

**MINUTES OF THE EAST JORDAN CITY COMMISSION REGULAR MEETING HELD
TUESDAY, OCTOBER 3, 2006 AT 7:30 P.M. IN CITY HALL**

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

Absent: Commissioners Symonds and Timmons

Mayor Postma called the meeting to order at 7:30 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 McNitt, second by Klooster, to approve the minutes of the Regular Commission meeting dated September 19, 2006, as submitted.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by McNitt, second by Klooster, to approve the minutes of the Special Commission meeting dated September 25, 2006, as submitted.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by McNitt, second by Klooster, to acknowledge receipt of the Paid Bill List dated September 28, 2006, totaling \$161,138.99.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by McNitt, second by Klooster, to acknowledge receipt of DDA minutes dated September 11, 2006.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

REGULAR AGENDA

ITEM #8 Terry Graham, East Jordan Municipal Airport

Terry Graham presented the Commission with information from AOPA Airport Support Program. He reviewed the booklets with the Commission and left the materials for city staff to review further.

ITEM #9 Fire Department Policy #104, Filling of Swimming Pools

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Administrator White informed the Commission that the Fire Department is not interested in filling swimming pools any longer.

Assistant Fire Chief Hall stated that filling pools is very time consuming and the citizens have become very demanding and are not donating to the Fire Association for the services.

Commission asked that city staff present a policy that states the City fire department will no longer fill swimming pools.

ITEM #10 Resolution #114/2006, Resolution Declaring Intent to Issue Capital
Improvement Bonds and Authorize Reimbursement

CITY OF EAST JORDAN
County of Charlevoix, Michigan

RESOLUTION #114/2006
RESOLUTION DECLARING INTENT TO ISSUE
CAPITAL IMPROVEMENT BONDS AND
AUTHORIZE REIMBURSEMENT

Minutes of a regular meeting of the City Commission of the City of East Jordan, County of Charlevoix, Michigan, held in the Commission Chambers in the City Hall on the 3rd day of October, 2006, at 7:30 o'clock p.m., Eastern Daylight Time.

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

ABSENT: Commissioners Timmons and Symonds

The following preamble and resolution were offered by Commissioner McNitt and supported by Commissioner Vollbach:

WHEREAS, the City Commission of the City of East Jordan, County of Charlevoix, Michigan ("the City") intends to authorize the issuance and sale of one or more series of bonds to pay all or part of the cost of certain street improvements and related appurtenances (the "Improvements"); and

WHEREAS, the total amount of bonds to be so issued to finance the acquisition and construction of the Improvements shall not exceed One Hundred Seventy-Five Thousand Dollars (\$175,000); and

WHEREAS, a notice of intent to issue bonds must be published before the

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issuance of the aforesaid bonds in order to comply with the requirements of Section 517 of Act 34, Public Acts of Michigan, 2001, as amended; and

WHEREAS, the Commission desires to make certain declarations for the purpose of complying with the reimbursement rules of Treas. Reg. §1.150-2 pursuant to the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in *The Citizen Journal*, a newspaper of general circulation in the City.

2. Said notice of intent shall be published once as a **one-quarter page display advertisement** in substantially the form attached hereto as Appendix A.

3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the taxpayers and electors of the City's intent to issue the bonds, the purpose of the bonds, the security for the bonds, and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse the City for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring, constructing and installing the Improvements which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Improvements, including issuance costs, is \$175,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Improvements is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Improvements to

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reimburse the City for a capital expenditure made pursuant to this resolution.

- (e) The expenditures described in (b) above are “capital expenditures” as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

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

AYES: Klooster, Vollbach, Bennett, McNitt and Postma

NAYS: None

RESOLUTION DECLARED ADOPTED.

ITEM #11 DDA Update

Mayor Postma informed the Commission that the DDA has hired a local person to decorate the trees on Main Street with Christmas lights. He noted that they will also be purchasing new lights.

ITEM #12 Administrator’s Report

ADMINISTRATOR’S REPORT
OCTOBER 3, 2006

- 1. The DEQ and US Corp of Engineers have tentatively approved a dredge permit with the following changes from our request. The dredge depth was shortened to an overall depth of six feet from the 10 requested. Second we will be allowed to use either hydraulic or mechanical dredging methods but will not be allowed to pipe it to the original site. The City will be allowed to use the original site on M32 for the final disposal spot, but first the dredged

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material must be pumped to the old boat launch by the Tourist Park to dry. After the material is dried it can be trucked to the disposal site on M32. City Staff would like continued discussion with both the DEQ and Army Corp to get a dredge depth deeper than six feet so as to lengthen the time between dredging. Further discussion is also needed regarding the disposal method for the sand taken out. We are close to having a dredge permit but more discussion must take place regarding the issues I have outlined. As this continues to move I will continue to keep the Commission up to date.

2. Capital Consultants informed me that during the design and bidding phase of the Division/State Street project additional engineering was required by the State. They did the engineering so that the project was not delayed and could be constructed this year. The additional engineering cost is \$2,695 and they are requesting that the City Commission approve the payment for the additional engineering. The work was required and the project has stayed on schedule. I would recommend payment of this request. As always I would be happy to address any questions the Commission may have.
3. The solid waste contract will be up the end of October. A request for bids has been placed in the local paper, as well as the request mailed to the various waste haulers in our area. Bids are set to be opened on October 12, 2006. After the opening the staff will review and make a recommendation to the City Commission. Should the Commission have any questions on the City's solid waste contract please let me know.

Administrator White informed the Commission that the DEQ has issued a tentative permit allowing for a dredge depth of 6 inches. The City has 30 days to respond and will be requesting an 8 inch dredge depth.

Motion offered by Bennett, second by Klooster, to authorize payment of additional engineering in the amount of \$2,695 to Capital Consultants for the Division and State Street project.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

White informed the Commission that the Division/State Street project could be financed without the need to bond. He recommended the Commission authorize a budget amendment to allow payment without bonding.

Motion offered by Vollbach, second by Bennett, to authorize a budget amendment to allow for payment of the Division/State Street project without the need to bond for the cost.

MOTION CARRIED ALL AYES
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White informed the Commission that the vandalism in the public restrooms has continued and the restrooms are now closed for the season.

ITEM #13 Mayor's Report

Mayor Postma informed the Commission that other area municipalities contribute \$3,500 annually to the Northern Lakes Economic Alliance and East Jordan has only contributed \$2,000. He felt the City received equal services and assistance from NLEA and asked that the Commission consider increasing the City's contribution.

Motion offered by McNitt, second by Bennett, to authorize a budget amendment to increase the contribution by \$1,500 to the Northern Lakes Economic Alliance to a total of \$3,500.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #14 Attorney's Report

No items to report.

ITEM #15 Commissioners

Commissioner McNitt asked that the Commission receive a revenue report for the 2006 season from the Municipal Harbor and Tourist Park.

Administrator White stated he would have a report available as soon as the final numbers are received.

Commissioner Bennett felt the growth on the shoreline at Elm Pointe should be removed.

Bennett also introduced Flat Katelyn to the Commission. He noted that he is participating in a school project with a student from Napoleon, Michigan.

Commissioner Vollbach felt the DDA minutes were vague.

Commissioner Klooster questioned the motel project progress.

White stated they are still working on the project.

ITEM #16 Speaker Requests

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Larry MacEachern presented the Commission with a Corn Stove Project. He reviewed the ability of East Jordan to back such a project which would benefit local farmers and businesses. He asked the Commission to consider supporting a corn stove project.

Mayor Postma adjourned the meeting at 8:34 p.m.

Respectfully,

Mark Postma
Mayor

Lori M. Campbell, CMC
City Clerk