City of Corunna
Regular Council Meeting
Tuesday, January 18, 2011

Present: Kerridge, Mehigh, Jessen, Haskins, Reichert.

Absent: Sarrazin (excused), Johnson (excused).

The meeting was called to order in the council chambers of Corunna City Hall by Mayor Kerridge at 7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Jessen moved, Reichert seconded to approve the previous regular meeting minutes dated December 6, 2010 as presented.
Roll call vote:
Yes: Jessen, Haskins, Reichert.
No: None.
Abstain: Mehigh.
Motion CARRIED

AGENDA APPROVAL: Jessen moved, Reichert seconded to approve the agenda by changing Item No. 1 to 1C and adding Item No. 1A) Consider Excusal of Councilperson Sarrazin From the January 18, 2011 Council Meeting, Item No. 1B) Consider Excusal of Councilperson Johnson from the January 18, 2011 Council Meeting and Item No. 7) Consider Resolution No. 011811-05, Medical Marihuana Moratorium Extension.
Roll call vote:
Yes: Haskins, Reichert, Mehigh, Jessen.
No: None.
Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Haskins moved, Mehigh seconded to approve the vendor disbursements dated December 9, 2010, December 22, 2010 and January 7, 2011 as presented.
Roll call vote:
Yes: Haskins, Reichert, Mehigh, Jessen.
No: None.
Motion CARRIED

CALL TO AUDIENCE: Gary Holzhausen, District 3 Commissioner, advised the county commissioners are having their first meetings on January 24, 25, 26 and 27.

CITY MANAGER'S REPORT: Joe Sawyer advised there is a memo from Tim Crawford in the council packet that explains a water leak the city had in November and December. He further advised Gayle Holbrook has resigned as the youth baseball/softball director but plans to remain active in the program. The Youth Sports and Recreation Commission will be seeking a new director and if anyone knows of someone who might be interested in the position, refer them to him and he will forward the name to the commission. Mr. Sawyer also advised there is a meeting scheduled for Tuesday with the City of Owosso to start working on amendments

to the water and sewer agreements that the state is requiring in order to move forward with the USDA project.

CONSIDER EXCUSAL OF COUNCILPERSON MIKE SARRAZIN FROM THE JANUARY 18, 2011 COUNCIL MEETING: Haskins moved, Reichert seconded to excuse Councilperson Mike Sarrazin from the January 18, 2011 council meeting due to a school function.
Roll call vote:
Yes: Haskins, Reichert, Mehigh, Jessen.
No: None.
Motion CARRIED

CONSIDER EXCUSAL OF COUNCILPERSON DAWN JOHNSON FROM THE JANUARY 18, 2011 COUNCIL MEETING: Jessen moved, Haskins seconded to excuse Councilperson Dawn Johnson from the January 18, 2011 council meeting due to illness.
Roll call vote:
Yes: Reichert, Mehigh, Jessen, Haskins.
No: None.
Motion CARRIED

CONSIDER PARMENTER INDUSTRIAL PLATT ADDITION, PARK AND ROAD NAMES: Councilperson Reichert suggested Industrial Drive, Development Drive, and Production Drive as road names and Commerce Drive and Progress Drive as alternate names. Councilperson Jessen asked if a vote had to be taken now and if a compiled list could be made that council could choose from. Mr. Sawyer advised Gary Arnold has not been hounding him for the names and there are two council members absent. He suggested tabling this item until the next meeting. It seems like there is a general consensus that the council will be going with general names. There are only three streets but five names have to be submitted in case there is a conflict with duplicate street names. The platt has to be named also. Mehigh moved, Reichert seconded to table the item until the next meeting.
Roll call vote:
Yes: Jessen, Reichert, Mehigh, Haskins.
No: None.
Motion CARRIED

CONSIDER RESOLUTION NO. 011811-01, RESOLUTION TO AMEND THE FULL FLEX CAFETERIA PLAN: Jessen moved, Reichert seconded to approve the following Resolution No. 011811-01, resolution to amend the Full Flex Cafeteria Plan:

City of Corunna
Shiawassee County, Michigan

RESOLUTION NO. 011811-01

RESOLUTION TO AMEND THE FULL FLEX CAFETERIA PLAN REFLECTING CHANGE IN TAX TREATMENT OF EMPLOYER-PROVIDED HEALTH BENEFITS FOR CHILDREN UNDER AGE 27

Whereas, effective March 30, 2010, the definition of "Dependent" in Article III of the Plan shall be amended to read as follows: Dependent means: (a) for purposes of accident or health coverage (to the extent funded under the Medical or Medical Premium Benefit and Premium Reimbursement Benefit, and for purposes of the Medical or Medical-Related Expense Reimbursement Benefit), (1) a dependent as defined as in Code § 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof, (2) any child (as defined in Code § 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27, and (3) any child of the Participant to whom IRS Rev. Proc. 2008-48 applies (regarding certain children of divorced or separated parents who receive more than half of their support for the calendar year from one or both parents and are in the custody of one or both parents for more than half of the calendar year); and (b) for purposes of the Dependent Care Benefit, a Qualifying Individual. Notwithstanding the foregoing, the Medical-Related Expense Reimbursement Benefit will provide benefits in accordance with the applicable requirements of any qualified medical child support order (QMSCO), even if the child does not meet the definition of "Dependent."

Whereas, notwithstanding any provision of the Plan to the contrary, a Participant may make a new election for Medical-Related Expense Reimbursement Benefit coverage under the Plan on a prospective basis at any time through December 15, 2010, that is on account of and corresponds with his or her child (as defined in Code § 152(f)(1)) becoming newly eligible for coverage (or eligible for coverage beyond the date on which coverage would otherwise have been lost) as a result of the foregoing amendment to the definition of "Dependent" in Article III of the Plan. Requests for such election changes shall in all other respects are subject to the Plan's terms and conditions regarding election changes.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing amendment to the Full Flex Cafeteria Plan, the company specified below has caused this Amendment to be executed in its name and on its behalf, on this 18th day of January 2011.

Roll call vote:

Yes: Reichert, Jessen, Haskins, Mehigh.

No: None.

Motion CARRIED

CONSIDER RESOLUTION NO. 011811-02, RESOLUTION APPROVING APPLICATION OF STRAUSS TOOL COMPANY FOR INDUSTRIAL FACILITIES TAX EXEMPTION: Joe Strauss explained he bought a piece of laser equipment that will cut steel and will result in the employment of additional people once the learning curve is completed. He further explained the equipment will allow his company to bid on military contracts. Mr. Sawyer stated Strauss Tools has been in business for 35 years and it is a home based business. This equipment will not fit into his existing building so he is leasing space in the former Strawsine Building. Brent Jones introduced himself and advised he was with the Shiawassee Economic Development Partnership and was at the meeting to show his support for Strauss Tool Company. Ms. Lawson advised the council has the right to approve the Industrial Facilities Tax Exemption for up to 12 years and Strauss Tool Company qualifies for a 12 year exemption. Councilperson Haskins asked Ms. Lawson if she was recommending a 12 year exemption. Ms. Lawson advised yes. Jessen moved, Reichert seconded to approve the following Resolution No. 011811-02, approving application of Strauss Tool Company, Inc. for an Industrial Facilities Exemption Certificate for an industrial facility for a time period of 12 years:

RESOLUTION #011811-02

APPROVING APPLICATION OF STRAUSS TOOL COMPANY, INC.
FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR AN INDUSTRIAL FACILITY

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on October 15, 1984, this City Council by resolution established the Corunna Industrial Development District by Resolution No. 18-84, as requested by Kenco/Owosso Plastics, Inc. and

WHEREAS, Strauss Tool Company, Inc., has filed an application for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired and installed within the above named district defined under Resolution No. 18-84; and

WHEREAS, before acting on said application, the City of Corunna held a hearing on January 18, 2011, at Corunna City Hall, 402 N. Shiawassee Street, in the City of Corunna, at 7:15 p.m., at which hearing the applicant, the Assessor, and a representative of the affected taxing units, were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, installation of new machinery and equipment with a value of approximately $38,000 million, had not begun earlier than six (6) months before October 20, 2010, the date of the acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Corunna; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Corunna, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the Corunna City Council of the City of Corunna that:

1. The Corunna City Council finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act NO. 255 of the Public Acts of 1978, **shall not have the effect of substantially impeding the operation of the City of Corunna, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Corunna.**

2. The application of Strauss Tool Company, Inc., for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired and installed on the following described parcel of real property situated within the Corunna Industrial Development District formed under Resolution No. 18-84 to wit:

   Parcel ID#026-18-100-000-00

'MC ARTHUR'S ADDITION-CORUNNA CITY PT OF OUTLOT 1: BEG AT INTR OF E LN OF SHIA AVE WITH N LN OF FORMER DGH&M RR GROUNDS, TH N ALG E LN OF SD AVE TO S LN OF AARR CO'S GROUNDS, TH E ALG S LN OF SD RR LDS TO A LN WHICH IS 258 FT W OF & PARL WITH W LN OF MCDONNELL ST, TH N ALG SD PARL LN 20 FT, TH E PARL WITH SD RR GROUNDS 258 FT TO MCDONNELL ST, TH SLY ALG W LN OF SD ST TO N BOUNDRY LN OF SD DGH & MRR CO'S GROUNDS, TH W TO BEG. ALSO LOTS 2,3,4,6,7 & 8 BLK 5. ALSO ENTIRE BLK 10 OF S.B. THOMAS DIVISION TO CITY OF CORUNNA. ALSO

ALL THAT PT OF ANN ST IN SD DIVISON LYING W OF W LN OF COMSTOCK ST. ALSO ALL THAT PT OF MCDONNELL ST IN SD DIVISION LY SLY OF LANDS OWNED BY AA RR CO EX 1/2 OF VACATED MC DONNELL ST WHICH ABUTS RR GROUND ALSO ALL THAT PT OF VACATED ANN ST BETWEEN BLKS 5 & 10 IN S.B. THOMAS ADDITION.

be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of 12 years.

Roll call vote:
Yes: Reichert, Mehigh, Jessen, Haskins.
No: None.
Motion CARRIED

CONSIDER RESOLUTION NO. 011811-03, CITY OF CORUNNA INVESTMENT POLICY: Mr. Sawyer advised this is approved every year and there have been no changes to it. Reichert moved, Mehigh seconded to approve the following Resolution No. 011811-03, City of Corunna Investment Policy:

City of Corunna Investment Policy
Resolution No. 011811-03

I. Governing Authority

(i) Purpose

It is the policy of the City of Corunna to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the City and comply with all state statutes and local statutes governing the investment of public funds.

II. Scope

This investment policy applies to all financial assets of the City of Corunna, excluding the investment of employees' retirement funds. These assets are accounted for in the various funds of the City and include:

General Fund
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Trust and Agency Funds
Debt Service Funds
Any new fund created by the legislative body

III. General Objectives

The primary objectives, in priority order, of the City of Corunna's investment activities shall be safety, liquidity, and yield:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments of the City of Corunna shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VII of this Investment Policy
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see section VIII).

2. *Liquidity*

The City's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. *Yield*

The City of Corunna's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The cores of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.

- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

4. Local Considerations

Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. The City of Corunna may accept a proposal from an eligible institution which provides for a reduced rate of interest provided that such institution documents the use of deposited funds for community development projects.

IV. Standards of Care

1. *Prudence*

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence. Discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" and/or "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

2. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Corunna.

3. *Delegation of Authority*

Authority to manage the investment program is granted to the City Clerk/Treasurer and derived from the following: City Treasurer per MCL 87.11. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible

for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

1. *Authorized Financial Institutions, Depositories, and Broker/Dealers*

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of National Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Certification of having read and understood and agreeing to comply with the [entity's] investment policy.
- Evidence of adequate insurance coverage.

2. Minority and Community Financial Institutions

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

VI. Safekeeping and Custody

1. *Delivery vs. Payment*

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

2. Safekeeping

Securities will be held by a [centralized] independent third-party custodian selected by the entity as evidenced by safekeeping receipts in the City of Corunna’s name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. *Internal Controls*

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Corunna are protected from loss, theft or misuse. Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Dual authorizations of wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the City's annual independent audit.

VII. Suitable and Authorized Investments

1. *Investment Types*

Consistent with the State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law where applicable:

- U.S. Treasury obligations which carry the full faith and credit guarantee of the United States government and are considered to be the most secure instruments available;
- U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- Certificates of deposit and other evidences of deposit at financial institutions,
- Bankers' acceptances;
- Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;
- Investment-grade obligations of state, provincial and local governments and public authorities;
- Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
- Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.

Investment in derivatives of the above instruments shall require authorization by the appropriate governing authority.

2. *Collateralization*

Where allowed by state law, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

VIII. Investment Parameters

1. *Diversification*

It is the policy of the City of Corunna to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City of Corunna's funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the investment committee/investment officer for all funds except for the employee retirement fund.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

For cash management funds:

- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
- Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities.
- Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- The investment committee/investment officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills or collateralized certificates of deposit. The committee shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

IX. Reporting

1. *Methods*

The investment officer shall prepare an investment report monthly, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the month. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be

provided to the entity's chief administrative officer, the legislative body, the investment committee and any pool participants. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investment by maturity date.
- Percentage of the total portfolio which each type of investment represents.

2. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

3. *Marking to Market*

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." (See GFOA Recommended Practices in Appendix.) In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

X. Policy Considerations

1. *Exemption*

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendments

This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individuals charged with maintaining internal controls.

XI. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the governing body of the City of Corunna and reviewed annually.

Roll call vote:

Yes: Haskins, Jessen, Mehigh, Reichert.
No: None.
Motion CARRIED

CONSIDER RESOLUTION NO. 011811-04, SANITARY SEWER IMPROVEMENT BOND NOTICE OF INTENT: Mr. Sawyer advised 13 bids were received and opened last Wednesday which ranged from $2.5 million dollars to $3.9 million dollars and was amazed at what the bids came in at. He further advised the cost of sewer came in higher than was estimated so the city has to re-publish the Notice of Intent to Issue Revenue Bonds with the additional amount listed, which is $540,000. Haskins moved, Jessen seconded to approve the following Resolution No. 011811-04, Sanitary Sewer Improvement Bond Notice of Intent:

CITY OF CORUNNA
SHIAWASSEE COUNTY, MICHIGAN

RESOLUTION NO. 011811-04

RESOLUTION TO PURCHASE, ACQUIRE AND CONSTRUCT IMPROVEMENTS TO THE SANITARY SEWER SYSTEM AND TO PUBLISH NOTICE OF INTENT TO ISSUE REVENUE BONDS

WHEREAS, the City Council has previously determined that it is in the best interests of the City of Corunna (the "City") to design, purchase, acquire and construct certain improvements to the City's Sanitary Sewer System, including, but not limited to improvements to and extensions of the collection system, sewer mains, lift stations, the restoration of streets, rights-of-way and easements affected by the improvements and related facilities, as well as all work necessary or incidental to these improvements (the "Improvements"), and to finance the Improvements by the issuance of bonds pursuant to Act 94 of the Public Acts of Michigan of 1933, as amended ("Act 94"); and

WHEREAS, the City has previously estimated the cost of the Improvements to be $1,370,000 and published a Notice of Intent to Issue Bonds pursuant to Section 33 of Act 94 for the Improvements; and

WHEREAS, bids for the Improvements have exceeded these estimates by $540,000 and the City Council has determined that it is in the best interests of the City to borrow up to an additional $540,000 to finance the cost of the Improvements.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council determines to issue revenue bonds pursuant to Act 94 for the additional cost of the Improvements, in an amount not-to-exceed $540,000 in addition to the amounts previously approved by the City Council (the "Bonds").

2. A Notice of Intent to issue the additional amount of Bonds be published in accordance with Section 33 of Act 94, and the City Clerk is authorized and directed to publish the Notice of Intent to Issue Bonds in the *Argus Press*, a newspaper of general circulation in the City, determined to be the newspaper reaching the largest number of persons to whom such Notice is directed, which Notice

shall be substantially in the form on the attached Exhibit A, with such changes as may be approved by the City Clerk.

EXHIBIT A

[NOTE TO PUBLISHER – PUBLICATION MUST BE 1/4 PAGE SIZE]

NOTICE OF INTENT TO ISSUE BONDS TO THE ELECTORS OF THE CITY OF CORUNNA

PLEASE TAKE NOTICE that the City Council of the City of Corunna (the "City") intends to issue bonds in one or more series, in an amount of not to exceed $540,000 in addition to amounts it has previously stated its intent to issue (the "Bonds"). The Bonds may be issued as a separate series or together with bonds the City has previously stated its intent to issue.

The Bonds shall be issued to pay additional costs to design, purchase, acquire and construct improvements to the City's Sanitary Sewer System, including, but not limited to improvements to and extensions of the collection system, sewer mains, lift stations, the restoration of streets, rights-of-way and easements affected by the improvements and related facilities, as well as all work necessary or incidental to these improvements, and to pay the costs of issuing the Bonds and capitalized interest, if any.

The Bonds of this issue shall mature within the maximum terms permitted by law with interest on the unpaid balance at a rate not to exceed the maximum rate permitted by law. The Bonds shall be issued pursuant to Act 94 of the Public Acts of Michigan of 1933, as amended ("Act 94").

SOURCE OF PAYMENT

The principal of and interest on the Bonds shall be payable from the net revenues derived from the operation of the Sanitary Sewer System. In addition, the Bonds may be secured by the full faith and credit of the City as limited by applicable constitutional, statutory and charter limitations on the taxing power of the City.

RIGHT OF REFERENDUM

The Bonds will be issued without a vote of the electors approving such Bonds, unless, within 45 days from the date of publication of this Notice of Intent, a petition, signed by not less than 10% of the registered electors residing within the limits of the City shall have been filed with the City Clerk, or other recording officer of the City, requesting a referendum upon the question of the issuance of the Bonds. If such a petition is filed, the Bonds shall not be issued until approved by the vote of a majority of the electors of the City qualified to vote and voting thereon at a general or special election.

This Notice is published pursuant to the requirements of Section 33 of Act 94.
Roll call vote:

Yes: Mehigh, Jessen, Reichert, Haskins.
No: None.
Motion CARRIED

CONSIDER SWQIF SANITARY SEWER LOAN AGREEMENT WITH THE PROPERTY OWNER OF 542 E. MCARTHUR STREET: Ms. Lawson explained the property owner is on the list to receive a loan under the SWQIF program. The property owner is being loaned $2,100 to pay for sewer work that has already been done. She further explained if someone defaults on their loan, the amount will be added to their property tax bill as a special assessment. Mr. Sawyer stated the loan will be allowed to travel with the property so if someone should sell their home, the new owner could be responsible for paying off the loan if it is negotiated in the purchase agreement. Councilperson Haskins asked if every application would come before council. Mr. Sawyer advised yes. Reichert moved, Haskins seconded to approve the SWQIF Sanitary Sewer Loan Agreement with the property owner of 542 E. McArthur Street.
Roll call vote:
Yes: Reichert, Mehigh, Haskins, Jessen.
No: None.
Motion CARRIED

CONSIDER RESOLUTION NO. 011811-05, MEDICAL MARIHUANA MORATORIUM EXTENSION: Ms. Lawson explained the planning commission is not done reviewing all of the information that it has received. The planning commission knows the direction it wants to go and needs more time to develop the ordinance with the proper regulations. Reichert moved, Mehigh seconded to approve the following Resolution No. 011811-05, Medical Marihuana Moratorium Extension:

CITY OF CORUNNA
RESOLUTION NO. 011811-05

A RESOLUTION TO IMPOSE A MORATORIUM ON THE ISSUANCE OF PERMITS, LICENSES OR APPROVALS FOR THE SALE OR DISPENSATION OF MEDICAL MARIHUANA

WHEREAS, The City of Corunna finds that the provisions within the Code of Ordinances have not kept pace with recent developments and the passing into law of initiated Law 1 of 2008, the Michigan Medical Marihuana Act.

WHEREAS, it is within the rights of the City of Corunna to establish reasonable regulations to control the sale and dispensation of medical marihuana in order to protect the public health, safety and welfare and in a manner consistent with the Michigan Medical Marihuana Act.

WHEREAS, a moratorium, was imposed by the City Council for six months beginning on 8-2-2010 on a limited temporary basis, which was deemed reasonable and necessary in order to allow time for review of and potential amendments to the Code of Ordinances.

WHEREAS, during this moratorium period, the Planning Commission began but was unable to complete their full investigation of the Medical Marihuana Act and act upon any potential modifications to the Code of Ordinances that may establish reasonable regulations to control the sale and dispensation of medical marihuana in order to protect the public health, safety and welfare.

WHEREAS, the initial resolution allowed the City of Corunna to extend the moratorium for an additional six months in order to allow for sufficient time to complete any amendments deemed necessary to the ordinance.

WHEREAS, the moratorium imposed by the original resolution shall be extended for an additional six months or until amendments to the City of Corunna's Code of Ordinances becomes effective, whichever occurs first.

THIS RESOLUTION WAS DULY ADOPTED BY THE CORUNNA CITY COUNCIL DURING ITS REGULAR MEETING HELD ON JANUARY 18, 2011

RESOLUTION DECLARED ADOPTED
Roll call vote:
Yes: Haskins, Jessen, Reichert, Mehigh.
No: None.
Motion CARRIED

CALL TO AUDIENCE: Jack Johnson, 215 E. State Street, stated any time you can put in curbs, gutters, and sidewalks is great and helps the community. The city has a few streets that do not have curbs, gutters or sidewalks and kids have to walk in the street when they walk home from school. He further stated he talked to his neighbor, Larry Friess, who advised when he was on the council a motion was made requiring curbs, gutters and sidewalks to be installed whenever work was done to a street. Mr. Johnson also stated he would like a copy of the franchise agreement that the city has with Charter Cable in the next couple of days if it is available. He advised he has tried to call Councilperson Jessen a couple of times and asked him to call him. Mr. Johnson also advised he would like to speak to the mayor.

Judy Horton, 315 N. Dutcher Street, asked how many of the council have gone down to the community center to see the destruction. The upstairs bathrooms have been removed and the basement has been insulated. She advised Wednesday is the deadline to purchase a calendar and there are a lot that need to be sold so if anyone knows of someone who wants a calendar, she will deliver it.

ROUNDTABLE DISCUSSION: Councilperson Mehigh thanked the council for excusing him while he was absent.

Councilperson Jessen advised he had nothing to discuss.

Councilperson Haskins advised he had nothing to discuss.

Councilperson Reichert asked if there is a pile salt by the city barns that might be available for residents to use on their sidewalks. Mr. Sawyer advised it used to be available a couple of years ago, but the city has not been able to continue it due to the price of salt.

ADJOURN: Jessen moved, Mehigh seconded to adjourn.

Roll call vote:

Yes: Haskins, Mehigh, Reichert, Jessen.

No: None.

Motion CARRIED Time was 8:08 p.m.

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Charles Kerridge, Mayor Nichole L. Cowdrey, Clerk/Treasurer