

**CITY OF MENOMINEE, MICHIGAN
SPECIAL COUNCIL PROCEEDINGS
JULY 27, 2009**

A special meeting of the Menominee City Council, City of Menominee, County of Menominee, State of Michigan, was held Monday, July 27, 2009 at 6:15 p.m. in the Municipal Complex Council Chambers.

The Honorable George W. Krah called the meeting to order and led the pledge of allegiance to the flag.

PRESENT: Councilmembers Hudon, Organ, Pintarelli, Schloegel, Sorensen, and Williams;
Mayor Krah

ABSENT: Councilmembers Fernstrum and Mick (both excused)

PRESENT: 7

ABSENT: 2

A motion was made by Councilmember Hudon and seconded by Councilmember Williams to excuse Councilmembers Fernstrum and Mick from the meeting. This motion was carried unanimously.

Mayor Krah opened the special meeting that he called for the purpose of considering the following agenda:

- 1) Pledge of allegiance to the flag.
- 2) Public comment on agenda items only.
- 3) Resolution to approve Installment Purchase Agreement (energy improvements to municipal facilities through Honeywell).
- 4) City Manager position.
- 5) Adjourn.

PUBLIC COMMENT:

Mayor Krah opened the public comment session.

Darrell Eland, 3215-18th Street, said he attended the city manager interviews and feels that Paul Beecher and Richard Goode were the best.

A motion was made by Councilmember Williams and seconded by Councilmember Hudon to close the public comment session. This motion was carried unanimously.

The following resolution was presented next:

**City of Menominee
County of Menominee, State of Michigan
RESOLUTION APPROVING ENERGY SERVICES AGREEMENT AND
INSTALLMENT PURCHASE FINANCING**

Minutes of a special meeting of the City Council of the City of Menominee, County of Menominee, State of Michigan, held in said City on the ____ day of July, 2009, at _____ p.m., prevailing Central Time.

PRESENT: Members:

ABSENT: Members:

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS, the City of Menominee (the "City") determines it to be necessary to acquire new equipment from Energy Services Group, LLC, a wholly owned subsidiary of Honeywell International Inc. (the "Vendor") to be installed in various buildings in the City, all as described in the Vendor Agreement (defined herein) (collectively, the "Equipment"); and

WHEREAS, the Vendor has proposed to sell to the City and install the Equipment pursuant to a certain Energy Services Agreement between the City and the Vendor (the "Vendor Agreement"); and

WHEREAS, under the provisions of Act 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the City is authorized to enter into contracts or agreements for the purchase of the Equipment to be paid for in installments over a period of not to exceed the useful life of the Equipment acquired as determined by resolution of the City; 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 an installment purchase 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

WHEREAS, Old National Bank (the "Bank") has offered to provide financing to the City pursuant to a Master State and Municipal Lease/Purchase Agreement and Schedule No. 1 thereto (collectively, the "Agreement"), which constitute an installment purchase agreement which the City would execute pursuant to the authority granted to the City by Act 99.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Agreement substantially in the form as attached hereto at Exhibit A is hereby approved and the City Manager is hereby authorized and directed to execute, by manual signature, same and to deliver it to the Bank and the Vendor. The City shall incur the debt described in the preamble hereof through execution of the Agreement by the officer authorized herein which debt shall consist of the Financed Purchase Price of \$806,304.00, which shall be payable in sixty (60) quarterly installments (the first of which will consist of interest only, the remaining 59 consisting principal and interest) with interest thereon to be paid at a rate of 5.25%.
2. The Vendor Agreement, substantially in the form attached hereto at Exhibit B is hereby approved and the City Manager is hereby authorized and directed to execute, by manual signature, same and to deliver it to the Vendor.

3. The useful life of the Equipment is hereby determined to be not less than 15 years. The acquisition of the Equipment and the approval of the Agreement and the Vendor Agreement are hereby found to be for a valid public purpose.
4. The City hereby agrees to include in its budget for each year a sum which will be sufficient to pay the principal of and the interest coming due under the Agreement before each following fiscal year. In addition, the City agrees to levy sufficient taxes to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations.
5. The City covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the Agreement from adjusted gross income for general federal income tax purposes under Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.
6. The City reasonably expects that it will not issue more than \$30,000,000 in tax exempt obligations in calendar year 2009. The City hereby designates its obligations under the Agreement as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Code.
7. The City Manager, City Clerk, and other officials and agents of the City, are each severally authorized to do all acts and things and, upon the advice of counsel, to execute any documents or certificates as may be necessary or desirable to effectuate the transactions described therein.
8. All resolutions and parts of resolution insofar as they conflict with this resolution are hereby rescinded.

AYES:

NAYS:

ABSTAIN:

RESOLUTION DECLARED ADOPTED.

A motion was made by Councilmember Williams and seconded by Councilmember Sorensen to adopt the foregoing resolution.

AYES: Hudon, Organ, Pintarelli, Schloegel, Sorensen, and Williams

NAYS: Krah

This motion was carried.

CITY MANAGER POSITION:

A motion was made by Councilmember Hudon and seconded by Councilmember Organ to appoint Paul Beecher as City Manager.

AYES: Organ and Hudon
NAYS: Krah, Schloegel, Sorensen, and Williams
ABSTAIN: Pintarelli

This motion failed to carry.

A motion was made by Councilmember Schloegel and seconded by Councilmember Hudon to invite Paul Beecher and Richard Goode to return for a second interview within two weeks. This motion was carried unanimously.

A motion was made by Councilmember Hudon and seconded by Councilmember Organ that Eric Strahl's last day of employment with the City be July 31, 2009.

AYES: Organ and Hudon
NAYS: Pintarelli, Schloegel, Sorensen, Williams, and Krah

This motion failed to carry.

A motion was made by Councilmember Schloegel and seconded by Councilmember Williams to extend Mr. Strahl's employment with the City to August 14, 2009.

AYES: Pintarelli, Schloegel, Sorensen, Williams, Hudon, Krah, and Organ
NAYS: None

This motion was carried unanimously.

A motion was made by Councilmember Organ and seconded by Councilmember William to recess for ten minutes. This motion was carried unanimously.

A motion was made by Councilmember Organ and seconded by Councilmember Hudon to reconvene the meeting. This motion was carried unanimously.

Mr. Jamo reported that Mr. Goode will be returning for a second interview and that Mr. Beecher was unavailable to speak with until the following day.

ADJOURN:

A motion was made by Councilmember Organ and seconded by Councilmember Williams to adjourn the meeting. This motion was carried unanimously.


Thomas F. DeNike, City Clerk/Treasurer