

**MINUTES OF THE EAST JORDAN CITY COMMISSION SPECIAL MEETING HELD  
MONDAY, SEPTEMBER 11, 2006 AT 7:03 P.M. IN CITY HALL**

Present: Mayor Postma  
Commissioners Klooster, Vollbach, Bennett, McNitt, Symonds and  
Timmons

Absent: None

Mayor Postma called the meeting to order at 7:03 p.m. and led the pledge of allegiance.

ITEM #3 Inquiry of Conflicts of Interest

No conflicts of interest were voiced.

**CONSENT AGENDA**

Motion offered by Symonds, second by Vollbach, to approve the minutes of the Regular City Commission meeting dated August 15, 2006, as submitted.

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

Motion offered by Symonds, second by Vollbach, to acknowledge receipt of the Paid Bill List dated August 30, 2006, totaling \$212,477.89.

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

Motion offered by Symonds, second by Vollbach, to acknowledge receipt of minutes from the following Boards and Commissions:

- A. ZBA Public Hearing, July 24, 2006
- B. ZBA, July 24, 2006

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

Motion offered by Symonds, second by Vollbach, to acknowledge receipt of the Police Department Monthly Report, July 2006.

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

**REGULAR AGENDA**

ITEM #8 Fire Department Policy #104, Filling of Swimming Pools

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Fire Chief Thorman requested that this item be addressed at the September 19 meeting.

ITEM #9 Resolution #111/2006, Resolution Authorizing Installment Purchase Agreement for DPW Truck

RESOLUTION #111/2006  
RESOLUTION AUTHORIZING INSTALLMENT PURCHASE AGREEMENT  
FOR DPW TRUCK

CITY OF EAST JORDAN  
COUNTY OF CHARLEVOIX, STATE OF MICHIGAN

Minutes of a special meeting of the City Commission of the City of East Jordan, County of Charlevoix, State of Michigan, held in said City on the 11th day of September, 2006, at 7:00 o'clock p.m., Eastern Daylight Time.

PRESENT: Mayor Postma and Commissioners Klooster, Vollbach, Bennett, McNitt and Symonds

ABSENT: Commissioner Timmons

The following preamble and resolution were offered by Commissioner Symonds and supported by Commissioner Vollbach.

WHEREAS, an Installment Purchase Agreement (the "Agreement") between the City of East Jordan (the "City"), Zaremba Equipment, Inc., Traverse City, Michigan, and Truck and Trailer Specialties of Boyne Falls, Inc., Boyne Falls, Michigan (each a "Vendor," and together the "Vendors"), and Charlevoix State Bank of East Jordan, Michigan (the "Assignee"), for the purchase and delivery of certain equipment as more fully described in the Agreement (collectively, the "Equipment") has been prepared; and

WHEREAS, the City shall purchase the Equipment for a total aggregate purchase price of \$121,948.77 (the "Purchase Price") through execution of the Agreement; and

WHEREAS, the outstanding balance of all purchases by the City under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal property in the City at the date of such contract or agreement; and

WHEREAS, purchase of the Equipment pursuant to the Agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

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WHEREAS, pursuant to the Agreement, the Purchase Price will be paid by the City in five (5) annual installment payments of principal and interest due August 3rd of each year, commencing August 3, 2007, through August 3, 2011, inclusive, with interest payable at a rate equal to 4.40% per annum; and

WHEREAS, the Agreement is to be assigned to the Assignee; and

WHEREAS, it is necessary to approve the Agreement and authorize the Mayor and City Clerk to execute the Agreement and authorize City officials to execute certain other documentation relative thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Agreement is hereby approved substantially in the form attached hereto at Exhibit A. The City shall incur the debt described in the Agreement through execution of the Agreement by the officers authorized below which debt shall consist of the Purchase Price of \$121,948.77 which shall be payable in five (5) annual installment payments of principal and interest due August 3rd of each year with the first payment of principal and interest due August 3, 2007, through and including August 3, 2011, at a rate of interest equal to 4.40% per annum.
2. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement and deliver it to Vendors, substantially in the form attached hereto with such additions, changes and modifications as shall be approved by the City's Bond Counsel.
3. The useful life of the Equipment is hereby determined to be not less than five (5) years.
4. The Mayor, City Clerk and City Treasurer are each hereby directed and authorized to execute such additional documentation and open such accounts as shall be necessary to effectuate the closing of the Agreement and the assignment thereof.
5. The assignment of the Agreement by Vendors to the Assignee is hereby approved.
6. The City hereby agrees to include in its budget for each year commencing with the current fiscal year, a sum which will be sufficient to pay the principal of and interest on the Agreement coming due before the next fiscal year. In addition, the City hereby pledges to levy ad valorem taxes on all taxable property in the City each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations.

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7. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exemption of the interest on the obligations under the Agreement from general federal income taxation (as opposed to alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of proceeds of the Agreement and moneys deemed to be proceeds.
8. The City hereby declares that its obligations under the Agreement shall be designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.
9. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Mayor Postma and Commissioners Symonds, McNitt, Bennett, Vollbach and Klooster

ABSTAIN: None

NAYS: None

RESOLUTION DECLARED ADOPTED.

ITEM #10 Administrative Policy #147, Driver's License

Motion offered by Symonds, second by Bennett, to adopt Administrative Policy #147, Driver's License.

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

ITEM #11 Charlevoix County Equalization request

Motion offered by Symonds, second by McNitt, to authorize the Charlevoix County Equalization Department to dispose of the personal property statements for the City of East Jordan from 2000 through 2002.

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

ITEM #12 East Jordan Lioness Club, Civic Center use request

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Motion offered by McNitt, second by Symonds, to approve the East Jordan Lioness Club's request to use the Civic Center for the Lioness Santa Night and to waive the rental fee.

MOTION CARRIED ALL AYES  
BY ROLL CALL VOTE

ITEM # 13 DDA Update

Administrator White informed the Commission that the DDA had approved hiring Payne and Dolan to complete the M66 bike path. He noted that the traffic signal on the bridge would be placed into service at 8:00 a.m. on Monday September 18 through the end of the project. He also noted that the DDA has formed a committee to review ideas for Christmas lights in the downtown trees.

ITEM #14 Administrator's Report

ADMINISTRATOR'S REPORT  
SEPTEMBER 5, 2006

1. The M32 project is on schedule the water main is in, tested and existing services are being moved over to the new line. New sanitary sewer has also been completed and should be completed by the time of the September 5 Commission meeting. Storm sewer, the major part of the reconstruction has begun this part of the project is the largest and will take the most time. Complaints about the project have been minimal and everyone seems settled into the detour. The next major challenge will be when the stoplights are activated which has not been determined when that will be.
2. This year the City has received many positive comments regarding the Tourist Park. I have been informed by Parks Director Cannon that Chuck Schwartz the park on site manager has agreed to return for the 2007 season. I wish to commend Parks Director Cannon, Mr. Schwartz and the Tourist Park staff for the great season and the positive comments from Happy Campers.
3. The Division and State Street projects are slated to begin in mid-September. A preconstruction meeting is being scheduled by MDOT at which time a detailed work schedule will be presented. Once this schedule is received I will make it available to the City Commission.
4. As I have reported at prior meetings City staff is still working with Red Development on the proposed housing development on M66 south. I presented the Commission offer to them and was informed after they reviewed it that to be competitive they would need additional help. I contacted USDA and the State but both organizations do not fund speculative projects. The developer has informed that without additional help for all

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infrastructure construction (roads, sidewalks, water and sewer) they can not meet the housing price they feel will sell in East Jordan. We are still in discussion, their option on the property runs out the end of September. I would welcome any thoughts Commissioners may have.

5. Attached is a request from the East Jordan Family Health Center representing the East Jordan Family Pharmacy requesting parking restrictions for the Main Street Center parking lot and the first two blocks of Main Street. I informed Mr. McKinnon I would present it at the September 5 Commission meeting and he did not need to attend, at this time.

Administrator White stated that the preconstruction meeting for the Division and State Street project will be held on Tuesday, September 12, 2006 at 1:00 p.m. at City Hall.

White also stated that Dan McKinnon asked to be present for the discussion regarding the parking restrictions. This item will be placed on the September 19 agenda.

White reviewed item #4 regarding Red Management.

Enter Commissioner Timmons

Consensus of the Commission was the City is unable to offer additional assistance other than proposed and to have Mayor Postma contact Red Management to reaffirm the City's offer.

ITEM #15 Mayor's Report

No items to report.

ITEM #16 Attorney's Report

Attorney Beatty informed the Commission that he and Treasurer Moreau attended a pre-trial conference with the Tax Tribunal Judge and the City will be entering into a stipulated judgment.

ITEM #17 Commissioners

Commissioner McNitt questioned whether there were any sidewalk projects budgeted.

Administrator White stated there are no sidewalk projects in the 2006/2007 budget.

McNitt also stated that he has received complaints regarding the up keep and weeds at Community Park.

Commissioner Bennett felt the City should offer reduced camping rates again this fall season.

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White informed the Commission that spring and fall rates were approved in the 2006/2007 budget. He noted that the City would work with the Chamber to advertise the reduced rates.

Commissioner Vollbach asked if the City had received plans for the building at 104 Esterly Street. He questioned whether a deli was being planned at 101 Water Street and he complimented the improvements to the home and property at 307 Williams Street.

White stated that the City has not received any plans for 104 Esterly and that the Planning and ZBA had approved the site plan for expansion at 101 Water Street and that the addition would include a deli. He asked the Commission to consider a form of recognition for citizens who work to improve the appearance of their property.

Commissioner Klooster questioned the placement of furniture between the Lumberjack Grill and Jan's Corner Cafe'.

ITEM #18 Speaker Requests

Speaker Request #1- Rhonda Zmikly, 1112 Water Street, asked the Commission to consider refunding the \$50 on/off amount she was charged as her water service was not disconnected prior to her payment and due to the excessive running of water from the discolored water at her residence. She did not feel the wording on the shut-off notice was worded clearly.

Consensus of the Commission was to deny the request for a refund.

Mayor Postma adjourned the meeting at 7:46 p.m.

Respectfully,

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Mark Postma  
Mayor

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Lori M. Campbell, CMC  
City Clerk