

Allegan, Michigan

March 14, 2016

Call to Order Mayor Ingalsbee called the regular meeting of the Allegan City Council to order at 7:00 PM.

Pledge of Allegiance

Meeting Prayer Paul Knuckles gave the prayer.

Roll Call

Present: Councilmembers: Gratz, Leverage, Manning, Morgan, Tripp, Mayor Ingalsbee

Absent: McKenzie

Others

Present: City Manager R. Hillard, Finance Director T. Stull

Approval of Minutes Councilmember Tripp, supported by Councilmember Gratz, made a motion to approve the Regular City Council meeting minutes of February 22, 2016. Motion passed by acclamation.

Mayor's Report Mayor Ingalsbee had nothing to report.

City Manager's Report City Manager R. Hillard requested an addition under **B. Communications No. 3.**

Petitions and Public Comment Fred Schubert, 406 N. Main commented on the purchases the City has made and feels that the tax payer money is being wasted. He asked about the overbilling of Perrigo in the amount of \$1.4 million. Mayor Ingalsbee stated that the City is in negotiations with Perrigo officials and no conclusions have been made. He feels the City needs a new City Manager.

Communications City Manager R. Hillard reviewed the recent spring newsletter that was mailed to all city residents.

Councilmember Leverage, supported by Councilmember Morgan, made a motion to approve the request received from Safe Harbor, Allegan, Michigan to place pinwheels throughout the downtown for Child Abuse Prevention Month for the month of April. Motion passed by acclamation.

Councilmember Leverage, supported by Councilmember Tripp, made a motion to approve the request received from Art in the Garden to place signage on City property to advertise their event until April 10th. Motion passed by acclamation.

Hearings Mayor Ingalsbee opened the public hearing for the proposed donation of 425 Hubbard Street at 7:08pm. There was no public comment. Councilmember Tripp, supported by Councilmember Gratz, made a motion to close the public hearing at 7:08pm. Motion passed by acclamation.

Programs

Resolutions

RESOLUTION NO. 16.03

**A RESOLUTION TO AUTHORIZING REDEMPTION OF
CAPITAL IMPROVEMENT BONDS, SERIES 2013**

WHEREAS, the City of Allegan (the “City”) issued its Capital Improvement Bonds, Series 2013, dated June 12, 2013 (the “Bonds”); and

WHEREAS, the Bonds were issued for the purpose of constructing improvements to City streets and the purchase of real property, and a portion of the proceeds of the Bonds were used to purchase property located at 155 Brady Street (the “Property”) for the purpose of using the Property for the City Hall; and

WHEREAS, due to changes in circumstances the City has determined that it is not in the best interests of the City to use the Property for the City Hall; and

WHEREAS, the City has determined to sell the Property and has negotiated an agreement to sell the property the terms of which are bona fide and arm’s length and the consideration received for the Property is fair market value; and

WHEREAS, in order to take remedial action under the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder (collectively the “Code”), the City has determined to redeem all of the outstanding Bonds, including the portion thereof that will become non-qualified bonds due to the sale of the Property; and

WHEREAS, the following maturities of the Bonds remain outstanding:

- \$15,000 in principal, at an interest rate of 1.05%, maturing on June 1, 2016
- \$15,000 in principal, at an interest rate of 1.25%, maturing on June 1, 2017
- \$15,000 in principal, at an interest rate of 1.50%, maturing on June 1, 2018
- \$15,000 in principal, at an interest rate of 1.80%, maturing on June 1, 2019
- \$15,000 in principal, at an interest rate of 2.00%, maturing on June 1, 2020
- \$15,000 in principal, at an interest rate of 2.25%, maturing on June 1, 2021
- \$16,000 in principal, at an interest rate of 2.40%, maturing on June 1, 2022
- \$16,000 in principal, at an interest rate of 2.55%, maturing on June 1, 2023

WHEREAS, the City has funds on hand sufficient to redeem the outstanding Bonds; and

WHEREAS, the outstanding maturities on the Bonds are subject to redemption prior to maturity at the par value thereof and accrued interest to the date of redemption; and

WHEREAS, the City has determined that it is in the best interest of the City to redeem the Bonds and take remedial action with respect to the portion of the Bonds that will be non-qualified bonds under the Code.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City calls for redemption prior to maturity all of the outstanding Bonds subject to redemption prior to maturity on the earliest available call date.
2. The City Manager is authorized to notify the paying agent, bond registrar and transfer agent (the "Paying Agent") for the Bonds of the City's direction to call the Bonds prior to maturity.
3. In order to effectuate the redemption, the City Manager authorized to give irrevocable instructions to the Paying Agent to give such notices as may be required for the redemption of the Bonds and to approve the form of any notices.
4. The City Manager is hereby authorized to execute all documents, agreements, and certificates and to take all actions necessary to complete the redemption.
5. All proceeds of the sale of the Property shall be used to redeem the Bonds.
6. This resolution and the expression of intent to take remedial action and redeem the Bonds is intended to satisfy the requirements of Section 141 of the Code and Treasury Regulation 1.141-12.
7. All resolutions or parts of resolutions in conflict herewith are rescinded.

Councilmember Gratz, supported by Councilmember Tripp, made a motion to approve Resolution 16.03 as presented.

RESOLUTION 16.04
Authorizing 2nd Quarter Budget Adjustments

WHEREAS, in order to ensure all budgeted fund and activities for the 2015/2016 budget year end within budget parameters; and

WHEREAS, the City of Allegan Finance Director is authorized to make the necessary adjustments to complete this action; and

BE IT RESOLVED, the following attached 2nd Quarter Budget Recommendations are authorized for adjustment and shall reflect the 2015/2016 adopted budget;

Councilmember Tripp, supported by Councilmember Gratz, made a motion to approve Resolution 16.04 as presented. Motion passed by acclamation.

Resolution 16.05
Authorizing changes in the Standard Lighting Contract with Consumers Energy

Councilmember Tripp, supported by Councilmember Gratz, made a motion to approve Resolution 16.05, to authorize changes in the Standard Lighting Contract with Consumers Energy, as presented (adding a streetlight at 330 Linn Street).

RESOLUTION 16.06
Amendment to the City of Allegan Municipal Policy Manual

WHEREAS, under the authority of various provisions of the Municipal Policy Manual and the Code of Ordinances of the City of Allegan, the City Council wishes to amend various existing city policies and fees and codify with existing policies and fees; and

WHEREAS, changes to **Article I Building Permits** and shall be incorporated into the Allegan Municipal Policy Manual and read as attached.

NOW, THEREFORE, BE IT RESOLVED, by the City Council that the above stated additions to the City of Allegan Municipal Policy Manual be adopted as recommended by the City staff; and

BE IT FURTHER RESOLVED, that the policies and fees hereto shall be the policy as established for the City of Allegan; and all other policies and fees to the extent of such conflict are hereby repealed.

Councilmember Gratz, supported by Councilmember Morgan, made a motion to approve Resolution 16.06 as presented. Motion passed by acclamation.

Ordinances

Permits/Licenses/Agreements/Grants Councilmember Morgan, supported by Councilmember Leverage, made a motion to approve the Real Estate Conveyance Agreement between the City of Allegan and the American Red Cross for the purchase/donation of the property at 425 Hubbard Street and having the building demolished before September 30, 2017. Councilmember Leverage agreed with the time limit provision. Motion passed by acclamation.

Councilmember Leverage, supported by Councilmember Morgan, made a motion to approve the License Agreement between the City of Allegan and the American Red Cross for the use of the Griswold facility for a five year term. Motion passed by acclamation.

Councilmember Tripp, supported by Councilmember Gratz, made a motion to approve the License Agreement between the City of Allegan and the Allegan Area Chamber of Commerce to use 134 Brady Street as their offices for a ten year term. Motion passed by acclamation.

Requests for Payments

Requests for Purchases, Services and Equipment Councilmember Gratz, supported by Councilmember Morgan, made a motion to approve the request for services received from Prein & Newhof, Grand Rapids, Michigan for the Water Supply System Asset Management in the amount of \$12,450.00. Motion passed by acclamation. **(Requires Budget Adjustment)**

Councilmember Leverage, supported by Councilmember Gratz, made a motion to approve the request for purchase received from the State of Michigan, Lansing, Michigan for road salt for the 2016/17 winter season in the amount of \$32,500.00. Motion passed by acclamation.

Councilmember Tripp, supported by Councilmember Gratz, made a motion to approve the request for services received from Aerial Construction, Bloomingdale, Michigan for tree and stump removal in the amount of \$9,500.00. Motion passed by acclamation.

Reports/Minutes of City Boards Mayor Ingalsbee presented the Water and Wastewater Treatment Plant Activity Reports for February, 2016.

Mayor Ingalsbee reviewed the minutes from the Downtown Development Authority meeting held on February 11, 2016.

Mayor Ingalsbee discussed the minutes from the Economic Development Corporation meeting held on March 2, 2016.

Councilmember Manning reviewed the minutes from the Design Advisory Board meeting held on March 2, 2016.

Mayor Ingalsbee presented the minutes from the Historic District Commission meeting held on March 7, 2016.

City Manager R. Hillard reviewed the minutes from the Downtown Development Authority meeting held on March 9, 2016.

Appointments Councilmember Gratz, supported by Councilmember Morgan, made a motion to appoint Nicole Richmond to the Downtown Development Authority for a term expiring in March, 2019. Motion passed by acclamation.

Unfinished Business

Approval of Payroll and Accounts Councilmember Tripp, supported by Councilmember Gratz, made a motion to approve payroll in the amount of \$178,996.99 and accounts payable in the amount of \$1,127,869.18. Motion passed by acclamation.

Department Supervisors Report Finance Director T. Stull continues to work on the budget.

DPW Director A. Haskin is working on submitting information for a Safe Routes to School Grant for new sidewalks.

Council Comments Councilmember Manning had a meeting with the new owner of 142 Brady Street.

Councilmember Gratz announced the upcoming Egg stravanza on March 19th at the Allegan High School.

Councilmember Tripp thanked with DPW staff for being out in full force to clean up after the winter.

Mayor Ingalsbee adjourned the meeting at 7:41pm.

Respectfully submitted,

**Tracy Stull
Finance Director**

