BAY CITY
CITY COMMISSION

Regular Meeting
Official Proceedings

Bay City, Michigan
January 28, 2008

The Commission met at 7:31 PM at City Hall, Commission Chambers, 301 Washington Avenue, and was called to order by Mayor Charles M. Brunner.

Invocation was given by the City Clerk.

The Commission and others present offered the Pledge of Allegiance.

Commissioners Present: Chris Shannon, Kevin Novellino, Wendy Legner, Lori Bollman, MJ Gorney, John Davidson, Kellie Snyder, 7.
Commissioner Snyder moved to excuse Commissioner Marie Kurzer and Commissioner Kathleen Newsham. There was no objection.
Absent: None.

On motion, minutes of the December 17, 2007, and January 7, 2008, meetings reported correct by the City Clerk were approved without reading.

Commissioner Davidson moved to allow public input on the consent agenda. There was no objection. No one came forward.

PRESENTATIONS

Mayor Brunner presented a plaque to the Robert J. Katt family for his past service to the City.

Bay Regional Medical Foundation presented the City with a donation of 7 Automatic External Defibrillators.

A Certificate of Achievement from Government Finance Officers Association was presented to the City by Tom Skrobola.

PUBLIC HEARING

Commissioner Legner moved to allow citizens to address the Commission regarding the ordinance amendment to the Code of Ordinances, Chapter 102, Traffic and Vehicles, Article I, Sections 102-1 through 102-5, regarding the Michigan Motor Vehicle Code, or any item remaining on the agenda or any other matter. There was no objection. No one came forward.

SPECIAL ORDER

The following Ordinance was presented at the January 7, 2008, meeting and is herewith presented for second reading and posible adoption.

Purpose: This Ordinance amends Chapter 102, Traffic and Vehicles, regarding adoption of the Michigan Motor Vehicle Code.

Of Commission as a Whole:

Ordinance No.: 2008-1

Be It Ordained by the City of Bay City that the Code of Ordinances of the City of Bay City, Chapter 102, Traffic and Vehicles, Article I, Sections 102-1 through 102-5, be amended to read as follows:

ARTICLE I MOTOR VEHICLE CODE

Sec. 102-1. Title.

This article shall be known as the "Bay City Vehicle Code," and may be cited as such and will be referred to herein as "this code."

Sec. 102-2. Michigan Vehicle Code adopted by reference.

Pursuant to MCL 117.3, as amended, and Section 3.5.1 of the Charter of Bay City, the Michigan Vehicle Code, being 1949 P.A. 300, MCL 257.1 to 257.923, inclusive, and as amended from time to time, is hereby readopted by reference as if set forth herein word for word and paragraph for paragraph, unless otherwise modified within this ordinance. References to the code adopted shall be identified on citations by using the letters BC as a pre-fix to the section violated. The City of Bay City does not have authority to enforce any provision adopted by reference herein for which the maximum period of imprisonment is greater than 93 days.

Sec. 102-3. References to governmental unit.

References in the Michigan Vehicle Code referring to "governmental unit" shall mean the City of Bay City.

Sec. 102-4. Notice to be published.

The Bay City clerk shall publish this ordinance in the manner required by law and shall at the same time publish a supplementary notice setting forth the purpose of the Michigan Vehicle Code and of the fact that a complete copy of the code is available at the office of the clerk for inspection by the public.

Sec. 102-5. Conflicting ordinances repealed.

All ordinances inconsistent with the provisions of the Michigan Vehicle Code are, to the extent of such inconsistency, hereby repealed. Nothing contained in this ordinance shall affect any offense committed or penalty incurred prior to the effective date of this ordinance.

Commissioner Legner moved to allow public input. There was no objection. No one came forward.

Commissioner Davidson moved adoption of Ordinance No. 2008-1.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner Bollman, Gorney, Davidson, Snyder, 7.

No, None.

PETITIONS

Of the YWCA of Bay County: Requesting permission to hold their annual Riverside Art Festival on June 13, 2008, for setup, and June 14, 2008, from 10 AM – 6 PM, and June 15, 2008, from 11 AM – 4 PM, using Wenonah Park and a portion of N. Water Street from Fourth to Sixth Streets.

It is further recommended that the Mayor and Clerk be authorized and directed to execute a Special Events Permit on behalf of the City.

Commissioner Gorney moved approval of request.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.

No, None.

Of Nathan Weidner Foundation: Requesting permission to hold their annual Nathan Weidner Foundation Chicken BBQ fundraiser on August 10, 2008, from 11 AM – 6 PM, with set up on August 9, 2008, starting at 8 AM, using the Veterans Memorial Park Pavilion, shelter and surrounding area.

It is further recommended that the Mayor and Clerk be authorized and directed to execute a Special Events Permit on behalf of the City.

Commissioner Gorney moved approval of request.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.

No, None.

Of Michigan Liquor Control Commission: Requesting action on request from Briteside Visions, Inc., to transfer ownership of a 2007 Class C licensed business with dance permit, located at 701 S. Madison Avenue from Charles Robert Beaudoen.

Commissioner Gorney moved approval of request.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.

No, None.

ACCOUNTS, CLAIMS, INVESTMENTS & WIRE TRANSFERS

Of City Manager:

Accounts and claims in the amount of $958,491.03 and investments and wire transfers in the amount of $95,974.43, less adjustments in the amount of $0 (1/14/08), accounts and claims in the amount of $159,660.73 and investments and wire transfers in the amount of $299,448.05 less adjustments in the amount of $0 (1/18/08), and accounts and claims in the amount of $1,061,083.54 and investments and wire transfers in the amount of $941,877.90 less adjustments in the amount of $0 (1/28/08), have been examined, found correct, and are hereby referred to you for your approval.

Commissioner Gorney moved adoption of recommendation.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.

No, None.

PAYROLL

Of City Manager:
Reporting payroll for two weeks in the amount of $951,280.53 (1/16/08) and recommending payment of same.
Commissioner Gorney moved adoption of recommendation.
Adopted by the following vote:
Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.
No, None.

REPORTS OF OFFICERS

Of City Manager:
It is recommended that the following purchases be approved: Junctions and insulating caps from Resco, Madison, WI, in the amount of $5,229, and splice cabinets and bases from HD Supply Utilities, Ltd., Matton, IL, for the Electric Department in the amount of $6198.14, and Change Order No. 1 for additional I-Series peripheral equipment maintenance from Service Express, Inc., Grand Rapids, MI, in the amount of $258 per month for 36 months for Information Systems.
Commissioner Gorney moved adoption of recommendation.
Adopted by the following vote:
Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.
No, None.

Of City Manager:
It is recommended that the collective bargaining agreement with the Utility Workers Union of America, Local #482, for the period of July 1, 2006, through June 30, 2009, be approved.
It is further recommended that the Mayor and Clerk be authorized and directed to execute on behalf of the City.
Commissioner Gorney moved adoption of recommendation.
Adopted by the following vote:
Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.
No, None.

Of City Manager:
It is recommended that the Acceptance and Agreement for Automatic External Defibrillator donation from Bay Medical Foundation be approved.
It is further recommended that the Mayor and Clerk be authorized and directed to execute on behalf of the City.
Commissioner Gorney moved adoption of recommendation.
Adopted by the following vote:
Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.
No, None.

Of City Manager:
It is recommended that the following ordinance be received for first reading and referred to the February 18, 2008, meeting for second reading and possible adoption.

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE IMPROVEMENT AND REFUNDING BONDS TO PAY THE COST OF REFUNDING CITY'S ELECTRIC UTILITY REVENUE REFUNDING BONDS, 1997 SERIES AND TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING IMPROVEMENTS TO THE SYSTEM, TO PROVIDE FOR THE DEFEASANCE OF ALL OUTSTANDING UTILITY SYSTEM REVENUE

BONDS AND TO PRESCRIBE THE FORM OF THE REVENUE AND IMPROVEMENT BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE REVENUE AND IMPROVEMENT BONDS; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE REVENUE AND IMPROVEMENT BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE REVENUE AND IMPROVEMENT BONDS OF THE SYSTEM IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SYSTEM AND THE REVENUE AND IMPROVEMENT BONDS.

Of Commission as a Whole:

Ordinance No. 2008-2

Be It Ordained by the City of Bay City that:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

(a)“Act 94” means Act94, Public Acts of Michigan, 1933, as amended.

(b)“Adjusted Net Revenues” means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added net depreciation, amortization, interest expense on Bonds, any payments to the City in lieu of taxes, to which may be made the following adjustments.

(i) The revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts which may be derived from demand charges to be paid by new customers (including sales of generating capacity to other public utilities) when the City has a firm contract for the sale.

(iii) Expenses may be reduced by the reduction of demand charges payable to other utilities, if any, made possible by the addition of the new generating capacity to be financed by additional Bonds.

(iv) Expenses may be reduced by the net reduction of fuel or transportation costs or costs of purchased power which may be accomplished by new generating or transmission capacity to be financed by additional Bonds.

The adjustment of revenue and expenses by the factors set forth in (i) through (iv) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the City.

(c)“Bonds” mean the Series 2008 Bonds and any additional Bonds presently of equal standing or hereafter issued.

(d)“Bond Purchase Agreement” means the Bond Purchase Agreement relating to the purchase of the Refunding Bonds by and between the City and the Underwriter.

(e)“Issuer” or “City” means the City of Bay City, County of Bay, State of Michigan.

(f) “Commission” means the City Commission of the City.

(g)“Department of Treasury” means the Department of Treasury of the State of Michigan.

(h)“Escrow” means the escrow funds established with the escrow agent pursuant to Section16 of this Ordinance to pay the Prior Bonds.

(i) “Escrow Funds” means the cash and securities deposited in the Escrow pursuant to Section16.

(j) “Independent Rate Consultant” means an independent consulting engineer or firm of engineers or other experts designated by the Commission having experience in electric utility rate matters.

(k) “Ordinance” means this Ordinance.

(l) “Mandatory Redemption Requirements” means the mandatory prior redemption requirements for Bonds that are term Bonds, if any, as specified in the Bond Purchase Agreement relating to the Refunding Bonds or in any subsequent Ordinance in connection with the issuance of additional bonds.

(m) “Outstanding Bonds” means the Issuer’s Electric Utility System Revenue Refunding Bonds, 1997 Series which bonds are dated April 3, 1997.

(n) “Outstanding Ordinance” means Ordinances No.1997-2 as amended by Ordinance No. 1997-3.

(o) “Series 2008 Bonds” means the Electric Utility System Revenue Refunding and Improvement Bonds, Series 2008 of the Issuer authorized by this Ordinance.

(p) “Refunded Bonds” means all the Outstanding Bonds.

(q) “Revenues” and “Net Revenues” mean the revenues and net revenues of the System and shall be construed as defined in Section3 of Act94, including with respect to “Revenues,” the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

(r) “Sales Resolution” means the Sales Resolution to be adopted by the Issuer or the Sales Order executed by the City Manager respecting the sale of the Series 2008 Bonds.

(s) “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(t) “System” means the complete Electric Utility system of the City, both inside and outside the City including all plants, works, instrumentalities and properties, used or useful in connection with the generation and distribution of electricity, as the same now exists, and all enlargements, extensions, repairs and improvements thereto hereafter made.

(u) “Transfer Agent” and/or “Escrow Agent” means a financial institution qualified to act in such capacity or any successor thereto as designated in the Sales Resolution.

(v) “Underwriter” means R.W. Baird& Co., Incorporated as representative of the purchasers of the Refunding Bonds.

Section 2. Necessity; Public Purpose. It is hereby determined to be a necessary public purpose of the Issuer to refund the Outstanding Bonds and to pay the costs of acquiring, constructing, and equipping improvements to the System as specified in the plans of the City’s engineers on file with the City Commission (the “Improvements”).

Section 3. Payment of Cost; Bonds Authorized. To pay the costs associated with the refunding of the Outstanding Bonds and the costs of the Improvements, including all legal, financial and other expenses incident thereto and incident to the issuance and sale of the Bonds, the Issuer shall borrow the sum of not to exceed Eleven Million Dollars ($11,000,000), as finally determined in the Sales Resolution and issue the Bonds therefore pursuant to the provisions of Act94. The remaining costs, if any, of refunding the Refunded Bonds and defeasing the Refunded Bonds shall be defrayed from City funds on hand and legally available for such use, including moneys in the bond reserve accounts established for the Outstanding Bonds.

Section 4. Bond Details, Registration and Execution. The Bonds hereby authorized shall be designated ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, 2008 SERIES, shall be payable out of the Net Revenues, as set forth more fully herein, shall consist of bonds of the denomination of $5,000, or integral multiples of $5,000 not exceeding in any one year the amount maturing in that year, dated as of the date of their delivery, numbered in order of authentication, and shall mature on January 1st of each year as set forth in the Bond Purchase Agreement.

The Bonds shall bear interest at a rate or rates set forth in the Bond Purchase Agreement determined on sale thereof, but in any event not exceeding 8% per annum, payable on January1 and July1 of each year, commencing on the first such date following the date of the Bonds, by check or draft mailed by the Transfer Agent to the person or entity which is, as of the 15th day of the month preceding the interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of the Bonds shall be payable at the principal trust office of the Transfer Agent. The Bonds shall be sold at the price set forth in the Bond Purchase Agreement.

The Bonds may be subject to redemption prior to maturity at the times and prices and in the manner finally determined by the City Commission in the Sales Resolution.

The Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any officer of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form with the parameters of this resolution as may be required to accomplish the foregoing.

In case less than the full amount of an outstanding Bond is called for redemption, the Transfer Agent upon presentation of the Bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption. Notice of redemption shall be given in the manner specified in the form of the Bonds contained in Section18 of this Ordinance.

The Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the City Clerk and shall have a facsimile of the Issuer's seal printed on them. No Bond shall be valid until authenticated by an authorized signer of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the Underwriter in accordance with instructions from the Finance Director of the Issuer upon payment of the purchase price for the Bonds in accordance with the bid therefore when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 5. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i)to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section18 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii)to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the Transfer Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer;

and, upon presentation for such purpose, the Transfer Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Transfer Agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Transfer Agent and, if this evidence is satisfactory to both and indemnity satisfactory to the Transfer Agent shall be given, and if all requirements of any applicable law including Act354, Public Acts of Michigan, 1972, as amended ("Act354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the same without surrender thereof.

Section 6. Payment of Bonds. The Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The first lien referred to herein shall be equally shared and be a first priority with the City's Outstanding Bonds.

Section 7. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefore.

Section 8. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall be under the supervision and control of the City Commission and the Fiscal Year for the System shall commence on July1 of each year and end on June30 of the following year. For purposes of determining annual principal and interest requirements on the Bonds for any operating year, payments of interest due on July1, if any, shall be considered to be part of the principal and interest requirements for the preceding fiscal year. The City may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 9. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on date even herewith, as the same may be increased from time to time.

Section 10. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Fixing and Revising Rates. The rates presently in effect in the City are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefore and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be reviewed not less than once a year prior to the commencement of the next fiscal year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient (i) to provide for the foregoing and (ii) to provide for Net Revenues equal to not less than 110% of the annual principal and interest requirements on the Bonds.

Section 12. Funds and Accounts; Flow of Funds. Commencing on the effective date of this Ordinance, all Revenues of the System shall be set aside as collected and credited to a fund to be designated ELECTRIC UTILITY SYSTEM RECEIVING FUND (the "Receiving Fund"), and the Revenues so credited are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times hereinafter specified:

A. OPERATION AND MAINTENANCE FUND.

Except as provided in Section17 hereof, out of the Revenues credited to the Receiving Fund there shall be first set aside, in or credited to a fund designated OPERATION AND MAINTENANCE FUND, monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

The Commission, prior to the commencement of each operating year, shall adopt a budget covering the foregoing expenses for such year, and the total of such expenses shall not exceed the total amount specified in said budget, except by approval of the Commission. The annual budget shall include provision for amounts due to the City's general fund in lieu of taxes. No payments shall be made to the City from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the City or its personnel.

B. BOND AND INTEREST REDEMPTION FUND AND BOND RESERVE ACCOUNT.

There shall be established and maintained a separate depositary fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Fund (including the Bond Reserve Account) shall be kept on deposit with the bank or trust company or with one or more of the banks or trust companies where the principal of and interest on any series of the Bonds are payable. The bank or trust company where the Bond Reserve Account is maintained at any time shall, in case of default in payment of any series of Bonds, serve as the principal paying agent for all series of Bonds, but each series shall remain payable, at the option of the holder at the location at which it was originally payable.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside monthly in the Redemption Fund a sum proportionately sufficient to provide for the payment of the current principal of and interest when due on the Bonds (less any credit for accrued or capitalized interest that have been deposited in the Redemption Fund or investment income then on deposit in the Redemption Fund). Commencing on the first day of the month following the month through which interest on the Bonds has been paid from bond proceeds, the amount set aside for interest on the Bonds shall be 1/6 of the total amount of interest on the Bonds next coming due. The amount set aside for principal and interest after the delivery of the Bonds shall be equal to that fraction of the amount of principal and interest due on the next payment date, the numerator is 1 and the denominator of which is the number of months from the date of said delivery to the next principal payment date. The amount set aside for principal, commencing January1, 2009, shall be 1/12 of the amount of principal next coming due by maturity or required redemption. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding monthly requirements.

There is established a separate account in the Redemption Fund to be known as the BOND RESERVE ACCOUNT. Prior to the issuance of the Refunding Bonds, there shall be deposited in the Bond Reserve Account from funds on hand, the Reserve Amount which shall be the lesser of (1) the maximum annual debt service on the Bonds due in the current or any future year, (2) 125% of the average annual debt service on the Bonds or (3) 10% of the principal amount of the Bonds. Interest on the Bond Reserve Account must be transferred into the Redemption Fund once the Reserve Amount has been reached.

Except as hereinafter provided, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required for current principal and interest requirements. If additional Bonds from time to time are issued, as provided in this Ordinance, each ordinance authorizing the additional bonds shall provide for additional deposits to the Bond Reserve Account to be made from the proceeds of the additional Bonds in an amount that will result in the Bond Reserve Account being equal to the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds.

No further payments need be made into the Redemption Fund after enough of the Bonds have been retired so that the amount then held in the Redemption Fund (including the Bond Reserve Account), in cash or Sufficient Government Obligations, is equal to the entire amount of principal and interest which will be payable at the time of maturity of all the Bonds then remaining outstanding and the moneys so held shall be used solely to pay the principal of and interest on the Bonds including redemption premiums, if any, as the Bonds become due either by maturity or by redemption prior to maturity.

C. REPLACEMENT FUND

There shall next be established and maintained a fund designated REPLACEMENT FUND. Except as hereinafter provided, the money credited thereto shall be used solely for the purpose of making major repairs and replacements to the System. After provision for the foregoing, there shall be credited to the Replacement Fund, such amounts as the Commission shall determine to be from time to time appropriate. If at any time it shall be necessary to use moneys in the Replacement Fund, the moneys so used shall be replaced from any moneys in the Receiving Fund to the extent determined by the Commission.

D. IMPROVEMENT FUND

Out of the remaining revenues in the Receiving Fund, there may be set aside in or credited to, monthly, after meeting the requirements of the foregoing funds, a fund to be designated IMPROVEMENT FUND, such sums as the Commission may deem advisable to be used for improvements, enlargements and extensions to the System.

E. SURPLUS MONEYS

Any Revenues remaining in the Receiving Fund at the end of any operating year after satisfying the foregoing requirements of this section shall be deemed to be surplus moneys. An amount not greater than 25% of such surplus may be utilized by the City for any lawful purpose of the City which will promote economic development within the City related to the System; provided however, that if there should be any deficit in the Operation and Maintenance Fund or the Redemption Fund (including the Bond Reserve Account), then deposits of surplus moneys shall be made to such funds in the priority and order named to the extent of any such deficit.

Section 13. Depositary and Funds on Hand. Moneys in the funds and accounts established pursuant to this Ordinance, except moneys in the Redemption Fund (including the Bond Reserve Account) and moneys derived from the proceeds of sale of the Bonds, may be kept in one or more bank accounts at a bank designated by the Finance Director in which event the moneys in the bank accounts shall be allocated on the books and records of the City or deposited to the funds and accounts herein established, in the manner and at the times provided in this Ordinance.

Section 14. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, and second, to the Redemption Fund, to the extent of any deficit therein.

Section 15. Investments. A. Moneys in the Funds and Accounts established herein may be invested by the City in any investment which is permitted by Act 20 of the Public Acts of Michigan, 1943, as amended.

Section 16. Bond Proceeds, Escrow. From the proceeds of the sale of the Series 2008 Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Series 2008 Bonds. Certain of the proceeds of the Outstanding Bonds and, if deemed necessary or advisable by the Issuer, moneys on hand in the outstanding Bond Reserve Accounts, shall be deposited in an escrow fund or funds (the “Escrow Fund”) consisting of cash and investments in direct obligations of or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing not redeemable at the option of the Issuer in amounts fully sufficient to pay the principal, interest and redemption premiums on all of the Outstanding Bonds, which are to be refunded hereunder and shall be used only for such purposes. The Escrow Fund shall be held by the Escrow Agent (the “Escrow Agent”) pursuant to an escrow agreement (the “Escrow Agreement”) which shall irrevocably direct the Escrow Agent to take all necessary steps to pay the principal of and interest on the Refunded Bonds when due and to call the Outstanding Bonds for redemption on the first call date, as specified by the Issuer. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal, interest and redemption premiums on the Outstanding Bonds when due at maturity or by call for redemption as required by the Sales Resolution.

The proceeds of the Series 2008 Bond not required to refund the Outstanding Bonds hereby shall be deposited in the ELECTRIC SYSTEM CONSTRUCTION FUND ACCOUNT (the “Construction Account”), in the Depository Bank. Moneys in the Construction Account shall be used to pay the costs of the Improvement

The remaining proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds.

Any unexpended balance of the proceeds of sale of the Series 2008 Bond remaining after completion of the Improvements herein authorized may in the discretion of the Issuer be used for further improvements, enlargements and extensions to the system, provided that at the time of such expenditure such use be approved by the Department of Treasury (if such approval is then required by law.) Any remaining balance after such expenditure shall be paid into the Bond and Interest Redemption Fund and used as soon as is practical for the prepayment of the Series 2008 Bond or for the purchase of the Series 2008 Bond at no more than the fair market value thereof.

Following completion of the Improvements, any unexpended balance of the Series 2008 Bond shall be invested at a yield not to exceed the yield on the Series 2008 Bond.

The City Manager is authorized to negotiate an Escrow Agreement on behalf of the Issuer.

Section 17. Defeasance of Outstanding Bonds. On or before the issuance of the Series 2008 Bonds, funds shall be transferred from the Receiving Fund which shall be sufficient in amount with the proceeds of the Series 2008 Bonds to refund, redeem, or defease all Outstanding Bonds so that the lien on the Outstanding Ordinances shall be defeased.

Section 18. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BAY
CITY OF BAY CITY
ELECTRIC UTILITY SYSTEM
REVENUE REFUNDING AND IMPROVEMENT BOND, SERIES 2008

InterestRate	MaturityDate	Date of Original Issue	CUSIP
	________ 1, ____	_______ 1, 2008	REGISTERED OWNER:

PRINCIPAL AMOUNT:DOLLARS

The City of Bay City, County of Bay, State of Michigan (the “Issuer”), for value received, hereby promises to pay, but only out of the hereinafter described Net Revenues of the Issuer’s Electric Utility System (hereinafter defined) the Principal Amount shown above in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, payable on __________1, 200_, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the principal corporate trust office of __________________________, ____________, Michigan or such other Transfer Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to the date of any change in Transfer Agent. Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the 15th day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the Transfer Agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Electric Utility System of the Issuer (the “System”), including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the “Net Revenues”), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even date of original issue aggregating the principal sum of $__,000,000, issued pursuant to Ordinance No. 2008-____ (the “Ordinance”), duly adopted by the City Commission of the Issuer, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of refunding the Issuer’s Electric Utility Revenue Refunding Bonds, Series 1997 and paying the costs of acquiring, constructing and equipping certain improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinance.

[Bonds of this issue are not subject to redemption prior to maturity]

[Bonds of this issue maturing in the years ____ to ____, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of $5,000 maturing in the year ____ and thereafter may be redeemed at the option of the Issuer, in such order as the Issuer shall determine and within any maturity by lot, on any interest payment date on or after _________ 1, ____ at par and accrued interest to the date fixed for redemption plus a premium expressed as a percentage of par as follows:

___% of the par value of each bond or portion thereof called for redemption on or after ___________, ____, but prior to ___________, ____;

___% of the par value of each bond or portion thereof called for redemption on or after ___________, ____, but prior to ___________, ____;

_% of the par value of each bond or portion thereof called for redemption on or after ___________, ____, but prior to ___________, ____;

No premium shall be paid on bonds or portions of bonds if called for redemption on or after ___________, ____.

In case less than the full amount of an outstanding bond is called for redemption the transfer agent upon presentation of the bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption of any bond or portion thereof shall be given by the Transfer Agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Transfer Agent. Bonds shall be called for redemption in multiples of $5,000 and any bond of a denomination of more than $5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by $5,000 and such bond may be redeemed in part. Notice of redemption for a bond redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bond or portion thereof.]

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation, but is payable, both as to principal and interest, solely and only from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest on and the principal of the bonds of this issue and any additional bonds of equal standing as and when the same shall become due and payable, and to create and maintain a bond redemption fund (including a bond reserve account) therefore, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner’s attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefore as provided in the Ordinance authorizing the bonds, and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Bay City, County of Bay, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and a facsimile of its corporate seal to be printed on this bond, all as of the Date of Original Issue.

CITY OF BAY CITY

By ______________________________

Mayor

(Seal)

Countersigned:

____

City Clerk

Certificate of Authentication

This bond is one of the bonds described in the within-mentioned Ordinance.

By ______________________________

Authorized Signatory

Date of Registration:

Section 19. Covenants. The Issuer covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest.

(a)The Issuer will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, the Issuer's Charter and this Ordinance.

(b)The Issuer will keep proper books of record and account separate from all other records and accounts of the Issuer, in which shall be made full and correct entries of all transactions relating to the System. The Issuer shall have an annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant, and a copy of the audit shall be mailed to the manager of each syndicate or account originally purchasing any issue of the Bonds. The auditor shall comment on the manner in which the Issuer is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than four (4) months after the close of each operating year.

(c)The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of electric utility systems, including self-insurance. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of redeeming or purchasing Bonds.

(d)The Issuer will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The Issuer will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds.

(e)The Issuer will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the Issuer will not operate a system that will compete with the System.

Section 20. Additional Bonds. Except as hereinafter provided, the Issuer shall not issue additional Bonds of equal or prior standing with the Series 2008 Bonds.

The right is reserved in accordance with the provisions of Act94, to issue additional Bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Bonds but only for the following purposes and under the following terms and conditions:

(a) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (a) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve- month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph the Issuer may elect to use as the last preceding operating year any operating year ending not more than fifteen months prior to the date of delivery of the additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-seven months prior to the date of delivery of the additional Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

(b)For refunding a part of the outstanding Bonds and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. No additional Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 21. Sale of Bonds. In order to achieve reduced costs of issuance and to expedite the sale of the Bonds the City Manager is hereby authorized to negotiate a Bond Purchase Agreement with the Underwriter finalizing the details of the Bonds within the authorized parameters of this Ordinance, and the City Manager and Finance Director, City Clerk and City Attorney and other City officers are each authorized to do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds. If deemed necessary to effect an efficient and expeditious sale of the Bonds the City Manager be and is hereby authorized to execute a Sales Order with the Underwriter in behalf of the City.

Section 22. Tax Matters. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

Section 23. Continuing Disclosure. The Issuer covenants it shall comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission regarding continuing disclosure (the "Rule"), and appoints the City Finance Director or in the absence of such officer, the City Manager as its Disclosure Representative.

Section 24. Defeasance. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier options redemption, the principal of, premium, if any, and interest on the bonds, shall be deposited in trust, this Ordinance shall be defeased and the owners of the bonds shall have no further rights under this Ordinance except to receive payment of the principal of, premium, if any, and interest on the bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

Section 25. Repeal, Savings Clause. Ordinance No.1997-2, as amended by Ordinance No. 1997-3, shall continue in effect, until such time as the Outstanding Bonds are defeased at which time this Ordinance shall supersede Ordinance No. 1997-2, as amended by Ordinance No. 1997-3.

Section 26. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 27. Publication and Recordation. This Ordinance shall be published in full in The Democrat, the legal newspaper, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 28. Other Matters. The Mayor, City Clerk, City Manager and the Finance Director each are authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; and (b) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

Section 29. This Ordinance shall immediately be effective upon its adoption.

Received for first reading and referred to the February 18, 2008, meeting for second reading and possible adoption.

REPORTS OF COMMITTEES

Of Finance/Policy Committee: Presenting minutes of meetings held January 7 and 10, 2008.

Commissioner Gorney moved approval of minutes.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.

No, None.

Of Planning Commission: Presenting minutes of meeting held November 6, 2007.

Received.

Of Coordinating Council/Tax Increment Finance Authority: Presenting minutes of meetings held October 18, 2007, December 13, 2007, and January 8, 2008.

Received.

Of Tax Abatement Review Group: Presenting minutes of meeting held October 25, 2007.

Received.

MOTIONS & RESOLUTIONS

Of Commission as a Whole:

Resolved that Robert Belleman, Bay City, be appointed to the Building Authority, term to expire June 30, 2010.

Commissioner Gorney moved adoption of resolution.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Bollman, Gorney, Davidson, Snyder, 7.

No, None.

Of Commission as a Whole:

Whereas,, the Issuer does hereby determine that it is necessary to acquire and construct certain capital improvements consisting of improvements to the City's Electric Utility System and Water Supply System together with all necessary and related appurtenances and attachments therefore (the "Project"); and

Whereas, the cost of the Project is estimated not to exceed Seven Million Dollars ($7,000,000); and

Whereas, to finance part of the cost of the Project, this City Commission deems it necessary to borrow the principal sum of not to exceed Six Million Seven Hundred Forty Five Thousand Dollars ($6,745,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001 ("Act 34"), to pay all or part of the cost of the Project; and

Whereas, a notice of intent was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the Issuer unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication; and

Whereas, the referendum period has expired and no petition for referendum has been filed.

Now Therefore Be It Resolved that:

1. Authorization of Bonds; Bond Terms. Bonds of the Issuer designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2008A (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Six Million Seven Hundred Forty Five Thousand Dollars ($6,745,000) for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of $5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the delivery of the Bonds. The Bonds shall bear interest at a rate of not to exceed six (6%) per annum, mature in the principal amounts and be payable as to principal and interest at the times and in the manner as shall be determined at the time of the sale of the Bonds and may be subject to redemption prior to maturity as shall be determined at the time of sale of the Bonds.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable upon presentation and surrender to the Transfer Agent (as defined below).

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Issuer. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Clerk and Treasurer are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

A bank or financial institution shall be appointed to serve as bond registrar, paying agent and transfer agent (the "Transfer Agent") for this issue. Said appointment shall be made at or before the time of sale of the Bonds. The Issuer reserves the right to replace the Transfer Agent at any time upon written notice to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the Clerk of the Issuer and shall have the seal of the Issuer, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Treasurer of the Issuer upon payment of the purchase price for the Bonds in accordance with the bid therefore when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the Issuer. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The Issuer hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The Issuer shall each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds or other funds lawfully available therefore, or, if necessary, levy taxes upon all taxable property in the Issuer subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depositary account with a bank or trust company designated by the City Commission, to be designated LIMITED TAX GENERAL OBLIGATION BONDS DEBT RETIREMENT FUND, SERIES 2008A (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Proceeds of Bond Sale. The City Treasurer is authorized and directed to open a separate depositary account with a bank or trust company to be designated by the City Commission to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2008A CONSTRUCTION FUND (the “Construction Fund”) and deposit into said Construction Fund the proceeds of the Bonds less accrued interest and premium, it any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds. Following the completion of the Project, any amounts remaining in the Construction Fund shall be transferred to the Debt Retirement Fund.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BAY
CITY OF BAY CITY
LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2008A

Interest MaturityDate ofRate Date OriginalIssue CUSIP

Registered Owner:
Principal Amount:Dollars

The City of Bay City, County of Bay, State of Michigan (the “Issuer”), acknowledges itself to owe 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 Maturity Date 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 _______ 1, 20__ and semiannually thereafter. Principal of this bond is payable at the designated office of ________________________, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the “Transfer Agent”). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the Issuer kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of $______, issued for the purpose of paying all or part of the cost of certain capital improvements for the Issuer. This bond is issued under the provisions of Act34, Public Acts of Michigan, 2001, and a duly adopted resolution of the Issuer.

[Bonds of this issue maturing in the years 200_ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of $5,000 maturing in the years 20__ and thereafter, shall be subject to redemption prior to maturity, at the

option of the Issuer, in any order of maturity and by lot within any maturity, on any interest payment date on or after ________ 1, 20__, at par and accrued interest to the date fixed for redemption.
In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.
Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty(30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.]
This bond is transferable only upon the registration books of the Issuer kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefore as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.
This bond, including the interest thereon, is payable as a first budget obligation from the general funds or other lawfully available funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional, charter and statutory tax rate limitations.
It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Issuer, including this bond, does not exceed any constitutional and statutory debt limitation.
This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.
IN WITNESS WHEREOF, the Issuer, by its City Commission, has caused this bond to be signed in the name of the Issuer by the facsimile signatures of its Mayor and Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF BAY CITY
County of Bay
State of Michigan
By ___________________
Charles M. Brunner, Its Mayor
(SEAL)
By ____________________
Dana L. Muscott, Its Clerk

(Form of Transfer Agent's Certificate of Authentication)
DATE OF AUTHENTICATION:
CERTIFICATE OF AUTHENTICATION
This bond is one of the bonds described in the within-mentioned resolution.

Transfer Agent

By ______________________
Authorized Signatory
[Bond printer to insert form of assignment]

7. Negotiated Sale. It is hereby determined that in order reduce the costs of issuance of the Bonds, to reduce interest costs on the Bonds and to achieve efficiencies of sale that the Bonds be sold by means of private negotiation. Robert W. Baird & Co. be and is hereby selected as the underwriter (the “Underwriter”). The City Manager is authorized to negotiate a bond purchase agreement (the “Agreement”) with the Underwriter subject to the approval of the City Commission.

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than thirty (30) years.

9. Tax Covenant. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

10. Authorization of Other Actions. The Mayor, City Clerk, City Manager and the City Finance Director each is authorized to take all other actions necessary or advisable including the purchase of municipal bond insurance, and to make such other filings with the Michigan Department of Treasury, bond insurers or with other parties, to enable the sale and delivery of the Bonds as contemplated herein.

11. The City Manager is authorized to approve the circulation of a preliminary official statement describing the Bonds.

12. The City hereby covenants to comply with Securities and Exchange Commission Rule 15c2-12 (the “Rule”) and appoints its City Finance Director or in the absence of the City Finance Director, the City Manager as its Disclosure Representative in accordance with the Rule. The Finance Director be and is hereby directed to provide annual disclosure in accordance with the Rule.

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

Commissioner Legner moved to allow public input. There was no objection. No one came forward.

Commissioner Shannon moved to combine the bond requests in the amounts of $6,745,000 and $5,515,000 for a total amount of $12,260,000. Commissioner Bollman objected.

Motion to combine both bond proposals adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Davidson, Snyder, 5.

No, Commissioners Bollman, Gorney, 2.

Of Commission as a Whole:

Whereas, the Issuer does hereby determine that it is necessary to acquire and construct certain capital improvements consisting of improvements to the City’s water and sewer utility systems together with all necessary and related appurtenances and attachments therefore (the “Project”); and

Whereas, the cost of the Project is estimated not to exceed Five Million Eight Hundred Thousand Dollars ($5,800,000); and

Whereas, to finance part of the cost of the Project, this City Commission deems it necessary to borrow the principal sum of not to exceed Five Million Five Hundred Fifteen Thousand Dollars ($5,515,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001 (“Act 34”), to pay all or part of the cost of the Project; and

Whereas, a notice of intent was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the Issuer unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication; and

Whereas, the referendum period has expired and no petition for referendum has been filed.

Now Therefore Be It Resolved that:

1. Authorization of Bonds; Bond Terms. Bonds of the Issuer designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2008B (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Five Million Five Hundred Fifteen Thousand Dollars ($5,515,000) for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of $5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the delivery of the Bonds. The Bonds shall bear interest at a rate of not to exceed six (6%) per annum, mature in the principal amounts and be payable as to principal and interest at the times and in the manner as shall be determined at the time of the sale of the Bonds and may be subject to redemption prior to maturity as shall be determined at the time of sale of the Bonds.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable upon presentation and surrender to the Transfer Agent (as defined below).

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Issuer. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Clerk and Treasurer are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

A bank or financial institution shall be appointed to serve as bond registrar, paying agent and transfer agent (the "Transfer Agent") for this issue. Said appointment shall be made at or before the time of sale of the Bonds. The Issuer reserves the right to replace the Transfer Agent at any time upon written notice to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the Clerk of the Issuer and shall have the seal of the Issuer, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Treasurer of the Issuer upon payment of the purchase price for the Bonds in accordance with the bid therefore when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the Issuer. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The Issuer hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The Issuer shall each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds or other funds lawfully available therefore, or, if necessary, levy taxes upon all taxable property in the Issuer subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depositary account with a bank or trust company designated by the City Commission, to be designated LIMITED TAX GENERAL OBLIGATION BONDS DEBT RETIREMENT FUND, SERIES 2008B (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Proceeds of Bond Sale. The City Treasurer is authorized and directed to open a separate depositary account with a bank or trust company to be designated by the City Commission to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2008B CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest and premium, it any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds. Following the completion of the Project, any amounts remaining in the Construction Fund shall be transferred to the Debt Retirement Fund.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BAY
CITY OF BAY CITY
LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2008B

Interest MaturityDate ofRate Date OriginalIssue CUSIP

Registered Owner:
Principal Amount:Dollars

The City of Bay City, County of Bay, State of Michigan (the "Issuer"), acknowledges itself to owe 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 Maturity Date 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 _______ 1, 20__ and semiannually thereafter. Principal of this bond is payable at the designated office of ________________________, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the Issuer kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of $______, issued for the purpose of paying all or part of the cost of certain capital improvements for the Issuer. This bond is issued under the provisions of Act34, Public Acts of Michigan, 2001, and a duly adopted resolution of the Issuer.

[Bonds of this issue maturing in the years 200_ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of $5,000 maturing in the years 20__ and thereafter, shall be subject to redemption prior to maturity, at the option of the Issuer, in any order of maturity and by lot within any maturity, on any interest payment date on or after ________ 1, 20__, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty(30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.]

This bond is transferable only upon the registration books of the Issuer kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefore as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds or other lawfully available funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional, charter and statutory tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Issuer, including this bond, does not exceed any constitutional and statutory debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the Issuer, by its City Commission, has caused this bond to be signed in the name of the Issuer by the facsimile signatures of its Mayor and Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF BAY CITY
County of Bay
State of Michigan
By ___________________
Charles M. Brunner, Its Mayor
(SEAL)
By ____________________
Dana L. Muscott, Its Clerk

(Form of Transfer Agent's Certificate of Authentication)
DATE OF AUTHENTICATION:
CERTIFICATE OF AUTHENTICATION
This bond is one of the bonds described in the within-mentioned resolution.

Transfer Agent
By _______________________
Authorized Signatory

[Bond printer to insert form of assignment]

7. Negotiated Sale. It is hereby determined that in order reduce the costs of issuance of the Bonds, to reduce interest costs on the Bonds and to achieve efficiencies of sale that the Bonds be sold by means of private negotiation. Robert W. Baird & Company, Incorporated, be and is hereby selected as the underwriter (the "Underwriter"). The City Manager is authorized to negotiate a bond purchase agreement (the "Agreement") with the Underwriter subject to the approval of the City Commission.

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

Commissioner Legner moved to allow public input. There was no objection. No one came forward.

Commissioner Shannon moved to combine the bond requests in the amounts of $6,745,000 and $5,515,000 for a total amount of $12,260,000. Commissioner Bollman objected.

Motion to combine both bond proposals adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Davidson, Snyder, 5.

No, Commissioners Bollman, Gorney, 2.

Commissioner Davidson moved adoption of combined resolution.

Adopted by the following vote:

Yes, Commissioners Shannon, Novellino, Legner, Davidson, Snyder, 5.

No, Commissioners Bollman, Gorney, 2.

The Commission adjourned at 8:12 PM.

CHARLES M. BRUNNER, MAYOR

DANA L. MUSCOTT, CITY CLERK