checks as above provided, but not both locations.

AWARD OF BONDS: The Bonds shall be awarded to the successful bidder by the City Council, at a session to be held on September 13, 2000.

BOND DETAILS: The Bonds will be fully registered Bonds of the denomination of \$5,000 each or any whole multiple thereof, provided that no Bond may include principal maturing in more than one year, dated as of September 1, 2000, numbered in order of registration, and will bear interest from their date payable on May 1, 2001, and semiannually thereafter.

The Bonds will mature on the first day of November in each year as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2001	40,000	2006	50,000	2011	70,000
2002	40,000	2007	55,000	2012	75,000
2003	45,000	2008	60,000	2013	75,000
2004	45,000	2009	60,000	2014	80,000
2005	50,000	2010	65,000	2015	85,000

PRIOR REDEMPTION: Bonds maturing in the years 2001 through 2010 shall not be subject to redemption prior to maturity. Bonds maturing on or after November 1, 2011, shall be subject to redemption prior to maturity as a whole or in part, at the option of the City, in such order as the City shall determine, on any one or more interest payment date, on or after November 1, 2010. Bonds called for redemption shall be redeemed at the par value thereof plus accrued interest to the date of redemption, without a premium.

Notice of redemption of Bonds shall be given by first class mail, not less than thirty (30) days prior to the date fixed for redemption, to the Registered Owner at the registered address. Bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Paying Agent to redeem said Bonds.

BOOK ENTRY ELIGIBLE: At the option of the initial purchaser of the Bonds, the Bonds may 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; if this option is selected, 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 integral multiple thereof, and purchasers will not receive certificates representing their interest in Bonds purchased.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding seven and one-half percent (7.5%) per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of one percent (1.0%), 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 on the Bonds shall not exceed three percentage points. No proposal for the purchase of less than all of the Bonds or at a price less than ninety-eight and one-half percent (98.5%) of their par value or at a price which will cause the net interest rate to exceed seven and one-half percent (7.5%) per annum will be considered. The interest rate borne by Bonds maturing after November 1, 2001 must be equal to or greater than the interest rate borne by Bonds maturing in the respective preceding year.

PURPOSE AND SECURITY: The General Obligation Limited Tax Public Improvement Bonds are issued pursuant to Section 6.28 of the City Charter and a resolution duly adopted by the City Council on August 21, 2000, for the purpose of paying the cost of certain public improvements to the water supply system, sanitary sewer system, storm sewer system, and street system in the City.

The Bonds are payable as a first budget obligation from the general fund of the City, and payable from ad valorem taxes subject to applicable charter, statutory and constitutional tax limitations. The City has pledged to budget and set aside each year, from the first collection of taxes not limited by law to other purposes, a sum sufficient to pay the principal of and interest on all the Bonds coming due prior to the next collection of taxes. THE CITY HAS PLEDGED ITS LIMITED TAX, FULL FAITH, CREDIT AND RESOURCES FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON ALL THE BONDS, IN WHICH EVENT THE CITY MAY LEVY A TAX ON ALL TAXABLE PROPERTY IN THE CITY FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS, LIMITED AS TO RATE AND AMOUNT BY APPLICABLE CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE TAXING POWER OF THE CITY.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a Financial Surety Bond, in the amount of Seventeen Thousand Nine Hundred Dollars (\$17,900), and payable to the order of the Treasurer of the City is required for each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the bonds. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such bond must be submitted to the City prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the bonds are awarded to a bidder utilizing a Financial Surety Bond, then the purchaser (the "Purchaser") is required to submit its good faith deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City or its financial advisor) not later than Noon, Eastern Daylight Time, on the next business day following the award. If such good faith deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the good faith deposit requirement. 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, and checks of the unsuccessful bidders will be returned to each bidder's representative or by overnight service. The good faith check of the successful bidder will be cashed and payment of 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 interest cost computed by determining at the rate or rates specified in the bid, the total dollar value of all interest on the Bonds from October 1, 2000, to their maturity and deducting therefrom any premium.

PAYING AGENT AND REGISTRATION: Principal (November 1) and interest shall be payable at _____, Michigan, as Paying Agent (which shall also act as transfer agent and bond registrar) or such other Paying Agent qualified to act in such capacity as the City may hereafter designate by notice in writing given by certified mail to the Registered Owner not less than 60 days prior to the next interest payment date. Interest shall be paid when due by check mailed to the Registered Owner as shown by the registration books of the City as of the 15th day of the month preceding the interest payment

date. The Bonds will be transferable only upon the registration books of the City kept by the Paying Agent. The first interest payment will be May 1, 2001.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of Law, Weathers & Richardson, P.C., attorneys of Grand Rapids, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the Bonds at the delivery thereof. The fees of Law, Weathers & Richardson, P.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 the validity of the Bonds, Law, Weathers & Richardson, P.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.

TAX-EXEMPTION: In the opinion of bond counsel, the interest on the Bonds will be exempt from taxation in the State of Michigan and from Federal income tax, subject, in both cases, to certain exceptions described in the opinion of bond counsel. The Bonds will not be private activity bonds. The City has covenanted to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") regarding (i) expenditure of Bond proceeds, (ii) investment of Bond proceeds and (iii) rebate of interest earned on investment of Bond proceeds.

QUALIFIED TAX EXEMPT OBLIGATION: The City has designated the bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B) of the Code for purposes of deduction of interest by financial institutions.

DELIVERY OF BONDS: The City of Corunna will furnish Bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at such place as may 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 the delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, local time, on the 45th day following the date of sale, or the first business day thereafter if the 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 Treasurer 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.

CERTIFICATION: Upon the delivery of the bonds, the successful bidder will be required to furnish a certificate, in 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.

CUSIP: It is anticipated that CUSIP identification numbers will be printed on said Bonds, but neither the failure to print such numbers on any Bonds or any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said Bonds in accordance with the terms of the bid therefor. All expenses in relation to the printing of CUSIP numbers on said Bonds shall be paid for by the City.

NO OFFICIAL STATEMENT: The City will not prepare an Official Statement in connection with the sale or issuance of the Bonds.

CONTINUING DISCLOSURE: Because the aggregate principal amount of the Bonds is less than \$1,000,000, the City will not undertake to provide continuing disclosure with respect to the Bonds.

FINANCIAL CONSULTANT: Further information with respect to the Bonds may be obtained from First of Michigan, Division of Fahnestock & Co. Inc., Financial Consultant to the City, by contacting the Public Finance Department, 300 River Place, Suite 4000, Detroit, Michigan 48207, Telephone (313) 259-2600.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for City of Corunna General Obligation Limited Tax Public Improvement Bonds."

Roll call vote:

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

No: None.

Motion CARRIED

CALL TO AUDIENCE: Mayor Billis asked how the city police officer was doing. Chief Hetfield advised he picked up the officer from the hospital this morning. Councilperson Ockerman asked if he was hit and punched. Chief Hetfield advised yes, he was punched several times and was in pretty bad shape. Mayor Billis asked if an officer normally waits for backup when there is a call like this. Chief Hetfield advised ordinarily they do, but from the time of the dispatch, there was a patron inside the store who was getting beat up by this person. The person was exiting the store by the time the officer got there and the person blind-sided him. Councilperson Hornus asked if the person was tearing up the store. Chief Hetfield advised yes, but it was after the person beat up the other guy. Once the person left the store, he took on the officer. He further advised fortunately there were three guys that were able to hold the person down.

Councilperson Bayless asked Ms. Hitchcock to explain the letter council received from 315 E. Williams Street about the alley situation behind her house. Ms. Hitchcock recommended to council that they look at the alley. The alley is a grass-covered alley so it is hard to determine where the alley starts and ends. She further stated the complainant did not mention anything about a vehicle when she spoke to her. She also stated Mr. Palmer told her the lumber the complainant addressed in her letter has been picked up and placed next to the garage. Ms. Hitchcock explained the neighbor has taken too long to complete the work on their house and Mr. Palmer has talked to the neighbor about that and they were sent a letter on July 11 and were given ten-days to respond. She further explained the alley has not been used as long as she can remember. The person complaining has her back yard fenced so it is not like she is going to use the alley for travel. She also explained the complainant was concerned that the neighbor was going to put a garden back there and take up her side of the alley. Ms. Hitchcock stated she

received a letter from the complainant last Thursday telling her if the situation was not taken care of within the next week or two she was going to send a letter to the city council. Councilperson Ockerman stated it appears the complainant has taken the first step and asked Ms. Hitchcock if she had sent an informal letter to her. Ms. Hitchcock advised she wrote the complainant a letter informing her where the city was at with the ten-day notice that was issued. Councilperson Ockerman asked Ms. Hitchcock to send an updated letter to the complainant stating the facts as she knows them. Ms. Hitchcock stated she plans to send the complainant a letter this week.

Mayor Billis asked Ms. Hitchcock to explain about the house that burned on State Street. Ms. Hitchcock advised the property owner has been issued a notice to clean up the property. She further advised the city received a check from the property owner's insurance company to cover clean-up costs on Friday. Mr. Palmer contacted the property owner and was informed the property owner has not received any insurance money yet. She also advised she was told by someone who went through the same experience that it is not uncommon for insurance companies to take up to six months. Ms. Hitchcock stated Mr. Palmer spoke with the property owner again last Friday and was told the house would be demolished and he will be following up to make sure the demolition gets done.

ADJOURN: Hornus moved to adjourn.

Roll call vote:

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

No: None.

Motion CARRIED Time was 8:15 p.m.

DR. JAMES BILLIS, MAYOR

YVONNE F. LONG, CITY CLERK