

City of Potterville - Council Agenda

Thursday, July 9th 2020 – 5:30 p.m. – Potterville City Hall, 319 N. Nelson Street

A. Call to Order:

B. Pledge of Allegiance:

C. Roll Call:

D. Approval of Agenda

E. Public Comment on agenda items:

F. New Business:

- a) Resolution No. 20-0709-05 Appointment Deputy City Clerk.
- b) Resolution No. 20-0709-06 Installment Purchase Agreement – Police Cruiser Vehicle.
- c) Resolution No. 20-0709-04 Appointment of Election Inspectors and Establish Receiving Board for the August 2020 Election.

G. Public Comment on non-agenda items:

H. Communication from the Mayor and Council:

I. Next Meeting: Thursday, July 16, 2020 at 7:00 p.m.

J. Excuse absent member(s):

K. Motion to Adjourn:

CITY OF POTTERVILLE

RESOLUTION NO. 20-0709-05

RESOLUTION APPOINTING INTERIM CITY CLERK

At a meeting of the City Council of the City of Potterville ("City"), Eaton County, Michigan, held at the City Hall in said City on the 9th day of July, 2020 at 5:30 p.m.

PRESENT: _____

ABSENT: _____

The following Resolution was offered by _____
_____ and seconded by _____.

WHEREAS, current City Clerk, Stephanie Wilson, is taking a leave of absence; and

WHEREAS, section 3.08 of the City's Charter directs City Council to appoint a City Clerk; and

WHEREAS, the City Council desires to appoint another individual to serve as interim City Clerk while Stephanie Wilson is out on leave.

NOW THEREFORE, the City Council of Potterville, Eaton County, Michigan resolves as follows:

1. Becky Dolman is hereby appointed to serve as interim City Clerk until further action of City Council and he/she shall have all of the responsibilities and duties of the City Clerk position and any additional duties assigned to him/her by the City Council.

2. Any provision of any previous resolution that is inconsistent with this resolution, but only to the extent necessary to give this Resolution full force and effect.

CITY OF POTTERVILLE

RESOLUTION NO. 20-0709-04

RESOLUTION TO ESTABLISH ELECTION INSPECTORS AND RECEIVING BOARD FOR THE CITY OF POTTERVILLE.

At a Special meeting of the City Council for the City of Potterville, Eaton County, Michigan, held at the City Hall in the City of Potterville on the 9th of July, 2020 at 5:30 p.m. to discuss the appointment of Election Inspectors and Receiving Board for the August 4th 2020 Election.

PRESENT: _____

ABESENT: _____

BE IT RESOLVED by the City Council of the City of Potterville, Michigan, that the following Election Inspectors are hereby appointed to work the August 4th 2020 Election;

Election Inspectors: Judy Lenneman, Jeff Bussard, Elizabeth Ross, Donald Ross, Georgia Fry, Tim Maynard, John Davidson, Emma Dolman, Wanda Jordan-Fitzhugh.

BE IT FURTHER RESOLVED by the City Council of the City of Potterville, Michigan, the following Election Inspectors are hereby appointed as a Receiving Board for the August 4th 2020 Election.

Receiving Board: Judy Lenneman, Elizabeth Ross.

The undersigned certifies that this is a true copy of the appointments for the Election Inspectors and Receiving Board for the City of Potterville according and adopting in the forgoing. The above Resolution NO. 20-0709-04.

was offered by Member _____ and Supported by Member _____.

AYES: _____

NAYS: _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED. STATE OF MICHIGAN COUNTY OF EATON.

Clerk's Certificate

I hereby certify the foregoing to be a true and complete copy of a resolution adopted by the City Council of the City of Potterville, County of Eaton, State of Michigan, at a Special Council meeting held on July 9th 2020 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, and that the minutes of said meeting were kept and will be or have been made available as required by said ACT.

_____ City Deputy Clerk

_____ Date

ADOPTED:

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)
) ss.
COUNTY OF EATON)

I, the undersigned, the duly qualified and acting City Clerk of the City of Potterville, Eaton County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the City Council of said City at a meeting held on the 9th day of July, 2020.

27468:00001:4880708-1

City of Potterville

319 N. Nelson St. ♦ PO Box 488 ♦ Potterville, MI 48876 ♦ Phone: (517) 645-7641
Fax: (517) 645-7810 ♦ www.pottervillemi.org

CITY OF POTTERVILLE

RESOLUTION NO. 20-070906

RESOLUTION TO ACCEPT INSTALLMENT PURCHASE AGREEMENT FOR A POLICE CRUISER VEHICLE

City of Potterville, Eaton County, Michigan (the "City")

A Special meeting of the City Council of the City (the "City Council") was held
_____, on the _____ day of July, 2020, at _____
o'clock in the __.m.

The meeting was called to order by _____, Mayor.

Present: Council Members _____

Absent: Council Members _____

The following preamble and resolution were offered by Council Member _____
_____ and supported by Council Member _____:

WHEREAS:

1. Act No. 99, Public Acts of Michigan, 1933, as amended, authorizes the City Council to acquire real or personal property for public purposes through an installment purchase contract; and

2. The City Council intends to purchase one (1) Ford Explorer vehicle and related equipment (the "Property") from Signature Ford, Owosso, Michigan (the "Vendor"), with a purchase price of Forty-One Thousand Two Hundred Ten Dollars (\$41,210), and to enter into an installment purchase agreement (the "Installment Purchase Agreement") to finance the a portion of the cost of the Property; and

3. The outstanding balance of all City purchases of lands, property or equipment for public purposes, to be paid for in installments (i.e., installment purchase agreements, land contracts, leases, etc.), including purchases made pursuant to this Resolution, exclusive of interest, is \$37,089 (Police Cruiser Vehicle) + \$12,021.58 (existing Lawn Mowers) = \$49,110.58; and

4. The taxable value of the real and personal property within the City as of the date hereof is **\$56,278,442**; and

5. This City Council has received an offer from Independent Bank (the “Bank”) to finance the purchase of the Property at an interest rate of three percent (3.0%) per annum.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City has complied with all legal requirements, if any, with respect to competitive bidding related to the acquisition of the Property.

2. The City Council determines that it is in the best interest of the City to accept the Bank’s offer to finance the acquisition of the Property through an Installment Purchase Agreement among the City, the Bank and the Vendor with a total principal amount of not to exceed Thirty-Seven Thousand Eighty-Nine Dollars (\$37,089) at an interest rate of three percent (3.0%) per annum over a period of not to exceed three (3) years. The Mayor, Deputy Mayor, City Manager, City Clerk, or City Treasurer (each an “Authorized Officer”) is authorized to determine, in conjunction with the Bank, the frequency of the principal and interest payments on the Installment Purchase Agreement, as well as the date(s) for the first principal payment and the first interest payment, beginning no later than one (1) year after the date of delivery/funding.

3. An Authorized Officer shall execute an Installment Purchase Agreement in substantially the form attached hereto as Exhibit A on behalf of the City, and the executed Installment Purchase Agreement shall be delivered to the Bank.

4. The Installment Purchase Agreement may be prepaid in whole or in part at any time without penalty, with funds withdrawn from the City’s cash reserves.

5. The City hereby irrevocably pledges to make the principal installments and interest payments on the Installment Purchase Agreement, beginning with the fiscal year 2020-2021 or 2021-2022, as applicable, and during each fiscal year for which an operating budget is adopted, the first operating budget obligation within its authorized millage until such time as the principal installments and interest payments have been paid in full.

6. The City hereby pledges its limited tax full faith and credit for the payment of the principal installments and interest payments on the Installment Purchase Agreement, payable from ad valorem taxes which will be levied within the authorized constitutional, statutory and charter operating millage rate available to the City and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal installments and interest payments on the Installment Purchase Agreement.

The obligation to pay the principal installments and interest payments will be the limited tax general obligation of the City, and if tax collections are insufficient to pay the principal of or interest on the borrowing when due, the City pledges to use any and all other resources available for the payment of principal and interest on the Installment Purchase Agreement.

7. The Mayor, Deputy Mayor, City Manager, City Clerk, or City Treasurer are each further authorized to execute any documents or certificates necessary to complete the transaction. Any of those officers may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.

8. The useful life of the Property is hereby determined to be not less than four (4) years.

9. The City hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the execution of the Installment Purchase Agreement in order that interest thereon be or continue to be excluded from gross income for federal income tax purposes, including the filing of Form 8038-G or 8038-GC with the Internal Revenue Service.

10. The City hereby designates the Installment Purchase Agreement as a “qualified tax-exempt obligation” for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code of 1986, as amended. In making said designation, the City Council determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the City or entities which issue obligations on behalf of the City during calendar year 2019 or 2020, as applicable will not exceed \$10,000,000.

11. The outstanding balance of all of the City’s contractual agreements for the purchase of real or personal property, exclusive of interest, does not exceed 1.25% of the taxable valuation of real and personal property in the City.

12. The advance payment for the Property is hereby approved, and the monies are authorized to be advanced from monies on hand in the General Fund, which monies will be repaid to the General Fund from the proceeds of the Installment Purchase Agreement when received. The City shall reimburse the General Fund not earlier than the date on which the expenses are paid and not later than the later of:

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

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

Ayes: Council Members _____

Nays: Council Members _____

Resolution declared adopted.

Becky Dolman, Deputy Clerk

The undersigned duly qualified and acting City Clerk of the City of Potterville, Eaton County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council at a special meeting held on July ____, 2020 the original of which is part of the City Council’s minutes. The undersigned further certifies that notice of the

meeting was given to the public pursuant to the provisions of the “Open Meetings Act” (Act 267, Public Acts of Michigan, 1976, as amended).

Becky Dolman, Deputy City Clerk

MDG/

EXHIBIT A

INSTALLMENT PURCHASE AGREEMENT

PART I

“OBLIGOR” means CITY OF POTTERVILLE

“VENDOR” means SIGNATURE FORD

“Property” means Ford Explorer vehicle and related equipment.

“Purchase Price” means \$41,210.00

“Contract Amount” and “Principal” mean \$41,210.00

“Maturity Date”, “Principal Installment”, and “Interest Payment” shall have the meanings as described in Attachment A.

“Dated Date” means _____, _____

“Interest Rate” means the interest rates pursuant to Part II of this Installment Purchase Agreement which shall be 3.0%.

The provisions of Part II of this Installment Purchase Agreement are hereby approved and incorporated herein.

PART II

THIS INSTALLMENT PURCHASE AGREEMENT (the “Installment Purchase Agreement”) is dated as of the Dated Date by and between the OBLIGOR, a Michigan municipal corporation, the VENDOR, and INDEPENDENT BANK (the “BANK”), as assignee of VENDOR or registered assigns. All capitalized terms not defined in Part II shall have the meaning set forth in Part I.

1. Purchase Price, Title and Useful Life. The OBLIGOR agrees to purchase and VENDOR agrees to sell and provide the Property to the OBLIGOR for the Purchase Price. The Purchase Price includes all property, equipment, material, labor, tools, freights, service, cabling and installation. The BANK will pay the Contract Amount to the OBLIGOR in federal funds by wire transfer or other agreed upon method and the OBLIGOR will pay the full Purchase Price including the difference, if any, between the Contract Amount and the Purchase Price to the VENDOR immediately upon the receipt of the Contract Amount and the delivery of the Property to and acceptance of the Property by the OBLIGOR. Upon delivery to and acceptance by the OBLIGOR, title to the Property shall vest in the OBLIGOR. The OBLIGOR shall not sell, assign title to, lease, or obtain further financing with respect to the Property except with the permission of the BANK while Principal remains outstanding under this Installment Purchase Agreement. The OBLIGOR agrees that the useful life of the Property is equal to or longer than the date of the final payment hereunder. The BANK may pledge this Installment Purchase Agreement as security for any obligation of the BANK.

2. Repayment Provisions. The OBLIGOR agrees to pay to the BANK the Principal in the Principal Installments on the Maturity Dates and interest payments on the unpaid Principal balance from the Dated Date at the Interest Rate on the Interest Payment Dates. The Interest Rate shall be the rate set forth in Part I. Interest shall accrue on the unpaid balance of the Principal from the date hereof at the Interest Rate computed on the basis of a 360-day year, 30-day month.

The Installment Purchase Agreement may be prepaid in whole or in part at any time without penalty, with funds withdrawn from the OBLIGOR'S cash reserves.

It is expressly agreed between the VENDOR and the OBLIGOR, and the BANK by acceptance of the assignment of this Installment Purchase Agreement, that the OBLIGOR shall make all payments of principal or interest due hereunder directly to the BANK or to a depository as shall be designated in writing by the BANK. The OBLIGOR further agrees that it will deposit with the BANK, or if so directed shall deposit with said depository, all payments of principal or interest due hereunder in immediately available funds at least one business day before the date on which said principal or interest due hereunder is due or in such other manner or such other time as the BANK shall approve.

3. Incorporation by Reference. The VENDOR agrees to all of the instructions, terms and conditions as outlined in the OBLIGOR'S invitation for bids and the acceptance of the VENDOR'S bid by the OBLIGOR or any other agreement between the OBLIGOR and the VENDOR to purchase the Property (the "Purchase Agreement"). In the event of a conflict in terms between this document and the Purchase Agreement the specific terms of this Installment Purchase Agreement shall govern.

4. Assignment by VENDOR to BANK. The VENDOR hereby irrevocably assigns this Installment Purchase Agreement immediately to the BANK in consideration for payment from the BANK of the Contract Amount. The OBLIGOR hereby consents to that assignment, except with respect to the warranties and other obligations of the VENDOR set forth in Paragraphs 3, 6 and 8 of this Installment Purchase Agreement, all of which shall remain the sole responsibility of the VENDOR and shall not be assignable and the VENDOR hereby acknowledges that all of said warranties and other obligations shall not be assigned and remain the sole responsibility of the VENDOR. The OBLIGOR'S obligation to the BANK is absolute and unconditional and shall remain in full force and effect until the amounts owed hereunder shall have been paid by the OBLIGOR to the BANK and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

a. Any failure of title with respect to the VENDOR'S interest in the Property or the invalidity, enforceability or termination of this Installment Purchase Agreement;

b. The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Installment Purchase Agreement;

c. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the VENDOR

or any of its assets or any allocation or contest of the validity of this Installment Purchase Agreement, or the disaffirmance of this Installment Purchase Agreement in any such proceedings;

d. To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the VENDOR from the performance or observation of any obligation, covenant or agreement contained in this Installment Purchase Agreement;

e. The default or failure of the VENDOR fully to perform any of its obligations set forth in this Installment Purchase Agreement or any other agreement; or

f. Any casualty or destruction of the Property.

After payment of the Contract Amount, the BANK shall have no liability for payment of monies to the VENDOR or for the performance of any obligations to the VENDOR. The VENDOR represents and warrants that the assignment of this Installment Purchase Agreement to the BANK does not violate any agreement, contract, or loan agreement to which it is a party and that the Installment Purchase Agreement has been duly executed and delivered by the VENDOR.

5. Limited Tax General Obligation. The obligation of the OBLIGOR to pay Principal Installments and interest payments is a limited tax general obligation subject to applicable constitutional, statutory and charter limitations, if any, on the taxing power of the OBLIGOR. The OBLIGOR shall include in its budget and pay each year, until this Installment Purchase Agreement is paid in full, such sum or sums as may be necessary each year to make payments of the Principal Installments and interest when due.

6. Delivery Date. It is agreed that the VENDOR has delivered or will deliver the Property. If the Property is not delivered simultaneously with the execution of this Installment Purchase Agreement, the VENDOR agrees to deliver the Property as provided in the Purchase Agreement.

7. Tax Covenant. The OBLIGOR covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to delivery of this Installment Purchase Agreement in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The OBLIGOR has designated this Installment Purchase Agreement as a “qualified tax-exempt obligation” within the meaning of the Internal Revenue Code of 1986, as amended.

8. Warranty. Warranties, if any, with respect to the Property shall not be assigned but shall remain enforceable by the OBLIGOR.

9. Entire Agreement. Except for closing documents delivered in connection with the Installment Purchase Agreement to the BANK, this Installment Purchase Agreement (including the provisions of the Purchase Agreement incorporated by reference in Paragraph 3 above) constitutes the entire agreement of the parties. All other prior or contemporaneous agreements, understandings, representations and statements, oral or written, are hereby terminated.

10. Amendments. Any attempt to modify the term of this Installment Purchase Agreement or of any supporting document shall be ineffectual unless approved in writing by the BANK.

11. Counterparts. This Installment Purchase Agreement may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement.

VENDOR:

SIGNATURE FORD

By: _____

Its: _____

Approved:

BANK:

INDEPENDENT BANK

By: _____

Its: _____

OBLIGOR:

CITY OF POTTERVILLE
COUNTY OF EATON
STATE OF MICHIGAN

By: _____

Its: _____



ATTACHMENT A

MATURITY SCHEDULE

MATURITY DATE	PRINCIPAL INSTALLMENT	INTEREST PAYMENT	TOTAL
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TOTAL