

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JANUARY 9, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

Pastor Deb Johnson, First United Methodist Church, gave the Invocation

The Pledge of Allegiance was said by all present.

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, DPS Supervisor, Wastewater Superintendent, City Engineer, Public Safety Director, Deputy Fire Chief, Deputy Police Chief, Electric Department Superintendent, City Clerk

Jeff Brazo, representing Sturgis Little League, provided an update on the development of ball fields at the Middle School.

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Gay to approve the Consent Agenda of January 9, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the December 19, 2012 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,183,772.77 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

SNP Director Monica Smith explained that in October of 2012, the City of Sturgis was awarded a Neighborhood Stabilization Program (NSP) grant from the Michigan State Housing Development Authority in the amount of \$28,000.00. The properties located at 206 Jacob Street (two structures) and 506 E. Hatch Street (one structure) were slated for demolition and determined to contain asbestos. Bid packages requesting proposals for the asbestos abatement and demolition of both sites were prepared accordingly and a bid notice was published. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Smith to approve the bid from Pitsch Companies for the asbestos abatement, demolition and clearance of three structures for a contract amount not to exceed twenty-one thousand six hundred dollars (\$21,600.00) as presented.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

City Engineer Barry Cox explained that in August 2012, the City was awarded grant funds from the Michigan Department of Transportation's (MDOT) Urban Grant program. These funds are intended to be used to complete improvements on East South Street. The project includes reconstruction of East South Street from South Nottawa Street to the start of the curb and gutter on the street, as well as milling and resurfacing on the curb and gutter section, ending at South Lakeview Avenue. As part of the project, the water main will also be replaced in the portion of East South Street under reconstruction. Discussion followed which included parking, safety zones, street width, drainage, sanitary sewer, and cemetery access.

Wastewater Superintendent Tom Sikorski explained that the Big Hill Landfill's treatment system was designed to provide an effective yet low cost method to extract and treat groundwater impacted with volatile organic compounds. The system was initially designed to recover and treat groundwater and operate 24 hours per day. Operations began in January 1994 and it now has repairs that need to be done to the baffle system. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Stephens to approve the request to purchase replacement baffles for the Big Hill treatment system from THERMAFAB, Incorporated, for the not-to-exceed cost of ten thousand three hundred sixty-five dollars (\$10,365.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Jeanette Fenner provided information on the task order covers design engineering services related to the State Revolving Fund (SRF) FY 2013 Wastewater System improvements.

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve Task Order #40 in the amount of two hundred sixty-nine thousand nine hundred dollars (\$269,900.00) and authorize the City Manager to sign on behalf of the City.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

City Controller Holly Keyser provided details on the vehicle and equipment bids and purchases. Tom Kool provided information on his understanding of the bid process and his particular bids. There was extensive discussion on the bidding process, local purchasing, the particular vehicles that were bid, the needs of each department which is purchasing a vehicle or piece of equipment.

Moved by Comm. Sisson and seconded by Comm. Stephens to approve the purchase of a 2013 GMC Sierra 2500 from Kool Chevrolet in the amount of twenty-seven thousand, nine hundred and ninety-five dollars and seventy-six cents. (\$27,995.76)

Voting yea: Eight

Voting nay: Littman

MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Stephens to approve the purchase of a 2013 Ford F250 from Gorno Ford in the amount of twenty-four thousand, one hundred and eighty-seven dollars (\$24,187.00).

Voting yea: Seven

Voting nay: Gay, Smith

MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Wilson to approve the purchase of a 2013 F350 from Gorno Ford in the amount of twenty-nine thousand, nine hundred and twenty-two dollars (\$29,922.00).

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Smith to approve the purchase of a 2013 F350 Cab and Chassis from Gorno Ford in the amount of twenty thousand, seven hundred and twenty-five dollars (\$20,725.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Stephens to approve the purchase of a service body from Truck and Trailer Specialties in the amount of twelve thousand, seven hundred and forty-seven dollars (\$12,747.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Hile to approve the purchase of a 2013 Ford Focus from Gorno Ford in the amount of sixteen thousand, five-hundred and twenty-four dollars (\$16,524.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Stephens to approve the purchase of one 2013 Dodge Charger Police Cruiser from Bill Snethkamp-Fleet in the amount of twenty-one thousand, nine hundred and nineteen dollars and nine cents (\$21,919.09).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Wilson to approve the bid of Barone Hardware and Auto for the purchase of a 52 inch Husqvarna mower and bagger and 60 inch Husqvarna mower in the total amount of seventeen thousand, fifty-four dollars and ninety-five cents (\$17,054.95) as presented.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Hile to approve the bid of Bates Tractor for the purchase of a 15 foot flex pull-behind mower in the amount of eleven thousand, four hundred and forty-four dollars (\$11,444.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 10:40 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JANUARY 23, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

Reverend Cal Kolzow – Trinity Lutheran Church, gave the Invocation

The Pledge of Allegiance was said by all present.

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, DPS Supervisor, Electric Department Superintendent, City Clerk

Dave Crampton, 704 Devonshire, had questions about the boil water notice and had concerns about his family.

David Hurley, 715 Devonshire, explained that he had recently expended a substantial amount of money on his basement. Pam Hurley asked how long it would take for resolution of claims. City Manager Michael Hughes explained that claims should be addressed within about ten days.

Kathy Perry, 409 Devonshire, had questions about what happened that caused the sewer back-up. Mr. Hughes gave a brief explanation about a water main break that entered into the sewer line.

Jessica Parish, 704 N. Lakeview, inquired as to how long it was before the water was shut off. Mr. Hughes explained that the first call came in at 5:30 a.m. and was shut off between 6:30 a.m. and 6:45 a.m.

Barb Wiederman, 713 N. Lakeview, explained the costs of her deductible.

Mr. Hughes explained that to his knowledge of the process, most claims will be denied by the insurance company.

Paige Haze, 705 N. Lakeview, explained that she has a similar situation as most of the other families.

Arturo Soto, 713 Devonshire, inquired as to how to fill out the claim information.

Chris Hackman, 804 Wilshire, detailed the damage in his basement.

Mr. Crampton inquired about a back-up in 2002. Mr. Hughes provided information on that back-up and the law related to sewer back-ups.

Robert Gallup, representing 716 N. Lakeview, provided the circumstances at that property.

There were questions about the availability of drinking water at Wall School.

Mayor Malone explained that he appreciated the difficulty of this situation and that the City will process all claims as they are submitted.

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Gay to approve the Consent Agenda of January 23, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the January 9, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,914,287.29 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that the City Commission has a Local Government Approval resolution regarding a Small Distiller license application for Michigan Liquor Control Commission (MLCC) for their consideration. The application is for the proposed Eau La Distillery De Vie of Mr. Charles Rhines who plans to open a small distillery at 1301 S. Centerville Road. Discussion followed. Mr. Rhines detailed his plans.

Moved by Comm. Smith and seconded by Comm. Littman to approve the application for Eau La Distillery De Vie as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on a potential millage for street repair. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Stephens to set a public hearing for consideration of ballot language for a dedicated street millage.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that in order to operate Diesel Generator Number 6, the MDEQ requires the City to obtain a Renewable Operating Permit. These permits are valid for a five (5) year time frame; the current permit expires on March 24, 2014. Discussion followed regarding use of the diesel plant.

Moved by Comm. Stephens and seconded by Comm. Littman to approve the Electric Department's request for SSOE Group to file a Renewable Operating Permit Application with the Michigan Department of Environmental Quality in the amount of thirteen thousand nine hundred dollars (\$13,900.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on bids that were received for the installation of circuit breakers at the Southeast Substation.

Moved by Comm. Wilson and seconded by Comm. Stephens to approve the bid from Newkirk Electric Associates for the Southeast Substation Construction in the amount of two hundred ten thousand fourteen dollars (\$210,014.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Hile and seconded by Comm. Smith to go into Closed Session for the purpose of discussing

Voting yea: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Hile, Malone

Voting nay: None

MOTION CARRIED

Meeting recessed at 9:30 p.m.

Meeting reconvened at 10:28 p.m.

The meeting was adjourned at 10:30 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, FEBRUARY 13, 2013
STURGES-YOUNG AUDITORIUM

Mayor Malone called the meeting to order at 7:30 p.m.

Reverend Dr. Doug Carr – Sturgis Foursquare Church, gave the Invocation

The Pledge of Allegiance was said by all present.

Commissioners present: Sisson, Stephens, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Smith, Taulbee, Wilson

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, DPS Supervisor, Electric Department Superintendent, City Clerk

Moved by Comm. Littman and seconded by Comm. Stephens to approve the agenda as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Sisson to approve the Consent Agenda of February 13, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the January 23, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,626,812.99 as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of street millage ballot proposal.

City Manager Michael Hughes provided information on the impact of a street millage, a typical street improvement program, comparable millage rates, and other issues. Discussion followed. Earl Arend expressed his support for the proposed street millage. Reverend Carr explained that work needs to be done on the streets. City Clerk Kenneth Rhodes explained that Commissioners Smith and Taulbee provided their support for the ballot proposal.

Moved by Comm. Stephens and seconded by Commissioner Gay to approve the resolution for the Street and Sidewalk Millage as presented with the millage amount to be placed at 3 mills.

Voting yea: Five

Absent: Smith, Taulbee, Wilson

Voting nay: Sisson

MOTION CARRIED

RESOLUTION

Whereas, the City of Sturgis has streets and sidewalks that need reconstruction, repair, and improvements; and

Whereas, according to the City Commission's Sturgis 2022 program, streets are important to residents and businesses; and

Whereas, the City of Sturgis does not have sufficient funds to dedicate for undertaking said reconstruction, repair, and improvements and in order to have good streets will require significant investment in reconstruction as well as preventative maintenance; and

Whereas, one of the goals of the Sturgis 2022 program is to ensure that Sturgis has one of the best street systems in Michigan; and

Whereas, the City will, subject to approval by the electors of the City of Sturgis and in compliance with the state statutes, levy a new three (3) mill property tax for a period of ten (10) years commencing in calendar year 2013 for purposes of reconstructing, repairing, and improving streets and sidewalks.

Now, therefore, be it resolved that the following question be placed on the ballot for the general election scheduled for May 7, 2013, for consideration by the electors of the City of Sturgis:

STREET AND SIDEWALK IMPROVEMENT MILLAGE

Should the City of Sturgis levy a new three (3) mills property tax for a period of ten (10) years commencing in calendar year 2013 to be used exclusively for street and sidewalk reconstruction, repair, and improvement projects as approved by the Sturgis City Commission?

_____ Yes

_____ No

The estimated increase in revenue to be collected by the City in the first year if the millage is approved is \$770,652.00.

City Manager Michael Hughes explained that in October 2012, the City acquired five (5) foreclosed properties. The City has an agreement with Sturgis Neighborhood Program (SNP) for the purchase of two of the properties located at 207 McKee St. and 209 McKee St. The total purchase price of each property includes the acquisition fees for all five (5) properties, which is applied across the three (3) properties proposed to sell. Discussion followed.

Moved by Comm. Stephens and seconded by Commissioner Gay to approve the sale of the property located at 207 McKee St. to the Sturgis Neighborhood Program in the amount of eleven thousand seven hundred seven dollars and fifty cents (\$11,707.50).

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Commissioner Sisson to approve the sale of the property located at 209 McKee St. to the Sturgis Neighborhood Program in the amount of five thousand six hundred twenty four dollars and ninety six cents (\$5,624.96). Stephens gay

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser explained that in December 2012, bids were received for a full size truck to be utilized as an Animal Control truck. The low bid for this truck was seventeen thousand seven hundred eighty nine dollars (\$17,789.00). In January 2013, Kool Chevrolet acquired a used 2009 Chevrolet Colorado mid-sized truck, through a trade-in. The cost of this truck is twelve thousand six hundred dollars (\$12,600.00) and it has 5,900 miles. Discussion followed.

Moved by Comm. Littman and seconded by Commissioner Sisson to approve the bid waiver for the purchase of the 2009 Chevrolet Colorado from Kool Chevrolet in the total amount of twelve thousand six hundred dollars (\$12,600.00).

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Wastewater Superintendent Tom Sikorski explained that many of the WWTP lagoons/ponds were built over twenty (20) years ago. As a result, many of these lagoons have accumulated a thick layer of sludge on the bottom. The depth of this layer cannot get too high or solids wash out with the effluent and result in discharge permit violations. The sludge sled device is simple to operate and can be operated easily by in-house personnel. Work can be completed at a relatively steady pace with minimal disruptions to the facility. The sludge sled can be used in an operating lagoon without shutting the pond down, taking the pond out of service or causing a violation of the discharge permit. Discussion followed.

Moved by Comm. Sisson and seconded by Commissioner Littman to approve the bid waiver for the purchase of a sludge sled from Sediment Control Systems, Inc. in the amount of twenty two thousand eight hundred dollars (\$22,800.00) as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the City has used BLDI for several years to monitor the existing test wells for the presence of fuel after a spill at the diesel plant. If diesel fuel is found it is collected. Periodic reports are prepared by BLDI and filed with the Michigan Department of Environmental Quality (MDEQ). In addition, BLDI acts as the liaison between the City and the MDEQ.

Moved by Comm. Stephens and seconded by Commissioner Gay to approve a bid waiver to hire BLDI Environmental Engineering for continued monitoring and remediation at the Diesel Plant in the amount of fifteen thousand dollars (\$15,000.00).

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that time-of-use (TOU) electric rates have different charges based on the time of day usage. Power consumed during peak hours have a higher rate than power consumed during shoulder or off-peak hours. When customers alter their usage pattern to fit the rate, their costs go down and wholesale power supply costs also go down.

Moved by Comm. Stephens and seconded by Commissioner Littman to approve the Rate D TOU as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that in 2009, City staff had issues getting access for upgrades and maintenance to several of our more rural areas where we maintain electrical systems. To remedy this situation, City staff began the process of obtaining access easements to these areas. Mostrom Surveying conducted surveys of the impacted properties and provided property descriptions and easement documents were drafted. City staff met with the property owners and the easement documents were signed and notarized.

Moved by Comm. Littman and seconded by Commissioner Stephens to approve the Mayor and City Clerk to sign the easement documents as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on a draft policy dealing with long-term parking at Kirsch Municipal Airport. Currently the airport has no rules or fees for long-term parking on the ramp area of the airport. Anyone is able to park and leave an airplane on the ramp for an indeterminate amount of time. This has been an issue with one plane in particular, which has been left at the airport for an extended period of time and is currently suspected to be inoperable.

Moved by Comm. Sisson and seconded by Commissioner Stephens to approve the Long-Term Airport Parking Policy as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser explained that in May of 2012 the City entered into an agreement with Strategic Resource Management, Inc. (SRM) to review and evaluate the City's expenditures and purchasing practices to identify areas where new and different processes could be used to reduce costs or enhance revenues. Following their review, SRM identified one area where such an opportunity was possible. They recommend implementation of an accounts payable payment program. Such a program would identify vendors with whom the City does business that are willing to accept payment via a specific credit card.

Moved by Comm. Stephens and seconded by Commissioner Sisson to approve three (3) year contract with Strategic Resource Management, Inc. for an accounts payable payment program as presented.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Commissioner Sisson to approve the establishment of an Active Funds Program with Commerce Bank and authorize the City Controller to sign all necessary documents.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that to better provide access to township residents, City staff and leadership of the non-covered townships have been working on a proposed arrangement. Under the arrangement, township governments would purchase compost site passes from the City and provide them to their residents for free at their respective offices. The township governments would purchase a quantity of passes, and at the end of the season those that are not handed out to residents would "bought back" by the City. Discussion followed.

Moved by Comm. Littman and seconded by Commissioner Sisson to approve the compost site pass sale arrangement and changes to the Compost Site Policy as presented and authorize City Manager Michael Hughes to negotiate details and sign all necessary documents.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Hile and seconded by Comm. to appoint Commissioner Littman as an alternate member to the Sturgis Area Ambulance Committee.

Voting yea: Six

Absent: Smith, Taulbee, Wilson

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:40 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

**REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, FEBRUARY 27, 2013
STURGES-YOUNG AUDITORIUM**

Mayor Malone called the meeting to order at 6:30 p.m.

Commissioners present: Sisson, Stephens, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Smith, Wilson

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, City Engineer, City Clerk

City Manager Michael Hughes provided information on issues related to the upcoming street millage ballot question. Discussion topics included a distribution from the Electric Fund, the condition of the streets, the type of repairs, the time for placement of the millage, and related issues.

The meeting was adjourned at 7:05 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

**REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, FEBRUARY 27, 2013
STURGES-YOUNG AUDITORIUM**

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Chaplain Al Hargett – Salvation Army, gave the Invocation

Commissioners present: Sisson, Stephens, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Smith, Wilson

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, DPS Supervisor, Electric Department Superintendent, City Clerk

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of February 27, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the February 13, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,801,979.07 as presented.

C. Mike Himes DDA Board Resignation

ACCEPT the resignation of Mike Himes from the Downtown Development Authority Board.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that the proposed letter of intent for a senior center is a non-binding document, committing the City and the County only to good faith negotiations on the issues it contains. Per the LOI, the County will establish a steering committee for the senior center project, which is to include at least one (1) member of the City Commission and one (1) member of the Doyle Community Center advisory board. The County would also establish a Building Authority for the project, with one (1) member being appointed from a slate of two (2) candidates recommended by the City Commission. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Hile to approve the letter of intent between the City of Sturgis and St. Joseph County regarding development of a new senior center with a modification of section 8 to include language that would allow negotiation of a fee between the City and the Building Authority for services.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None
MOTION CARRIED

Mayor Malone opened the Public Hearing for a signage ordinance amendment.

Assistant to the City Manager Andrew Kuk explained that the Michigan Department of Transportation (MDOT) has a Tourist Oriented Directional Signage (TODS) Program that allows certain businesses and recreational/cultural/historical sites the ability to apply for signage on rural highways; a brochure on the program is included in your packet. Sign requests are reviewed and approved by the state, however, per the program regulations, signs that “would reside within the boundaries of an incorporated city or village” must be approved by the City, which must have an ordinance allowing the signs within their jurisdictional boundaries. Discussion followed.

Mayor Malone closed the Public Hearing.

Moved by Comm. Stephens and seconded by Comm. Gay to consider this the introduction and first reading of an amendment to the Zoning Code, Part II – Appendix A, Article X of the Ordinances of the City of Sturgis, adding subsection 1.1001 (L) as presented.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None
MOTION CARRIED

City Manager Michael Hughes explained that last year staff presented the Commission with information on proposed changes to the City’s property maintenance program, including policies and program fees. In January of 2013, City staff held a meeting with landlords where these proposed changes were presented; City staff provided landlords the opportunity to review the changes and provide feedback. Mr. Hughes provided details of the history of the program and the proposed changes.

Jamie Blasius, Executive Director of Maple Towers, explained that the proposed fee structure will be quite difficult to absorb and the unique position as a federal government entity.

Janelle Riley, Ilene Street, explained that they cannot control the removal of certain items by the renters.

Jane Arver, inquired about the establishment of a “Property Maintenance Board” and whether this would be a paid board. It was explained that this would be a volunteer board.

Chad Carpenter, 106 Pioneer, had concerns about the complaint fee and its legitimacy.

Monica Smith, Sturgis Neighborhood Program, commented on the fact that they, along with Maple Towers, are inspected by HUD and the City.

There was discussion about the fees for each violation.

The Commission emphasized that this is a pilot program which will be evaluated over the next year.

Moved by Comm. Stephens and seconded by Comm. Sisson to approve the Property Maintenance Program Policy as presented with a pilot implementation of the Performance-Based Property Maintenance Program section until 2014.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None
MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Sisson to consider this the introduction and first reading of amendments to Part II - Chapter 14, Article III of the Ordinances of the City of Sturgis.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None
MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Sisson to approve the property maintenance program fees as presented with a one-year moratorium on fee changes.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None
MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Hile to require quarterly reporting to the Commission regarding the pilot program.

Voting yea: Seven

Absent: Smith, Wilson

Voting nay: None
MOTION CARRIED

The meeting was adjourned at 8:40 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

WORK SESSION - STURGIS CITY COMMISSION
WEDNESDAY, MARCH 13, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:00 p.m.

Commissioners present: Sisson, Smith, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Manager, Assistant to the City Manager, City Controller, Electric Department Superintendent, City Clerk

Tom Asp, Utility Financial Solutions, provided details on a proposal for the study of metering strategies and benefits. The proposal covers potential benefits in distribution system management, customer premise management (e.g. energy theft, meter reading, outage notification), system automation, load control, street light monitoring and customer service enhancements. Discussion followed.

The meeting was adjourned at 7:25 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MARCH 13, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Cliff Brubaker, Amigo Centre, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Controller, Deputy Police Chief, Buildings Supervisor, City Clerk

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Nine Voting nay: None MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of March 13, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the February 27, 2013 work session as presented.

APPROVAL of the minutes from the February 27, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,491,334.78 as presented.

Voting yea: Nine Voting nay: None MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on the previously discussed property maintenance ordinance amendment.

Moved by Comm. Stephens and seconded by Comm. Taulbee to approve the amendments to Part II - Chapter 14, Article III, section 14-63 of the Ordinances of the City of Sturgis pertaining to property maintenance to be effective April 1, 2013.

Voting yea: Nine Voting nay: None MOTION CARRIED

**AMENDMENT TO PART II – CHAPTER 14, ARTICLE III OF THE ORDINANCES
OF THE CITY OF STURGIS**

An ordinance to amend Part II – Chapter 14, Article III of the Ordinances of the City of Sturgis pertaining to the Property Maintenance Code and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances regulating the Property Maintenance Code to make technical changes and adopt by reference a Property Maintenance Program Policy;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 14, Article III is hereby amended by revising Section 14-63 as follows, effective as of April 1, 2013:

Sec. 14-63. - Amendments.

The following sections of the International Property Maintenance Code are amended as follows:

(1) Section 101.1 shall be amended to state in its entirety as follows:

101.1 Title: These regulations shall be known as the Property Maintenance Code of the City of Sturgis, may be cited as such and will be referenced to herein as "the Property Maintenance Code of the City of Sturgis, or, alternately, as the code."

(2) Section 101.3 shall be amended to state in its entirety as follows:

101.3 Intent: This code shall be construed to secure its expressed intent, which is to insure public health, safety and welfare insofar as they are affected by the continued occupancy and maintenance of structures and premises. Existing structures and premises that do not comply with these provisions shall be altered or repaired to provide a minimum level of health and safety as required herein. The code official should exercise reasonable discretion in granting modifications to this code as provided for under Section 105.1.

(3) 105.1 shall be amended to state in its entirety as follows:

105.1 Modifications: Where there are practical difficulties involved in carrying out structural or mechanical provisions of this code, the code official shall have the right to vary or modify such provisions upon application of the owner or the owner's representative, provided that the spirit and intent of the law is observed and that the public health, safety and welfare is assured.

The code official shall have the power, with the consent of both the city manager and the building official, to modify any of the provisions of the Property Maintenance Code on application in writing by the owner or the owner's representative when there are practical difficulties in the way of carrying out the strict letter of the code, provided that the spirit of the code shall be observed and any such modification does not pose an unreasonable threat to the health, safety or welfare of an occupant of the property. The particulars of such modification, when granted or allowed, and the decision of the code official thereon, together with the consent in writing thereto of the city manager and the building official, shall be kept within the records of the city and a signed copy shall be furnished to the applicant. Any refusal of a request for modification hereunder may be appealed by the applicant as provided for under this code.

The application for modification and the final decision of the code official shall be in writing and shall be officially recorded in the permanent records of the department.

(4) Section 106.4 shall be amended to state in its entirety as follows:

106.4 Penalty.

(A) Violations of this code are a municipal civil infraction

(B) Notwithstanding any fine or imprisonment provision set forth in this section, nothing herein shall preclude the city from posting any premises as "unfit for human habitation" and/or instituting condemnation proceedings against such property and the owner thereof.

(5) Section 109.7 shall be added in its entirety as follows:

109.7 Housing of Tenants in an Emergency Situation

When an imminently hazardous situation involving inadequate heat in the winter, flood, sewage backup, or any situation that requires tenants to vacate the premises exists, the owner or agent is required to provide alternative housing until all necessary repairs are made unless a provision in a written lease, by operation of the law, terminates the tenancy. This subsection does not preclude the tenant from exercising other remedies provided by law or equity.

If necessary, the code official may, in such an emergency situation where the owner or agent cannot be immediately contacted or fails to provide alternative housing, place the tenants in alternative housing and impose a lien upon the rental property for any costs incurred by the City as provided in Sec. 2-302 of the City Ordinances.

(6) Section 111.2 shall be amended to state in its entirety as follows:

111.2 Membership of the board. The board of appeals will consist of three members:

i) A representative of the City Commission.

ii) One at large member appointed by the City Commission who is a landlord in the City of Sturgis.

iii) One member of the City of Sturgis Construction Board of Appeals.

The code official shall be an ex-officio member shall have no vote on any matter before the board.

111.2.1 Alternate members. The City Commission shall appoint one alternate member to the Property Maintenance Board of Appeals to fill the seat of the at large member of the board during the absence or disqualification of that member. All members of the City of Sturgis Construction Board of Appeals shall serve as alternate members for that seat.

111.2.2 Reserved.

111.2.3 Disqualification of member. A member of the board of appeals shall not hear an appeal in which that member has a personal, professional or financial interest.

111.2.4 Secretary. The chief administrative officer shall designate a qualified person to serve as secretary to the boards. The secretary shall file a detailed record of all proceedings in the office of the chief administrative officer.

111.2.5 Compensation of members. Compensation of members shall be determined by law.

(7) Section 113 shall be added to state in its entirety as follows:

The City's Property Maintenance Program Policy, as approved by the City Commission and amended from time to time, is hereby adopted by reference and made a part of this section as if fully set forth in this section.

(8) Section 202 shall be amended to add the following:

Rental unit. Any residential premises which is let for occupancy or let, as herein defined.

Responsible local agent. A person or representative of an individual, a corporation, partnership, firm, joint venture, trust, association, organization or other entity having his, her or its place of residence or business in an area from which the City of Sturgis is accessible by motor vehicle within a period of time not exceeding 30 minutes and designated by the property owner as responsible for operating such property in compliance with all the provisions of the Code adopted by the city. All official notices of the city may be served on the responsible local agent, and any notice so served shall be deemed to have been served upon the owner of record.

(9) Section 304.14 shall be amended as follows:

304.14 Insect screens. During the period from April 1 to November 1, every door, window and other outside opening utilized or required for ventilation purposes serving any structure containing habitable rooms, food preparation areas, food service areas, or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored, shall be supplied with approved tightly fitting screens of not less than 16 mesh per inch and every swinging door shall have a self closing device in good working condition.

Exception: Screen doors shall not be required for out-swinging doors or other types of openings which make screening impractical, provided other approved means, such as air curtains or insect repellent fans are employed.

(10) Section 308.3.1 shall be amended to state in its entirety as follows:

308.3.1 Rubbish storage facilities: The owner of every occupied premises shall supply approved covered containers for rubbish, and the owner of the premises shall be responsible for the removal of rubbish. With respect to single-family rental properties the occupant, not the owner, shall supply approved covered containers for rubbish, and the occupant of the premises shall be responsible for the removal of rubbish.

(11) Section 602.3 and 602.4 shall be amended as follows:

602.3 Heat supply. Every owner and operator of any building who rents, leases or lets one or more dwelling unit, rooming unit, dormitory or guestroom on terms, either express or implied, to furnish heat to the occupants thereof shall supply sufficient heat during the period from September 1 to June 1 to maintain the room temperatures specified in Section 602.2 during the hours between 6:30 a.m. and 10:30 p.m. of each day and not less than 60 degrees F. (16 degrees C.) during the other hours.

(12) Section 602.4 shall be amended as follows:

Section 602.4 Nonresidential structures. Every enclosed occupied work space used for mercantile, business or similar purposes shall be supplied with sufficient heat during the period from September 1 to June 1 to maintain a temperature of not less than 65 degrees F. (18 degrees C.) during all working hours.

Exceptions:

1. Processing, storage and operation areas that require cooling or special temperature conditions.
2. Areas in which persons are primarily engaged in vigorous physical activities.

Assistant to the City Manager Andrew Kuk provided information on the previously discussed zoning ordinance amendment related to directional signage.

Moved by Comm. Sisson and seconded by Comm. Smith to approve an amendment to the Zoning Code, Part II – Appendix A, Article X of the Ordinances of the City of Sturgis, adding subsection 1.1001 (L) to be effective March 14th, 2013.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

**AMENDMENT TO PART II – APPENDIX A - ZONING, ARTICLE X OF THE
ORDINANCES OF THE CITY OF STURGIS**

An ordinance to amend the Zoning Code, Part II – Appendix A, Article X of the Ordinances of the City of Sturgis pertaining to signs and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Zoning Code within the City Code of Ordinances regulating the tourist oriented directional signage;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Appendix A, Article X is hereby amended by adding 1.1001 (L), as follows, effective as of March 14, 2013:

(L) Tourist Oriented Directional Signs. Tourist oriented directional signs, as defined in Michigan Public Act 299 of 1996 are permitted if approved by the Michigan Department of Transportation pursuant to the PA 299 of 1996 and by a vote of the Sturgis City Commission.

Moved by Comm. Sisson and seconded by Comm. Littman to approve the requested Tourist Oriented Development Sign for Big Cedar Distillery as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on the Race for the Cure event which has occurred in the City the past three years.

Moved by Comm. Taulbee and seconded by Comm. Wilson to approve the requests for the 2013 Chasing the Cure event as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes on the current noxious weeds ordinance and possible modifications that relate to the height of the weeds. Discussion followed. A majority of the City Commission recommended the development of language that would reduce the maximum length to eight inches.

City Controller Holly Keyser provided information on financial and legal services proposals for a potential bond refunding. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Taulbee to approve the financial advisory services of H.J. Umbaugh & Associates for fourteen thousand, five hundred dollars (\$14,500.00) as presented and authorize the City Controller to sign the engagement letter.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Taulbee to approve the bond attorney services of Miller Canfield for twenty thousand dollars (\$20,000.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser provided information on natural gas purchasing options. Discussion followed.

City Manager Michael Hughes explained that he has received a request from the County to send a letter of support for continued exploration of a County marketing program. The City Commission had no objection to this letter.

The meeting was adjourned at 8:40 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

WORK SESSION - STURGIS CITY COMMISSION
WEDNESDAY, MARCH 27, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 6:30 p.m.

Commissioners present: Sisson, Stephens, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Smith, Taulbee

Also present: City Manager, Assistant to the City Manager, City Controller, City Engineer, City Clerk

Jeremy Gump, Inquire Partners, provided details on a proposed mixed use development that would be created on John Street. Discussion followed. There was discussion regarding the use of a small portion of a City parking lot as part of the development. Mr. Gump explained that alternative parking areas would be included in the development. The Commission had no objection to consideration of a transfer of the property.

The meeting was adjourned at 7:10 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MARCH 27, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Deb Johnson, First United Methodist Church, gave the Invocation

Commissioners present: Sisson, Stephens, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Smith, Taulbee

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, City Engineer, Electric Department Superintendent, DPS Supervisor, City Clerk

Brad Quirin explained that he was incorrectly charged for a security light for two years but the Terms and Conditions only allow for reimbursement up to one full year; he requested full reimbursement of the two years. Electric Department Superintendent John Griffith provided details on this particular situation. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Sisson to extend the amount of time for collection of undercharges and refunding of overcharges in the Utility Terms and Conditions to twenty-four months.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented with the addition of Item 10K regarding a downtown ribbon request.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Gay to approve the Consent Agenda of March 27, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the March 13, 2013 work session as presented.

APPROVAL of the minutes from the March 13, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,934,265.55 as presented.

C. 2013 Cross Walk

APPROVE the request for the 2013 Cross Walk as presented.

D. Child Abuse Prevention Demonstration

APPROVE the request of the Child Abuse/Neglect Council for the use of Free Church Park as presented.

E. Compost Site Policy Amendment

APPROVE the changes to the Compost Site Policy as presented.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of an IFEC for Summit Polymers.

Southwest Michigan First representative Cathy Knapp provided details on the investment made by the company. The Commission applauded the company for their commitment to the community.

There was no comment from the public.

Mayor Malone closed the Public Hearing.

Moved by Comm. Wilson and seconded by Comm. Stephens to adopt a resolution awarding an Industrial Facilities Exemption Certificate, not-to-exceed seven hundred ninety seven thousand four hundred eighty four dollars (\$797,484.00) to Summit Polymers, Inc. for a period of twelve (12) years.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

WHEREAS, Summit Polymers, Inc. in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Summit Polymers, Inc., and

WHEREAS, on March 27, 1985 the City Commission established the Industrial Development District for the industrial property of Summit Polymers, Inc., and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Summit Polymers, Inc. for an "Industrial Facilities Exemption Certificate".

Mayor Malone opened the Public Hearing for consideration of an IFEC for Mayer Tool & Engineering.

Southwest Michigan First representative Cathy Knapp provided details on the investment made by the company. The Commission applauded the company for their commitment to the community.

There was no comment from the public.

Mayor Malone closed the Public Hearing.

Moved by Comm. Stephens and seconded by Comm. Wilson to adopt a resolution awarding an Industrial Facilities Exemption Certificate, not-to-exceed one hundred seventy eight thousand one hundred sixty five dollars (\$178,165.00) to Mayer Tool and Engineering, Inc. for a period of twelve (12) years.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

WHEREAS, Mayer Tool and Engineering, Inc. in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Mayer Tool and Engineering, Inc., and

WHEREAS, on November 26, 1986 the City Commission established the Industrial Development District for the industrial property of Mayer Tool and Engineering, Inc. and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Mayer Tool and Engineering, Inc. for an "Industrial Facilities Exemption Certificate".

DPS Supervisor Rick Miller provided information on the bids that were received for green space mowing and the City's experience with the program. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Wilson to approve the bids of Custom Lawn Care, Rickett's Lawn Care, and The Grass Guys, LLC for green space mowing in 2013 and 2014 as presented.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

City Manager Michael Hughes explained that after previous discussion with the City Commission, City staff developed an ordinance amendment which will reduce the length of a noxious weed from ten inches to eight. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Sisson to consider this the introduction and first reading of an amendment to Part II - Chapter 34, Article II of the Ordinances of the City of Sturgis pertaining to weeds and noxious growth.

Voting yea: Six Voting nay: Gay Absent: Smith, Taulbee MOTION CARRIED

City Engineer Barry Cox explained that on July 10, 2012, the Local Project Selection Committee approved East South Street for the 2013 Small Urban Program grant in the amount of two hundred ninety seven thousand six hundred dollars (\$297,600.00) and provided details on the project. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Wilson to approve the contract between the City of Sturgis and MDOT (Contract #13-5039) for the completion of the East South Street Improvements Project and authorize City Manager Michael Hughes and Mayor Kenneth Malone to sign all necessary documents.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Electric Department Superintendent John Griffith explained that Utility Financial Solutions (UFS) was asked to review possible benefits of automated metering and on March 13, 2013, Mr. Tom Asp of UFS, provided information at a Commission work session. Mr. Griffith provided information on the proposed study. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Wilson to approve the Electric Department's request for Utility Financial Solutions to proceed with Phase One of the Metering Strategy and Planning in the amount of sixteen thousand three hundred ninety dollars (\$16,390.00).

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Electric Department Superintendent John Griffith explained that Frontier Communications has offered a thirty six (36) month contract that includes a ten (10) MBPS connection for the City, a twenty (20) MBPS connection for the hospital and no charge for the installation which will eliminate the performance issues experienced with the current copper connection. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Littman to approve the Frontier Communications Internet Agreement increasing the amount paid for service by two hundred five dollars (\$205.00) per month with a total cost of twenty nine thousand one hundred twenty four (\$29,124.00) over the three year commitment as presented contingent on approval by Sturgis Hospital.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Electric Department Superintendent John Griffith explained that on September 9, 2012, the City Commission approved an updated street light policy. The policy did not include an electric rate for the lights and Mr. Griffith provided information on the proposed rates. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Wilson to approve the Recommended Retail Rates for Street Light Service as presented.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

City Manager Michael Hughes explained that a letter of intent for a new senior center was approved at the February 27th Commission meeting. Included in this letter of intent was a provision for a committee to be formed which includes representation from the City of Sturgis Commission. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Sisson to appoint Commissioner Littman to the Senior Center Planning Committee.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

City Manager Michael Hughes explained that again this year, Domestic and Sexual Abuse Services has again requested that the City enter into a contract for funding.

Moved by Comm. Sisson and seconded by Comm. Littman to deny the request from Domestic and Sexual Abuse Services to enter a contract for funding.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

Assistant to the City Manager Andrew Kuk explained that the Presbyterian Church has requested to place blue ribbons downtown for the month of April to recognize Child Abuse and Neglect Awareness month.

Moved by Comm. Wilson and seconded by Comm. Littman to approve the request to place blue ribbons downtown as presented.

Voting yea: Seven Voting nay: None Absent: Smith, Taulbee MOTION CARRIED

The meeting was adjourned at 8:45 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
MONDAY, APRIL 8, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Major DeWayne Duskin, Salvation Army, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Taulbee

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Controller, City Engineer, IT Director, DPS Supervisor, City Clerk

Mayor Malone presented the following proclamation:

WHEREAS, In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and;

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and;

WHEREAS, Arbor Day is now observed throughout the nation and the world, and;

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and;

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and;

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and;

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal.

NOW THEREFORE BE IT RESOLVED, as Mayor of the City of Sturgis I do hereby proclaim April 26th 2013 , as

ARBOR DAY

In the City of Sturgis and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands,

AND FURTHER, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Moved by Comm. Littman and seconded by Comm. Wilson to approve the agenda as presented with the addition of Item 10E regarding equipment purchases.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Wilson to approve the Consent Agenda of April 8, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the March 27, 2013 work session as presented.

APPROVAL of the minutes from the March 27, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,437,387.38 as presented.

C. 2013 Stroller Roll

APPROVE the request of the Great Start Collaborative for the 2013 Stroller Roll as presented.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Wilson to approve the amendment to Part II - Chapter 34, Article II of the Ordinances of the City of Sturgis pertaining to weeds and noxious growth to be effective May 1st, 2013.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

**AMENDMENT TO PART II – CHAPTER 34, ARTICLE II OF THE ORDINANCES
OF THE CITY OF STURGIS**

An ordinance to amend Part II – Chapter 34, Article II of the Ordinances of the City of Sturgis pertaining to weeds and noxious growth and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances regulating standards and the enforcement of weeds and noxious growth in the City;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 34, Article II is hereby amended by revising Section 34-31 as follows, effective as of May 1st, 2013:

Sec. 34-31. – Duty of owner to cut weeds and noxious growth.

It shall be the duty of the owner and occupant of any lot, land or premises within the corporate limits of the city to cut and remove, or cause to be cut and removed, all weeds or plant growth in excess of eight inches (203.2 mm), as measured from ground level topography to the top of the average weed height. All noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs; provided, however, this term shall not include cultivated flowers and gardens. This provision shall not apply to land utilized as a railroad, or upon a railroad right-of-way. In such cases, the city shall cut weeds or plant growth at least twice each year.

City Clerk/Treasurer Kenneth Rhodes explained that there are two recent vacancies, on the DDA and EDC boards. Laura Johnson submitted an application for the DDA board, Gene Harrison for the EDC board, and Jeremy Gump for both. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Smith to appoint Jeremy Gump to the Downtown Development Authority Board through May 2016.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Hile to appoint Gene Harrison to the Economic Development Corporation Board and Brownfield Redevelopment Authority Board to fill the unexpired term of Ray Dresser through May 2014.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

IT Director Jeanette Fenner provided information on the current network file servers and recent bids for a new server. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Stephens to approve Dell Marketing L.P. bid for the Application and File Server in the amount of ten thousand, two hundred forty-one dollars and ninety nine cents (\$10,241.99) as presented.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

City Engineer Barry Cox explained that in late September 2012, the City Commission approved a resolution of financial support required to participate in MDOT's TEDF Category A Grant Program. The recent Summit Polymers equipment purchase and job expansion afforded the City the opportunity to improve roads serving their facility through the Category A Grant Program. He provided information on task order for preliminary design, final design, and bidding services for the project. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Littman to approve Task Order #41 with Fleis and Vandenbrink Engineering, Inc. for engineering and bid services in the amount of twenty thousand, five hundred dollars (\$20,500.00) as presented.

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

City Controller Holly Keyser provided information on the history and recent request for proposals related to Workers Compensation insurance. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the proposal of the Michigan Municipal League Workers Compensation Fund for workers compensation insurance from May 2013 to July 2014 in the total amount of one hundred and thirty-seven thousand, six hundred and five dollars as presented (\$137,605.00).

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

DPS Supervisor Rick Miller explained that he was recently made aware of a large equipment auction being conducted by the City of Pontiac. He explained that there are certain items that are currently budgeted and others that could be quite helpful in DPS operations and provided information on the equipment and the City's needs. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Wilson to approve the purchase of used equipment from the Pontiac auction at the maximum cost presented for individual items and any other items deemed useful by City staff up to a total expenditure of \$382,000.00

Voting yea: Eight Voting nay: None Absent: Taulbee MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Sisson to go into Closed Session for the purpose of discussing the purchase of property.

Voting yea: Smith, Sisson, Stephens, Wilson, Littman, Gay, Hile, Malone

Voting nay: None

Absent: Taulbee

MOTION CARRIED

Meeting recessed at 8:23 p.m.

Meeting reconvened at 8:38 p.m.

The meeting was adjourned at 8:45 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

WORK SESSION - STURGIS CITY COMMISSION
WEDNESDAY, APRIL 24, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 6:30 p.m.

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Manager, Assistant to the City Manager, City Controller, City Engineer, City Clerk

Mark Manquen and Don Apel, Cornerstone Municipal Advisory Group, provided information on PPACA, the federal healthcare reform and how it may affect the City. Discussion followed.

The meeting was adjourned at 7:30 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, APRIL 24, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Pastor Stephen Middleton, Christian Fellowship Center, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, City Controller, City Engineer, DPS Supervisor, Electric Department Superintendent, Wastewater Superintendent, City Clerk

Moved by Comm. Littman and seconded by Comm. Wilson to approve the agenda as presented with the addition of items regarding an easement, phone contract, and vehicle purchase discussion.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Wilson to approve the Consent Agenda of April 24, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the April 8, 2013 regular meeting as presented with an adjustment of the maker of a motion.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$866,051.71 as presented.

C. Warren Atkins Planning Board Resignation

ACCEPT the resignation of Warren Atkins from the Planning Board.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of an IFEC for Parma Tube Corporation.

Southwest Michigan First representative Cathy Knapp provided details on the investment made by the company. The Commission applauded the company for their commitment to the community.

There was no comment from the public.

Mayor Malone closed the Public Hearing.

Moved by Comm. Wilson and seconded by Comm. Stephens to adopt a resolution awarding an Industrial Facilities Exemption Certificate, not-to-exceed one hundred seventy thousand six hundred eighty seven dollars (\$170,687.00) to Parma Tube for a period of twelve (12) years.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

WHEREAS, Parma Tube Corporation in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Parma Tube Corporation, and **WHEREAS**, on October 6, 1980 the City Commission established the Industrial Development District for the industrial property of Parma Tube Corporation, and **WHEREAS**, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and **WHEREAS**, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Parma Tube Corporation for an "Industrial Facilities Exemption Certificate".

City Manager Michael Hughes provided information on the encroachment of a utility easement by a homeowner's construction of a pool. City staff is recommending an amendment to the easement after a full review by City staff. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Hile to authorize the City Manager to amend the utility easement at 505 Devonshire as presented contingent upon final review by City staff and the City Attorney.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser provided information on a proposed bond refinancing held by the Economic Development Corporation for Thurston Woods Village. The first purpose of the resolution is to approve the designation of the “project area” and establish the “proposed district area” which will be benefitted by the financing, as required by the statute. The second purpose is to approve the appointment of two (2) additional members to the EDC Board. These members will be members of the Thurston Woods community and serve only with respect to this particular financing. They will cease to serve once the financing is completed. The third purpose is to call a public hearing on the project plan being prepared by the EDC and on the proposed issuance of the bonds. The public hearing would be held on Wednesday, May 22, 2013 at 7:30 p.m. in conjunction with the City Commission regular meeting.

Moved by Comm. Taulbee and seconded by Comm. Wilson to approve the Resolution Certifying Approval of Project Area Designation, Establishing Project District Boundaries, Appointing Additional Directors, and Calling Public Hearing Concerning Project Plan for the Thurston Woods Village project as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

WHEREAS, there exists in the City of Sturgis, County of St. Joseph, State of Michigan (the “City”), the need for certain programs to alleviate and prevent conditions of unemployment, to assist and retain local industrial and commercial enterprises in order to strengthen and revitalize the City’s economy, and to encourage the location and expansion of industrial and commercial enterprises to provide needed services and facilities to the City and its residents; and

WHEREAS, a program to alleviate the aforesaid conditions and accomplish said purposes has been initiated by The Economic Development Corporation of the City of Sturgis (the “Corporation”); and

WHEREAS, Thurston Woods Village, Inc., a Michigan nonprofit corporation (the “Borrower”), has requested that the Corporation assist the Borrower in (i) refinancing certain indebtedness incurred by the Borrower to finance the costs of improving, remodeling, furnishing and equipping a nursing facility owned by the Borrower (the “Project”) and located on the campus of the Borrower’s continuing care retirement community in the City, and (ii) refunding certain outstanding limited obligation revenue bonds previously issued by the Corporation for the benefit of the Borrower (the “Prior Bonds”); and

WHEREAS, the Corporation, in conformity with Act 338, Public Acts of Michigan, 1974, as amended (“Act 338”), has designated to this City Commission for approval the hereinafter described land as the “project area” for the Project; and

WHEREAS, in conformity with Act 338, it is also necessary for this City Commission to establish the “project district area” boundaries; and

WHEREAS, it is also necessary for this City Commission to approve the appointment of two additional Directors of the Corporation with respect to the Project pursuant to the provisions of Section 4(2) of Act 338; and

WHEREAS, the Corporation, in conformity with Act 338, is in the process of preparing

and will submit a project plan (the "Project Plan") with respect to the proposed refinancing of the costs of the Project and the refunding of the Prior Bonds; and

WHEREAS, the Corporation has stated its preliminary intention to issue its limited obligation revenue and revenue refunding bonds (the "Bonds") for the purpose of assisting the Borrower in refinancing the costs of the Project, refunding the Prior Bonds and paying costs incidental to the issuance of the Bonds and the refunding of the Prior Bonds; and

WHEREAS, pursuant to Act 338 and the Internal Revenue Code of 1986, as amended (the "Code"), it is necessary to hold a public hearing concerning the Project Plan and the proposed issuance of the Bonds by the Corporation prior to taking legislative action related thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Commission does hereby certify its approval of the Corporation's designation of the "project area" described in Exhibit A attached hereto (the "Project Area"). Said Project Area is coterminous with the project area previously designated by the City Commission for the implementation of the projects financed with the proceeds of the Prior Bonds.

2. This City Commission does hereby establish as a "project district area" the property described in Exhibit B attached hereto (the "Project District Area"). Said Project District Area is coterminous with the project district area established by the City Commission in connection with the implementation of the projects financed with the proceeds of the Prior Bonds.

3. This City Commission does hereby certify its approval of the individuals listed on Exhibit C attached hereto as additional Directors of the Corporation to serve with respect to the Project in conformity with the provisions of Section 4(2) of Act 338.

4. It is hereby determined that the requirements of Section 20 of Act 338 have been met and that the formation of a project citizens district council is not required.

5. Pursuant to Act 338 and the Code, the City Commission is required to conduct a public hearing on the Project Plan to be submitted by the Corporation and on the proposed issuance by the Corporation of the Bonds. The City Commission hereby calls a public hearing on the Project Plan and the proposed issuance by the Corporation of the Bonds for May 22, 2013, at 7:30 p.m. prevailing Eastern Time.

6. The City Clerk is hereby directed to give notice of such public hearing by (1) publishing a notice thereof in the Sturgis Journal, a newspaper of general circulation in the City; (2) posting a notice thereof in at least ten (10) conspicuous and public places in the Project District Area; and (3) mailing a notice thereof to the last known owner of each parcel of real property in the Project District Area at the last known address of the owner as shown by the tax assessment records of the City, which notices shall be published and given at least fourteen (14) full days prior to the date set for said hearing. Said notice of public hearing shall be in substantially the form attached hereto as Exhibit D.

7. The City Clerk is hereby directed to deliver a certified copy of this Resolution to the Secretary of the Board of the Corporation.

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

Wastewater Superintendent Tom Sikorski provided information on the bids to remove and land apply biosolids from the facilities storage tank for the next four (4) years. The treatment plant produces one million (1,000,000) gallons of biosolids for recycling to every year.

Moved by Comm. Stephens and seconded by Comm. Gay to approve Gawne Trucking, Inc.'s bid for the removal and land application of biosolids from the Wastewater Treatment Plant in the amount of one hundred fifty eight thousand one hundred thirty seven dollars and fifty cents (\$158,137.50) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox explained that the City received an email of conditional commitment in early March for our Transportation Alternative Program (TAP) grant submittal. This grant is for Historic Brick Restoration of South Nottawa Street from US-12 to Congress Street. The current conditional grant amount is four hundred seventy thousand four hundred eighty two dollars (\$470,482.00). The City's match amount for the participating items is two hundred fifty three thousand three hundred thirty six dollars and forty six cents (\$253,336.46). The current estimate for the total project cost is one million one hundred fourteen thousand two hundred twenty two dollars (\$1,114,222.00).

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve a Professional Services Agreement with Fishbeck, Thompson, Carr & Huber, Inc. in the amount of fifty three thousand five hundred dollars (\$53,500.00) to provide the design services associated with the MDOT TAP grant programming application and authorize City Manager, Michael Hughes, to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided details on the requests related to Sturgis Fest at the end of June. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the requests for Sturgis Fest as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the request of Sturgis Relay for Life for the placement of ribbons as presented.

Voting yea: Eight

Voting nay: Sisson

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Littman to approve the requests for the Airport Fly-In as presented and approve the airport fuel discount as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk explained that included as part of the Airport Capital Improvement Plan for 2013 is the rehabilitation of Runway 6/24 and Taxiway C. The airport is currently working on the design phase of the project, with construction expected late this year. Under a State grant program, the City is responsible for a two and one-half percent (2.5%) match of the costs of design. City staff is recommending the use of QoE Consulting for this engineering design work. The total cost for design engineering is \$86,000.00. Under the grant agreement with MDOT Aero, the City will be responsible for two thousand, one hundred and fifty dollars (\$2,150.00) of the total design cost.

Moved by Comm. Stephens and seconded by Comm. Hile to approve the contract with QoE Consulting for design engineering services in the amount of eighty thousand, eight hundred and thirty-nine dollars (\$80,839.00) and authorize the City Manager to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Gay to approve the grant contract with MDOT Aero for design engineering services with a match amount of two thousand, one hundred and fifty dollars (\$2,150.00) and authorize the City Manager to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the software and support related to the City's phone system.

Moved by Comm. Wilson and seconded by Comm. Taulbee to approve the quote from Network Solutions, Inc. for telephone maintenance services in the amount of twenty-four thousand, nine hundred and eighty-seven dollars and twelve cents (\$24,987.12) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

DPS Supervisor Rick Miller explained that at the recent auction of Pontiac, Michigan used equipment, he had discussion with the individual who purchased an additional dump truck about a possible sale to the City. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Sisson to authorize City staff to negotiate the purchase of a 2009 International dump truck as presented for an amount not to exceed one hundred and ten thousand dollars (\$110,000.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:45 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MAY 8, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Bob Renner – Sturgis Missionary Church, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, City Engineer, DPS Supervisor, Electric Department Superintendent, City Clerk

Sgt. Ryan Banaszak presented the plans behind “Safety Town” which would be built next to Wall School to teach children safety and other things in a miniaturized City setting. Discussion followed.

City Clerk/Treasurer Kenneth Rhodes presented the results from the May 7, 2013 special election. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Hile to approve the Consent Agenda of May 8, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the April 24, 2013 work session as presented.

APPROVAL of the minutes from the April 24, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$2,192,758.93 as presented.

C. Blooms and Tunes Event Street Closures

APPROVE the request to close North St. and Pleasant St. for the Blooms and Tunes event as presented.

D. Memorial Day Parade

APPROVE the request to close S. Nottawa St. from Fawn River Rd. to Cottage St. for the Memorial Day Parade as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

DPS Supervisor Rick Miller explained that he has spoken with Lee Leasing regarding their available used dump truck from the Pontiac city auction. Lee has offered to sell the City of Sturgis the truck for \$118,000.00. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve the purchase of the used dump truck from Lee Leasing in the amount of one hundred eighteen thousand dollars (\$118,000.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the proposed development project on John Street by Inquire Partners and a related letter of intent. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Littman to approve the letter of intent between the City of Sturgis and Inquire Partners regarding the mixed use development.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on a request from former Judge Thomas Shumaker for the Trojan Youth Triathlon. The event is being put on by volunteers with the cooperation of Sturgis Public Schools and is scheduled for Saturday, June 22nd. For the event Judge Shumaker is requesting closure of Ivanhoe Street from 7:30 a.m. until noon, as well as the use of City barricades. The event will also require the closure of Franks Avenue from the Sturgis Commons drive entrances to Fawn River Road. This stretch of road, while within the City limits, is the jurisdiction of the County Road Commission. Staff has worked with Judge Shumaker and the Road Commission to secure permission for this closure; City barricades would be used to complete the closure. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the requests for the Trojan Youth Triathlon as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of Zoning Code amendments.

Buildings Supervisor George Musolff provided details on the proposed amendments to the Zoning Code as a result of the recent Master Plan update. Discussion followed.

There was no comment from the public.
Mayor Malone closed the Public Hearing.

Moved by Comm. Sisson and seconded by Comm. Stephens to consider this the introduction and first reading of amendments to the City Code of Ordinances, Appendix A, Zoning, Articles II, III, IV, V, VI, XIII, and XIV, as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox provided information on Task Order 42 with Fleis and Vandenbrink (F & V) for Construction Phase Professional Services for the upcoming South Street reconstruction. As part of these services, F & V will provide an onsite resident project representative during construction, schedule progress meetings, prepare contractor pay estimates and any contract modifications, maintain project files and provide recordkeeping of construction activities, provide project administration and consultation, address complaints filed during construction, and do density testing of placed materials (sand, gravel, & asphalt).

Moved by Comm. Sisson and seconded by Comm. Wilson to approve Task Order 42 with Fleis and Vandenbrink Engineering, Inc. for construction phase services on the South Street Improvement project in the amount of seventy eight thousand, five hundred dollars (\$78,500.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the costs of extension of the City's fiber system to allow high speed internet which will allow Dresser Industrial Park to be certified. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Wilson to approve a bid waiver and the quote of Midwest Communication Services to extend fiber optic cable to the Dresser Industrial Park for an amount not-to-exceed fifty four thousand one hundred seventy-seven dollars (\$54,177.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the bids received for Ross Substation and Transformer Maintenance.

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve the bids from Theka Associates in the total amount of twenty nine thousand three hundred forty dollars (\$29,340.00) for the Ross Substation and Transformer Maintenance as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk explained that per Michigan law, all display fireworks shows require a permit from the local legislative body of the community. In order to complete the permitting process, City staff is recommending the Commission authorize Deputy Fire Chief Andrew Strudwick or his representative to complete all necessary permit reviews and sign all necessary documentation. This year the committee has again contracted with Bob Andrews of Wolverine Fireworks Display, Inc. to conduct the fireworks.

Moved by Comm. Stephens and seconded by Comm. Gay to authorize Deputy Fire Chief Andrew Strudwick or his designated representative to complete all necessary permit reviews and sign all necessary documents for a community fireworks display.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Smith to approve the requests for the fireworks display as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 9:15 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MAY 22, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Pastor Luke Eicher, Grace Christian Fellowship, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Engineer, Buildings Supervisor, Electric Department Superintendent, City Clerk

Mike Wilson, Norman & Paulsen, presented the Fiscal Year 2011-2012 Financial Audit. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented with the addition of Item 10I, Memorial Day Toy Run Bike Ride.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Hile to approve the Consent Agenda of May 22, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the May 8, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,809,657.53 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Stephens to approve amendments to the Zoning Code, Part II – Appendix A, Articles II, III, IV, V, VI, XIII, and XIV of the Ordinances of the City of Sturgis, as presented, to be effective June 17th, 2013.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

AMENDMENT TO APPENDIX A – ZONING – ARTICLES II-VI, XIII & XIV
OF THE ORDINANCES
OF THE CITY OF STURGIS

An ordinance to amend Appendix A – Zoning – Articles II-VI, XIII & XIV of the Ordinances of the City of Sturgis definitions, zoning districts, uses and purpose of the Design Review Committee within the City and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that, to protect the health, safety, and general welfare of the public, preserve property values and rights of individuals and the community at large and enhance community appearance and aesthetic well-being, the following changes to the Zoning Ordinance should be adopted.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Articles II-VI, XIII & XIV of the Zoning Ordinances of the City of Sturgis are hereby amended as follows effective as of June 17, 2013.

- Article II, Section 1.0202 – Add the following under Accessory use definition:
 - (M) Any structure or area designed and used specifically for the boarding or exercise of pet or pets (dogs, cats, rabbits, etc.), including but not limited to houses, pens, kennels, and dog/pet runs shall be considered as accessory structures.
- Article II, Section 1.0202 - Definitions to include:
 - Theater.* A building used primarily for the presentation of live stage productions, performances, or motion pictures.
- Article III, Section 1.0301 – Zoning districts change:
 - (H) B-H 1 business highway 1.
 - (I) B-H 2 business highway 2.
 - (J) M manufacturing.
 - (K) P Parking.
 - (L) PD planned development.
- Article IV, Section 1.0407
 - 1.0407. B-C central business district.**
 - (A) *Intent.* ...The regulations listed in 1.0407(B)(1)(a-d) are restricted to properties fronting on Chicago Road between Jefferson Street on the West and Monroe Street on the East (“Restricted Zone”), and will not affect the rest of the central business district.
 - (C) *Special land uses*
 - (1) Professional offices in the Restricted Zone in accord with Section 1.0602 and Section 1.0603(KK).
 - (2) Marquee Signs.
 - a) Marquee signs are permitted only for use on theaters as defined in Section #1.0202 of this Ordinance.
 - b) All Marquee signs must be submitted to the Design Review Committee regardless of what zone they are to be installed.

- c) Proper scale and architectural compatibility will be crucial elements when marquee signs are reviewed by the Planning Commission.
- d) Marquee signs are allowed to be internally lighted.

- Article IV, Section 1.0408 – Remove existing language and replace with:

1.0408 B-H 1 business highway 1.

(A) *Intent* – The B-H 1 Business Highway 1 uses are typically automobile – oriented and cater to patrons traveling through a particular location. Example uses include drive-through restaurants and banks, car washes, strip retail centers, gas stations, sit down restaurants, and similar uses.

(B) *Permitted Uses*. The following are permitted in the B-H 1 district:

- (1) Produce stands, greenhouses and plant nursery sales.
- (2) Bowling alleys, pool or billiard parlor and other recreational facilities.
- (3) Banquet halls.
- (4) Plumbing, electrical, and welding shops.
- (5) Lumber, fuel, and building supply yards.
- (6) Uses similar to the above uses.
- (7) Strip Mall areas.
- (8) Accessory structures and uses customarily incident to the above permitted uses, provided such buildings and uses are located on the same zoning lot with a permitted use.

(C) *Special land uses*. The following special land uses are permitted in the B-H 1 district, under the conditions of article VI [of this zoning ordinance].

- (1) Automobile service stations and minor automobile repair shops.
- (2) Vehicle sales area.
- (3) Automobile carwash.
- (4) Small engine repair.
- (5) Billboards.
- (6) Pet shop and sales.
- (7) Outdoor sale area.
- (8) Marquee signs.
 - a) Marquee signs are permitted only for use on theaters as defined in Section #1.0202 of this Ordinance.
 - b) All Marquee signs must be submitted to the Design Review Committee regardless of what zone they are to be installed.
 - c) Proper scale and architectural compatibility will be crucial

elements when marquee signs are reviewed by the Planning Commission.

d) Marquee signs are allowed to be internally lighted.

- (9) Child care center and day care center in accord with Sections 1.0602 and 1.0603(M).
- (10) Accessory structures and uses customarily incidental to any of the above permitted uses, provided such buildings and uses are located on the same zoning lot with a permitted use.

(D) *Required conditions.* The following conditions are required in the B-H 1 district.

- (1) [Use parameters.] All permitted uses shall be conducted within the confines of a building or within an enclosure which screens any outdoor storage of materials from the view of adjoining streets or properties. A chain-link or decorative fence of sufficient density (1 1/4 inches by 1 1/4 inches) to keep discarded debris within the confines of a site for uses which are likely to have debris shall be provided.
- (2) *Dwellings.* Existing dwellings, existing transient rooming houses, and existing apartments shall meet the provisions of the R-4 Apartment district and special land uses within the R-4 Apartment district, as set out in Section 1.0404.
- (5) *Screening of trash receptacles.* All areas of trash storage including dumpsters shall be screened by a six-foot screen fence, but in no case less than six inches in height over the top of the trash or dumpster.
- (6) *Site plan review.* Site plan review and approval must be obtained for all new construction or in accordance with the provisions of article XII [of this zoning ordinance].
- (7) *Compatibility with adjacent properties.* The following conditions shall apply to permitted uses in the B-H 1 zone when those uses are adjacent to residential uses or residentially zoned property:
 - (a) Rear and sideline setbacks from residential property shall be 45 feet.
 - (b) Screening of residential uses to restrict view from residential property shall be provided by a solid fence of wood stained, sealed or painted eight feet in height, or a solid planting strip 15 feet in width and six feet in height at planting.
 - (c) All exterior doors on the sides of buildings adjacent to residential property shall be for emergency exit

only.

(d) All shipping and deliveries to and from the above shall occur between the hours of 7:00 a.m. and 9:00 p.m.

(e) All exterior lighting shall be directed along exterior building walls and away from residential property.

(f) All outside storage of vehicles shall be screened from any adjacent residential property, and occur only within lighted areas secured by fencing.

(g) All of the requirements of Section 1.0409(D)(2) must be met by the use.

(h) The use must fit into the size, scale, height, texture, material and landscaping pattern of the existing neighborhood.

(8) *Area and bulk requirements.* See article V, schedule of regulations, [of this zoning ordinance] limiting the height and bulk of buildings, the minimum size of lot by permitted land use, and providing minimum yard setback requirements.

- Article IV, Section 1.0409 – Insert the following language and renumber the remaining items:

1.0409 B-H 2 business highway 2.

(A) *Intent* – The B-H 2 Business Highway 2 uses typically have fewer customers visiting the site and generate fewer trips per day. Example uses include storage and warehousing, auto and truck repair facilities, lumber yards, kennels, vehicle sales, and similar uses.

(B) *Permitted uses.* The following uses are permitted in the B-H 2 district:

(1) All uses permitted in B-OS and B-C districts including special uses in accord with article VI [of this zoning ordinance].

(2) Produce stands, greenhouses and plant nursery sales.

(3) Vehicle sales area.

(4) Bowling alleys, pool or billiard parlor and other recreational facilities.

(5) Banquet halls.

(6) Plumbing, electrical, and welding shops.

(7) Lumber, fuel, and building supply yards.

(8) Uses similar to the above uses.

(9) Retail/Outlet centers 20,000 sq. feet or less.

(C) *Special land uses.* The following special land uses are permitted in the B-H 2 district, under the conditions of article VI [of this zoning ordinance].

(1) Automobile service stations and minor automobile repair shops.

(2) Automobile carwash.

- (3) Small engine repair.
- (4) Strip Mall areas.
- (5) Tourist, and boarding houses.

- (6) Ministorage facilities.
- (7) Pet shop and sales.
- (8) Outdoor sale area.

- (9) Child care center and day care center in accord with Sections 1.0602 and 1.0603(M).

- (10) Marquee signs.
 - a) Marquee signs are permitted only for use on theaters as defined in Section #1.0202 of this Ordinance.
 - b) All Marquee signs must be submitted to the Design Review Committee regardless of what zone they are to be installed.
 - c) Proper scale and architectural compatibility will be crucial elements when marquee signs are reviewed by the Planning Commission.
 - d) Marquee signs are allowed to be internally lighted.
- (11) Accessory structures and uses customarily incidental to any of the above permitted uses, provided such buildings and uses are located on the same zoning lot with a permitted use.

(D) *Required conditions.* The following conditions are required in the B-H 2 district.

- (1) *[Use parameters.]* All permitted uses shall be conducted within the confines of a building or within an enclosure which screens any outdoor storage of materials from the view of adjoining streets or properties. A chain-link or decorative fence of sufficient density (1 1/4 inches by 1 1/4 inches) to keep discarded debris within the confines of a site for uses which are likely to have debris shall be provided.
- (2) *Dwellings.* Existing dwellings, existing transient rooming houses, and existing apartments shall meet the provisions of the R-4 Apartment district and special land uses within the R-4 Apartment district, as set out in Section 1.0404.
- (3) *Screening of trash receptacles.* All areas of trash storage including dumpsters shall be screened by a six-foot screen fence, but in no case less than six inches in height over the top of the trash or dumpster.
- (4) *Site plan review.* Site plan review and approval must be obtained for all new construction or in accordance with the provisions of article XII

[of this zoning ordinance].

(5) *Compatibility with adjacent properties.* The following conditions shall apply to permitted uses in the B-H zone when those uses are adjacent to residential uses or residentially zoned property:

- (a) Rear and sideline setbacks from residential property shall be 45 feet.
- (b) Screening of residential uses to restrict view from residential property shall be provided by a solid fence of wood stained, sealed or painted eight feet in height, or a solid planting strip 15 feet in width and six feet in height at planting
- (c) All exterior doors on the sides of buildings adjacent to residential property shall be for emergency exit only.
- (d) All shipping and deliveries to and from the above shall occur between the hours of 7:00 a.m. and 9:00 p.m.
- (e) All exterior lighting shall be directed along exterior building walls and away from residential property.
- (f) All outside storage of vehicles shall be screened from any adjacent residential property, and occur only within lighted areas secured by fencing.
- (g) All of the requirements of Section 1.0409(D)(2) must be met by the use.
- (h) The use must fit into the size, scale, height, texture, material and landscaping pattern of the existing neighborhood.

(D) *Area and bulk requirements.* See article V, schedule of regulations, [of this zoning ordinance] limiting the height and bulk of buildings, the minimum size of lot by permitted land use, and providing minimum yard setback requirements.

- Article V, Section 1.0501 – Change R-4 maximum height of structure to 3 stories and maximum height in feet to 40.
- Article VI, Section 1.0603

1.0603. Special land use designated....

(KK) *Professional Offices.* Professional offices may be permitted in the Restricted Zone subject to the following provisions and conditions:

- (1) The location at which the professional office is to be located has been un-occupied for a minimum of Six

- (6) months; and
 - (2) The existence of one or both of the following conditions:
 - (a) At the time of application a minimum of Five Percent (5%) of the front footage of all properties within the Restricted Zone are un-occupied properties; or
 - (b) At the time of application the total front footage of all professional offices within the Restricted Zone is less than or equal to Thirty-five Percent (35%) of all front footage properties, including un-occupied properties.
- (LL) Marquee signs may be permitted subject to the following requirements:
 - (1) Marquee signs are permitted only for use on theaters as defined in Section #1.0202 of this Ordinance.
 - (2) All Marquee signs must be submitted to the Design Review Committee regardless of what zone they are to be installed.
 - (3) Proper scale and architectural compatibility will be crucial elements when marquee signs are reviewed by the Planning Commission.
 - (4) Marquee signs are allowed to be internally lighted.
- Article XIII, Sec. 1.1301 (B) Design Review Committee.
 - (1) Creation. A design review committee shall be appointed by the planning commission for the purpose of assisting the planning commission to preserve, protect and enhance the aesthetic appeal of the central business district; protect property values through the application of good design principles; and promote the general health, safety and welfare of the central business district and the community. The Design Review Committee will also be charged with reviewing all applications and making a recommendation to the planning commission for Special Land Use Marquee Signs per Section 1.0603 (JJ). For the purpose of this review (Marquee Signs) will be judged on their individual design with building scale and architectural compatibility being key elements.
- Article XIV, Section 1.1405(B) *Procedure*.
 - (1) *General*.
 - (a) The zoning board of appeals shall adopt rules of procedure consistent with the provisions of state statutes and local ordinances, as it may deem necessary to the proper performance of its duties and the proper exercise of its powers.

City Manager Michael Hughes provided information on a proposed easement with International Paper related to storm water runoff from the company's roof. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the easement for International Paper Company as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of a Resolution Approving Project Plan for Thurston Woods Village, Inc.

Tom Colis, Miller Canfield, provided detailed information regarding the bond refunding for Thurston Woods. Discussion followed.

There was no comment from the public.

Mayor Malone closed the Public Hearing.

Moved by Comm. Smith and seconded by Comm. Taulbee to adopt the Resolution Approving Project Plan for Thurston Woods Village, Inc. project as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

RESOLUTION APPROVING PROJECT PLAN AS SUBMITTED BY
THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF STURGIS
(Thurston Woods Village, Inc. Project)

WHEREAS, there exists in the City of Sturgis, County of St. Joseph, State of Michigan (the "City"), the need for certain programs to alleviate and prevent conditions of unemployment, to assist and retain local industrial and commercial enterprises in order to strengthen and revitalize the City's economy, and to encourage the location and expansion of industrial and commercial enterprises to provide needed services and facilities to the City and its residents; and

WHEREAS, a program to alleviate the aforesaid conditions and accomplish said purposes has been initiated by The Economic Development Corporation of the City of Sturgis (the "Corporation"); and

WHEREAS, Thurston Woods Village, Inc., a Michigan nonprofit corporation (the "Borrower"), has requested that the Corporation assist the Borrower in (i) refinancing certain indebtedness incurred by the Borrower to finance the costs of improving, remodeling, furnishing and equipping a nursing facility owned by the Borrower (the "Project") and located on the campus of the Borrower's continuing care retirement community in the City, and (ii) refunding certain outstanding limited obligation revenue bonds previously issued by the Corporation for the benefit of the Borrower (the "Prior Bonds"); and

WHEREAS, the Corporation, in accordance with the requirements of Act 338, Public Acts of Michigan, 1974, as amended ("Act 338"), has caused to be prepared a Project Plan (the

“Project Plan”) containing all information required by Act 338 for the participation by the Corporation in the refinancing of the costs of the Project and the refunding of the Prior Bonds through the issuance by the Corporation of its limited obligation revenue and revenue refunding bonds in the aggregate principal amount of not to exceed Seven Million Dollars (\$7,000,000) (the “Bonds”); and

WHEREAS, the Corporation has approved the Project Plan and has submitted the Project Plan to the City Commission for approval; and

WHEREAS, on May 22, 2013, the City Commission conducted a public hearing on the Project Plan and on the proposed issuance by the Corporation of the Bonds pursuant to Act 338 and the Internal Revenue Code of 1986, as amended (the “Code”).

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Based upon the information submitted, the Project Plan serves to alleviate and prevent conditions of unemployment, to strengthen and revitalize the City’s economy and to provide needed services and facilities to the City and its residents, and therefore constitutes a public purpose.
2. The Project Plan, as attached hereto as Exhibit A and made a part hereof, meets the requirements set forth in Section 8(4) of Act 338, and is hereby approved.
3. The persons who will be active in the management of the Project for not less than one year after approval of the Project Plan have sufficient ability and experience to manage the Project Plan properly.
4. The proposed method of refinancing the costs of the Project and refunding the Prior Bonds as described in the Project Plan is feasible and the Corporation has the ability to arrange, or cause to be arranged, the financing.
5. The Project is reasonable and necessary to carry out the purposes of Act 338.
6. Solely for the purpose of fulfilling the public approval requirements of the Code, the City Commission of the City hereby approves of the issuance, sale and delivery by the Corporation of the Bonds in the aggregate principal amount of not to exceed Seven Million Dollars (\$7,000,000).
7. All resolutions and parts of resolution insofar as they conflict with the provisions of this resolution are hereby rescinded.

Tom Colis, Miller Canfield, provided detailed information regarding the State Revolving Fund 2013 program for wastewater system improvements. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Taulbee to adopt the resolution for SRF 2013 Authorizing Publication of Notice of Intent to Issue Bonds and Declaration of Intent to Reimburse from Bond Proceeds as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE BONDS AND

DECLARATION OF INTENT TO REIMBURSE FROM BOND PROCEEDS

WHEREAS, the City of Sturgis, County of St. Joseph, State of Michigan (the “City”), intends to issue and sell bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Three Million Eight Hundred Thousand Dollars

(\$3,800,000) (the “Bonds”), for the purpose of paying the costs of various improvements to the City’s wastewater collection and treatment system, including but not limited to, replacement of the wastewater treatment plant influent headworks systems, upgrades to several collection system pump stations, and a new grinder pump station and force main, together with all necessary interests in land, rights-of-way, appurtenances and attachments thereto (the “Project”); and

WHEREAS, the City has been advised by the Michigan Department of Natural Resources and Environment that financial assistance to accomplish the acquisition and construction of a portion of the Project is available through the Clean Water Revolving Fund (“CWRP”) loan program administered by the Michigan Finance Authority; and

WHEREAS, the City has made application for participation in the CWRP loan programs; and

WHEREAS, a notice of intent to issue the Bonds must be published in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, in order to be reimbursed from proceeds of the Bonds, the City must state its intention to do so in advance.

NOW, THEREFORE, BE IT RESOLVED THAT:

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

2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the form attached hereto as Exhibit A.

3. The City Commission has determined that the foregoing form of notice of intent to issue the Bonds and the manner of publication directed was the method best calculated to give notice to users of the City’s wastewater system and the taxpayers and electors of this City’s intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds and the right of referendum relating thereto, and the newspaper named for publication was determined to reach the largest number of persons to whom the notice is directed.

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

- (a) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the paying of the costs of the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof from revenues of the water

supply and sewage disposal system or the general funds of the City.

- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$3,800,000.

5. The City hereby confirms the retention of Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel in connection with the Bonds. The City has been advised that Miller Canfield has represented the Michigan Finance Authority in the past and may be representing the Michigan Finance Authority presently in connection with various matters including the CWRP loan program and the City consents to the representation of the Michigan Finance Authority by Miller Canfield in connection with the CWRP loan program that may be utilized by the City in connection with the Bonds.

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

City Engineer Barry Cox provided details on a proposed easement with Merit Network for fiber optic cable in Memorial Park. Discussion followed related to notification to the City for entry into the easement area and indication that the installation would be underground.

Moved by Comm. Sisson and seconded by Comm. Wilson to approve the easement for Merit Network, Inc. as presented with suggested modifications including notification to the City for entry into the easement area and indication that the installation would be underground.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the three transformers at the Diesel Plant that connect the Hydroelectric Plant to the distribution system are routinely overloaded by 20% during the summer month which are over 30 years old. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the bid from Solomon Corporation for one transformer in the amount of sixty six-thousand, seven hundred fifteen dollars (\$66,715.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided details on the proposed City Resource Request Policy. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Wilson to approve the City Resource Request Policy as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes provided details on the board and committee appointments for 2013. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Littman to reappoint the seven members

of the Airport Advisory Board with terms as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Hile to reappoint Georgia Austermann and Esther Feyes to the Auditorium Board and send a letter to Doug Abbs thanking him for his service.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Gay to reappoint the two members of the DDA Board of Directors as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Sisson to reappoint Terra Draper to the Doyle and Recreation Advisory Board.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Commissioner Littman nominated Jenny Fair.
Commissioner Wilson nominated Ned Haylett.

Voting for Fair: Smith, Stephens, Taulbee, Littman

Voting for Haylett: Sisson, Wilson, Gay, Hile, Malone

Ned Haylett was appointed to the Doyle and Recreation Advisory Board.

Moved by Comm. Sisson and seconded by Comm. Hile to reappoint all expiring members of the EDC Board, Employees Retirement Fund, Parks and Cemetery Board, Planning Commission, Sister City Committee, and Zoning Board of Appeals as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Gay to set the second June Regular Sturgis City Commission meeting for Tuesday, June 25th at 7:30 p.m. at the Wiesloch Raum of City Hall.

Voting yea: Eight

Voting nay: Smith

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on a request from the Sturgis Toy Run related to a police escort for a Memorial Day weekend motorcycle ride through town. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Stephens to approve the requests from the Sturgis Toy Run as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Littman to go into Closed Session for the purpose of discussing the purchase of property

Voting yea: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Hile, Malone

Voting nay: None

MOTION CARRIED

Meeting recessed at 9:07 p.m.

Meeting reconvened at 9:52 p.m.

The meeting was adjourned at 10:05 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

WORK SESSION - STURGIS CITY COMMISSION
WEDNESDAY, JUNE 12, 2013
CONFERENCE ROOM – CITY HALL

Mayor Malone called the meeting to order at 5:30 p.m.

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Manager, Assistant to the City Manager, City Controller, Electric Department Superintendent, City Clerk

Mark Beauchamp, UFS, provided details on the utility cost of service study and utility rates. Discussion followed.

The meeting was adjourned at 7:30 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JUNE 12, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Doug Carr, Sturgis Foursquare Church, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Engineer, Buildings Supervisor, Electric Department Superintendent, City Clerk

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Hile to approve the Consent Agenda of June 12, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the May 22, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,169,003.09 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Deputy Fire Chief Andy Strudwick explained that the proposed ordinance amendment brings the Fire Code to the current edition.

Moved by Comm. Taulbee and seconded by Comm. Gay to consider this the introduction and first reading of an amendment to the City Code of Ordinances, Chapter 26, Article II, Sections 26-31 and 26-32 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Deputy Fire Chief Andy Strudwick provided information on the bids received related to the roofing of the Public Safety building. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the bid from Hoekstra Roofing Company for the replacement of the Public Safety building roof in the total amount of one hundred thousand five hundred forty one dollars and ninety nine cents (\$100,541.99) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Wastewater Superintendent Jeannette Fenner provided information on the progression of the 2013 SRF Project. David Harvey, Fleis & VandenBrink, provided details on the project plan. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Wilson to approve the construction management approach for the proposed 2013 SRF Wastewater System Improvements Project and the bid phase services with F&V Construction Management, Inc. for an amount not to exceed thirty thousand dollars (\$30,000.00) and authorize the City Manager to sign on behalf of the City.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Littman to approve Task Order 43 with Fleis & VandenBrink Engineering, Inc. for engineering services for final design, bid, construction, and post-construction phases of the SRF Wastewater System Improvements in an amount not-to-exceed two hundred and twenty-nine thousand, nine hundred dollars (\$229,900.00) and authorize the City Manager to sign on behalf of the City.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the boiler at the West Street office and the bid for replacement. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Smith to approve the bid from Industrial Piping Maintenance to replace the boiler at the Electric Department Administration Building in the amount of fifteen thousand nine hundred forty two dollars (\$15,942.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided details on the proposed airport rules.

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Kirsch Municipal Airport Rules and Regulations as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided details on acquisition of aviation easements at the airport.

Moved by Comm. Wilson and seconded by Comm. Smith to approve a grant contract with the Michigan Department of Transportation for land acquisition related to the airport as presented for six thousand five hundred dollars (\$6,500.00) with a City match amount of one hundred and sixty-three dollars (\$163.00) and authorize City Manager Michael Hughes to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on a proposed no smoking ordinance related to City property. Discussion followed related to enforcement, postings, and other issues. City staff will prepare an ordinance for Commission consideration.

City Manager Michael Hughes began discussion on the proposed fiscal year 2014 budget. There was consensus to advertise the current millage rate for the public hearing.

Comm. Smith announced that he would not be seeking reelection at the upcoming November election.

Moved by Comm. Hile and seconded by Comm. Littman to go into Closed Session for the purpose of discussing the purchase of property

Voting yea: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Hile, Malone

Voting nay: None

MOTION CARRIED

Meeting recessed at 8:40 p.m.

Meeting reconvened at 9:08 p.m.

The meeting was adjourned at 9:10 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION TUESDAY, JUNE 25, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Bob Renner, Sturgis Missionary Church, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Engineer, Deputy Fire Chief, DPS Supervisor, City Clerk

City Engineer Barry Cox introduced representatives of FTC&H Engineering who provided details on the South Nottawa Street reconstruction plan. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Wilson to approve the agenda as presented.

Voting yea: Nine Voting nay: None MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Hile to approve the Consent Agenda of June 25, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the June 12, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,930,787.95 as presented.

C. Independence Day Children's Parade

APPROVE the request for an Independence Day Children's Parade in the South Lakeview neighborhood to be held on Thursday, July 4, 2013 at 10:00 a.m. with a route as presented.

D. Fire Code Second Reading

CONSIDER this the second reading of and APPROVE an amendment to the City Code of Ordinances, Chapter 26, Article II, Sections 26-31 and 26-32 as presented to be effective July 16th 2013.

Voting yea: Nine Voting nay: None MOTION CARRIED

**AMENDMENT TO PART II – CHAPTER 26, ARTICLE II OF THE ORDINANCES
OF THE CITY OF STURGIS**

An ordinance to amend Part II – Chapter 26, Article II of the Ordinances of the City of Sturgis pertaining to the Fire Prevention Code and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances regulating the Fire Prevention Code to update the referenced code edition, provide for regular future updates, and make a technical correction;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 26, Article II is hereby amended by revising Sections 26-31 and 26-32 as follows, effective as of July 16th, 2013:

Sec. 26-31. - Adoption by reference.

(a) There is adopted by the city for the purpose of prescribing regulations governing conditions hazardous to life and property, the code known as the International Fire Code 2009 Edition, and any subsequent edition, amendments or supplements thereto, or such other fire code as may be adopted by the State of Michigan by incorporation by reference in the Michigan Building Code, of which code at least one copy has been and is now filed in the

office of the clerk-treasurer of this city and the whole thereof, save and except those portions as are hereinafter deleted, modified, or amended by section 26-32, as if set out at length in this section. The modifications adopted by the City shall be incorporated by reference in the applicable sections of any subsequent edition of the International Fire Code referenced in the Michigan Building Code that modifies the numbering of those sections.

Sec.26-32. Amendments to fire prevention code.

The prevention fire code adopted in section 26-31 is amended and changed as follows:

.....

(6) Chapter 1, Section 105.2. Application. Any permit required for construction, alteration or demolition of a structure within the city and referenced in this code shall be reviewed and issued through the city building department or appropriate government agency as otherwise provided by ordinances of the city or state law.

Deputy Fire Chief Andrew Strudwick provided information on the bids related to the vehicle that would be purchased to replace the Unit 715 Brush Truck. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the purchase of the 2014 Ford F450 from Auto Park Ford in the amount of thirty-four thousand five hundred fifty-six dollars (\$34,556.00) as presented.

Voting yea: Nine Voting nay: None MOTION CARRIED

City Manager Michael Hughes provided information on the improvements at Franks Park which include adding a concrete ramp and steps to the entrance of the storage barn for both the rocket football and SYSO entrances; these groups will be paying for the improvements. It would also include removing tables in the concession stand and replacing them with countertop and lockable cabinets and installing electricity to the existing storage areas.

Moved by Comm. Sisson and seconded by Comm. Littman to approve the request from SYSO to add a concrete ramp to the storage barn entrances at Franks Park as presented and authorize City Manager Michael Hughes to sign an amended lease.

Voting yea: Nine Voting nay: None MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on the possible provisions to a no smoking ordinance. Discussion followed related to enforcement, smokeless tobacco, distance and location, and other issues. The Commission had consensus to add smokeless tobacco to the proposed ordinance.

Moved by Comm. Littman and seconded by Comm. Hile to consider this the introduction and first reading of an amendment to the City of Sturgis Code of Ordinances, Part II – Chapter 38, Article VI of the Ordinances of the City of Sturgis adding Division 3 – No Smoking, pertaining to the regulation of smoking on City property.

Voting yea: Nine Voting nay: None MOTION CARRIED

Mayor Malone opened the Public Hearing on the Fiscal Year 2013 Tax Millage Rate.

City Controller Holly Keyser provided information on the proposed fiscal year 2013 tax rate of 10.0285 mills, which is the same as last year. She also provided information on the administration fee on all tax bills. Discussion followed.

There was no comment from the public.

Mayor Malone closed the Public Hearing.

Moved by Comm. Wilson and seconded by Comm. Littman to set the fiscal year 2013 tax rate at 10.0285 mills.

Voting yea: Eight Voting nay: Sisson MOTION CARRIED

DPS Supervisor Rick Miller provided information on the necessary work and the bids that

were received for water well cleaning and pump re-conditioning. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Littman to approve the base bid from Peerless Midwest Inc. for the Thurston Woods Well Cleaning and Pump Re-conditioning project in the amount of thirty-five thousand, three hundred and forty-four dollars (\$35,344.00) and approve purchase of necessary repair parts in an amount not-to-exceed thirty-one thousand, five hundred and fifty-two dollars (\$31,552.00).

Voting yea: Nine Voting nay: None MOTION CARRIED

The meeting was adjourned at 9:02 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JULY 10, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Pastor Jerry Solis, Celebrate 1, gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Wilson

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Engineer, Electric Department Superintendent, City Clerk

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the agenda as presented with an item regarding energy market participation.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of July 10, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the June 25, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$850,461.87 as presented.

C. Sturgis Housing Commission Board Resignation

ACCEPT the resignation of Richard Spackman from the Sturgis Housing Commission Board.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided additional information regarding the tobacco use ordinance. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Sisson to consider this the second reading of and approval of an amendment to the City Code of Ordinances, Part II, Chapter 38, Article VI adding Division 3 – Use of Tobacco Products, as presented, to be effective August 1st, 2013.

Voting yea: Seven Voting nay: Gay Absent: Wilson MOTION CARRIED

AMENDMENT TO PART II – CHAPTER 38, ARTICLE VI OF THE ORDINANCES
OF THE CITY OF STURGIS

An ordinance to amend Part II – Chapter 38, Article VI of the Ordinances of the City of Sturgis adding Division 3 – Use of Tobacco Products, pertaining to the regulation of the

use of tobacco products on City property and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances to add language which will regulate the use of tobacco products on City-owned property and public recreation areas;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 38, Article VI is hereby amended adding Division 3 – Use of Tobacco Products as follows, effective as of August 1st, 2013:

Sec. 38-201. - Smoking in Public Places.

The City of Sturgis recognizes and enforces Michigan Public Act No. 188. Michigan Public Act No. 188 of 2010, as amended, MCL 333.12601 through 333.12616, bans smoking in public places, including areas owned or operated by local governmental agencies and used by the public or serving as a meeting place for public bodies.

Sec. 38-202. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

City Property means all property (indoor and outdoor) owned or leased by the City of Sturgis including adjacent parking lots. It does not include City-owned property leased in its entirety to a third party, unless that area is being used as a public recreational area. This does not include City sidewalks or terraces unless they are defined (temporarily or permanently) as recreational areas or they are adjacent to a City-owned parcel of land (i.e. sidewalks and terrace area around City Hall, the Doyle Community Center, etc.)

Designated Congregating Area means any location intended to be used for a congregation of people, permanently or temporarily, with a definable area. This includes but is not limited to: bleachers or stands, park shelters, playgrounds, sports fields, designated spectator areas for sporting or other events, beer “gardens” or beer tents, picnic areas, etc. It does not include park benches located outside of another designated congregating area.

Public Recreational Area means any City-owned property (indoor and outdoor) used for recreational purposes, including but not limited to parks, sports fields, open spaces, and event areas.

Smoking means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, pipe, or other similar tobacco product in any manner.

Tobacco Products means any item for consumption containing tobacco which can be inhaled, chewed, sucked, or placed in a person’s mouth. This includes but is not limited to cigarettes, cigars, pipe tobacco, chew, etc.

Sec. 38-203. – Use of Tobacco Products Prohibited on City Property and Recreational Areas.

The use of tobacco products, including but not limited to smoking, is prohibited on all City of Sturgis property and recreational areas, including City-owned property approved for temporary use as a public recreational area.

Sec. 38-204. – Exceptions.

The following exceptions are made to the requirements of Sec 38-203:

- A) Persons are permitted to use tobacco products inside their vehicles on City of Sturgis Property and public recreational areas if the vehicle is legally parked in a parking lot.

- B) The City Manager may approve one or more designated tobacco use areas on City Property or a public recreational area.
 - a. The designated tobacco use area shall be no less than 30 feet from any buildings or designated congregating areas on City Property or a public recreational area. For the purposes of this section, designated congregating areas do not include designated tobacco use areas.
 - b. The location of the designated tobacco use area must be identified by a sign or other posting. If practical, the boundary of the area should also be identified.

Sec. 38-205. – Penalties and Enforcement.

Anyone violating this chapter of the City Code of Ordinances shall be subject to the following enforcement and penalties:

- A) Shall first be asked to cease the violating behavior or leave the premises and be issued a written warning.
- B) If they do not cease the violating behavior or are found to violate a section of this chapter a second time, they will be asked to cease the violating behavior or leave the premises and be issued a civil infraction for an amount not to exceed \$100.00.
- C) If they do not cease the violating behavior or are found to violate a section of this chapter a third or subsequent time, they will be asked to cease the violating behavior or leave the premises and be issued a civil infraction for an amount not to exceed \$250.00.
- D) If three or more violations occur at the same location, the City may ban the individual from that location.

Sec. 38-206. – Posting.

Posting of applicable prohibitions under this chapter is recommended at each impacted property. In the case of temporary public recreational areas, event organizers should be made aware of the regulations of this ordinance and if practical, post information regarding the prohibition. The absence of postings required by this section shall not be a defense to a violation of any provision of this chapter.

Sec. 38-207. – Other Applicable Laws.

This chapter shall not be interpreted or construed to supersede any ordinances, rules or applicable laws considered to be stricter in regards to use of tobacco products.

Sec. 38-208. – Severability. If any part of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other parts of this Ordinance that can be given effect without the invalid part, and to this end the provisions of this chapter are declared to be severable.

Assistant to the City Manager Andrew Kuk and organizer Scott Swihart provided information on the third Homegrown Art and Music festival that will be held in Oaklawn Park on August 10th, 2013. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Taulbee to approve the requests for the 2013 Homegrown Art and Music Festival as presented.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes and Ryan Amboy, RBA Housing Development, LLC, provided information on a proposed ordinance amendment which would reintroduce a Payment In Lieu Of Tax for the Village Manor apartment complex. This PILOT is necessary for the owners to secure financing with MSHDA for a multi-million dollar rehabilitation of the property. Details of the PILOT and the project were discussed along with the effect on taxing entities.

Moved by Comm. Smith and seconded by Comm. Littman to consider this the introduction and first reading of an amendment to the City Code of Ordinances, Chapter 2, Article IV, Section 2-304 pertaining to the PILOT for Village Manor.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Electric Department Superintendent John Griffith provided information on recent legislation which creates the Low-Income Energy Assistance Fund. Funds will be generated by assessing a one dollar (\$1.00) per month per meter surcharge and will be distributed to low income households by the Department of Human Services to help pay energy bills. In lieu of collecting the surcharge, Section 7 of the Act allows utilities to opt-out. If utilities choose to opt out, the law prohibits disconnection of residential electric service for non-payment from November 1st through April 15th for all customers. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Littman to approve the recommendation to opt-out of Public Act 95 for 2013 and approve the changes to the City of Sturgis' General Shutoff Rules as presented.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Electric Department Superintendent John Griffith provided information on a program that would allow the City to sell capacity and energy from the Diesel Plant to a third party. Adam Schuster, Videro Software and Tripp Warner, Converge, curtailment service provider, gave details on how this program works. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Sisson to authorize the City Manager to negotiate and execute agreements between the City of Sturgis and Videro Software and Converge to participate in the PJM markets.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Engineer Barry Cox explained that City staff and the City Commission have discussed the bidding of engineering services in conjunction with street projects. He also provided information on the Request for Qualifications process. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Hile to approve the Street Improvement Engineering Services Request for Qualifications as presented and appoint Commissioner Littman and Commissioner Gay to serve on the Request for Qualifications Review Committee.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Engineer Barry Cox provided information on the 2013 and 2014 street repair projects. Discussion followed.

City Engineer Barry Cox provided information on an intergovernmental partnering proposal from the St. Joseph County Road Commission to provide support services to the City for rehabilitating N. Franks Avenue as well as completing Doyle Community Center and Sturges-Young Auditorium parking lot resurfacing. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Gay to approve the intergovernmental partnership agreement with St. Joseph County Road Commission for engineering services as presented in the amount of fifteen thousand seven hundred dollars (\$15,700.00).

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Engineer Barry Cox provided information on a number of “Slow - Children at Play” signs installed around the City. Based on information compiled from several sources and used within the industry, the City no longer installs these types of signs for several reasons. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Sisson to approve the request to remove all “Slow - Children at Play”, “Watch - Children” or similar signage from the City’s public streets.

Voting yea: Seven Voting nay: Gay Absent: Wilson MOTION CARRIED

City Manager Michael Hughes provided details on the proposed 2013-2014 Fiscal Year Budget. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Hile to set a public hearing for consideration of the City’s 2013-2014 budget at 7:30 p.m. on August 14th, 2013 at City Hall, 130 N. Nottawa.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Moved by Comm. Hile and seconded by Comm. Littman to go into Closed Session for the purpose of discussing the purchase of property.

Voting yea: Smith, Sisson, Stephens, Taulbee, Littman, Gay, Hile, Malone

Voting nay: None

Absent: Wilson

MOTION CARRIED

Meeting recessed at 10:12 p.m.

Meeting reconvened at 10:28 p.m.

City Manager Michael Hughes explained that there was interest to allow local non-profit organizations to utilize the services of the County grant writer on a limited basis.

The City Commission had consensus to allow this and approve an addendum to the Grant Writer Memorandum of Understanding dated September 12, 2012.

The meeting was adjourned at 10:50 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JULY 24, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Cal Kolzow, Trinity Lutheran Church gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Wilson

Also present: City Attorney, City Manager, City Engineer, Wastewater Superintendent, City Clerk

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the agenda as presented with the addition of an item regarding an MDEQ Grant.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of July 24, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the July 10, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$2,129,777.48 as presented.

C. United Way Donut Drive

APPROVE the request of the St. Joseph County United Way for Donut Day on Wednesday, August 21st as presented.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes and Ryan Amboy, First Housing Corporation provided further details on a Payment in Lieu of Tax Ordinance (PILOT) amendment for the Village Manor housing development. This amendment will allow First Housing to enter into a financing arrangement with the Department of Housing and Urban Development for rehabilitation of the facility. The PILOT includes a payment which is calculated by multiplying 8% by the amount of the collected rents minus utilities. In addition to the PILOT ordinance amendment, First Housing has proposed entering into a Municipal Emergency Services Agreement with the City in the amount of \$10,000 which will offset the funds lost as a result of the PILOT. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Gay to consider this the second reading and approval of an amendment to the City Code of Ordinances, Chapter 2, Article IV, Section 2-304 pertaining to the PILOT for Village Manor.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

**AMENDMENT TO PART II-CHAPTER 2
OF THE ORDINANCES
OF THE CITY OF STURGIS**

An Ordinance to amend Part II – Chapter 2, Article IV, Section 2-304 the Ordinances of the City of Sturgis pertaining in order to provide for a service charge in lieu of taxes for Village Manor Townhouses, a multiple family dwelling project for persons and/or families of low income to moderate income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966, as amended.

WHEREAS, the City has determined that it is in the best interest of the residents of the City to amend the Ordinances to encourage low to moderate income housing within the City by providing tax exemption and a service charge in lieu of taxes for Village Manor Townhouses as provided herein.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 2, Article IV, Section 2-304 is amended to provide as follows effective as of August 14, 2013;

Sec. 2-304. Tax Exemption for Village Manor Townhouses and Fee in lieu of Taxes.

(a) Purpose. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income to moderate income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCL Section 125.1401 et. seq.). The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons and/or families of low income to moderate income is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The City acknowledges that FHC Three Village Manor Limited Dividend Housing Association Limited Partnership (the "Sponsor") has offered subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority or a federally aided mortgage loan from another lender, to rehabilitate, own and operate a housing development identified as Village Manor Townhouses located in the City of Sturgis, more particularly described in Exhibit "A" attached hereto, to serve persons and/or families of low and moderate income, and that the Sponsor has offered to pay the City on account of this housing development an annual service charge for public services in lieu of all taxes.

(b) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Act means the State Housing Development Authority Act, being Public Act 346 of

1966, of the State of Michigan, as amended.

Authority means the Michigan State Housing Development Authority.

Annual Shelter Rent means the total collections during an agreed annual period from all units of the housing development representing rent or occupancy charges, exclusive of Utilities furnished to the occupants.

City means the City of Sturgis, a Michigan municipal corporation.

Housing Development means a development which contains a significant element of housing for persons and/or families of low to moderate income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to housing for persons of low income.

Rehabilitation means that the Sponsor shall spend a minimum of \$3,500,000 for rehabilitating and improving the Housing Development.

Mortgage Loan means a loan to be made by the Authority to the Sponsor for the construction and/or permanent financing of the Housing Development.

Persons and/or Families of Low to Moderate Income means those persons and families, including the elderly, who are determined to be eligible to move into Village Manor Townhomes.

Sponsor means FHC Three Village Manor Limited Dividend Housing Association Limited Partnership, which has applied or will apply to the Authority for Low Income Housing Tax Credits. Utilities mean water, gas, electricity, heat, sanitary sewer and any other utilities which are paid by the Housing Development.

(c) Class of Housing Developments Exempt from Taxation. It is determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing for Persons and/or Families of Low to Moderate Income, which are financed or assisted pursuant to the Act and which are limited as to the number of units allowable by zoning. It is further determined that Village Manor Townhouses is of this class. (Passage of this Ordinance shall not be deemed precedent for other similar PILOT ordinances.)

(d) Establishment of Annual Service Charge. The Housing Development identified as Village Manor Townhouses and the property on which it is constructed shall be exempt from all property taxes from and after the commencement of Rehabilitation. The City, acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all property taxes and a payment in lieu of taxes as established in this Ordinance, and in consideration of the Sponsor's offer, subject to receipt of a Mortgage Loan from the Authority or a federally aided mortgage loan from another lender, to rehabilitate, own and operate the Housing Development, agrees to accept payment of an annual service charge for public services in lieu of all property taxes subject to the requirements of Subsections (g) and (h) hereof. The annual service charge shall be equal to Eight percent (8 %) of the Annual Shelter Rent for the first year, and each year thereafter.

(e) Limitation on the Payment of Annual Service Charge. Notwithstanding Subsection (d) hereof, the service charge to be paid each year in lieu of taxes for the part of the Housing Development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt. The term low to moderate income persons or families as used herein means, with respect to any Housing Development that is tax-exempt, any person or family eligible to move into such development.

(f) Contractual Effect of Ordinance. Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

(g) Verification of Annual Shelter Rent. The Sponsor shall verify Annual Shelter Rent revenues to the City with a Statement of Profit and Loss of the Housing Development as reported to the Authority by an independent certified public accountant or such other form of financial documentation deemed suitable by the City. The Statement of Profit and Loss, or such other form of financial documentation acceptable to the City, together with a statement describing the methodology by which the Sponsor calculated the service charge, shall be submitted to the City Treasurer by April 30 each year.

(h) Duration. This Ordinance shall remain in effect until the latest of: (i) the date the Mortgage Loan no longer remains outstanding and unpaid, (ii) the Housing Development is no longer subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, or (iii) neither the Authority nor HUD has any interest in the property; provided, however, that Rehabilitation of the Housing Development commences within sixty (60) days from date of the Mortgage Loan closing and is completed within one (1) year from the date of said Mortgage Loan closing.

(i) Payment of Service Charge. The service charge in lieu of taxes as determined under the Ordinance shall be payable in the same manner as general property taxes are payable to the except that the annual payment shall be paid on or before June 1 of each year.

(j) Termination. The tax exemption extended hereunder may be terminated and the property restored to the tax rolls by resolution duly adopted by the City in any of the following events upon notice of default in writing to the Sponsor and the Authority by certified mail return receipt requested or by nationally recognized overnight carrier with receipt acknowledged in writing to the address on file with the Department of Labor and Economic Growth (or any successor department) and a failure by the Sponsor to cure the default within 30 days following delivery of written notice to the Sponsor thereof by the City: (a) failure of the Sponsor or the Development to remain in compliance with the terms of this Ordinance or the Act; (b) failure of the Sponsor to complete Rehabilitation as provided in Subsection (h) hereof; or (c) failure of the Sponsor to provide such reports and documentation as may be required by Subsection (g) hereof. Determinations of the event and continuing existence of default and the sufficiency of actions taken to cure default shall be in the sole judgment of the City.

(k) Severability. The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Ordinance as a whole or any section or provision of this Ordinance other than the section or provision so declared to be unconstitutional or invalid.

(l) Effective Date. This Ordinance shall become effective twenty (20) days after its passage or as otherwise provided in the Charter. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Provided, however, in the event the Sponsor does not commence Rehabilitation on or before May 15, 2014, this ordinance shall be automatically repealed and the payment in lieu of taxes authorization pertaining to the Project in effect immediately prior to enactment of this ordinance shall be automatically reinstated without further action of the City.

Moved by Comm. Stephens and seconded by Comm. Smith to approve the Municipal Emergency Services Agreement between the City of Sturgis and FHC Group, LLC as presented.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Clerk/ Treasurer Kenneth Rhodes provided information on the request to hold a vacation bible school (VBS) in Memorial Park. Garvel Owens of RBM Ministries explained the VBS would take place Monday, August 5th through Thursday, August 8th each day running from setup to close from noon until 9:00 p.m. The VBS is being organized by RBM Ministries through several local churches, including Sturgis Baptist Church. He provided further information on the VBS. Mr. Rhodes explained that according to City policy, City staff would install fence posts and provide fencing and electricity. Additionally, the use of Memorial Park and the allowance of signage at no cost. RBM Ministries would pay a deposit of \$100 and \$120 for fence posts and electricity. Mr. Garvel also asked for exclusive use of the parking lot; this request was not recommended by City staff. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve the requests for a Vacation Bible School at Memorial Park as presented.

Voting yea: Seven Voting nay: Smith Absent: Wilson MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Sisson to appoint Dorothy Baker to the Housing Commission Board through May 2016.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

City Engineer Barry Cox provided information on the MDOT Category A Project which previously only included rehabilitation of Broadus Street near Summit Polymers but now has been approved to also include a portion of Progress Street. In addition to the MDOT project, the City would also repair the remainder of Progress Street to the City limits. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Taulbee to approve the amended MDOT Category A Project Resolution as presented.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

**A RESOLUTION OF SUPPORT AND FUNDING LEVEL COMMITMENT
FOR STREET SYSTEM IMPROVEMENTS ASSOCIATED WITH AN
MDOT TEDF CATEGORY A GRANT PROJECT**

WHEREAS, the City of Sturgis recognizes the need to make improvements to its existing street system; and

WHEREAS, the City of Sturgis has an interest in amending its MDOT TEDF Category A grant funding to accomplish this goal in conjunction with an industry expanding its facilities and adding employees; and

WHEREAS, it is necessary to provide a resolution acknowledging support of the proposed street project and level of funding commitment; and

WHEREAS, the current cost estimate of the proposed street project is \$253,700 of which the City would be responsible for \$53,700 under an amended TEDF Category A grant.

NOW THEREFORE BE IT RESOLVED, that the City of Sturgis formally supports said proposed amended street project and agrees to a funding commitment estimated at \$53,700 of the project cost.

City Engineer Barry Cox explained that the City was approved for a MDOT OED Category A grant for Broadus Street in the amount of two hundred forty two thousand six hundred dollars (\$242,600.00). He said that the City submitted a Letter of Interest to MDOT OED to procure a second Category A grant to improve the entire length of Progress Street from Broadus Street to the west city limits. The City's Letter of Intent submittal was deemed eligible, but not competitive due to several factors. An alternative has been suggested to amend the original grant and receive up to \$200,000.00 in additional funding to include Progress Street from Broadus Street to the west one thousand one hundred (1100) feet. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Stephens to approve the contract between the City of Sturgis and MDOT (#13-5383) for the completion of the Category A Project on Broadus and Progress Streets and authorize City Manager Michael Hughes and Mayor Kenneth Malone to sign all necessary documents.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Taulbee to approve Task Order #45 with Fleis and Vandenbrink Engineering, Inc. in the amount of \$15,600.00 dollars for preliminary design, final design, and bidding services for Progress Street associated with the amended MDOT Category A Project.

Voting yea: Seven Voting nay: Gay Absent: Wilson MOTION CARRIED

Wastewater Superintendent Jeannette Fenner introduced Dave Harvey, Fleis and Vandenbrink, who provided extensive information on the bids received for the wastewater system improvements and the SRF program. He explained that the bids came in quite a bit higher than the engineer's estimate as a result of a number of factors. Extensive discussion followed including the number of bidders, the engineering fees, the possibility of rebidding or waiting until next year's SRF program, and any effect on the rate structure.

Moved by Comm. Smith and seconded by Comm. Stephens to adopt a resolution to tentatively award a construction contract for wastewater system improvements.

Voting yea: Six Voting nay: Gay, Sisson Absent: Wilson MOTION CARRIED

City Engineer Barry Cox explained that the City was approved for a MDEQ Scrap Tire Market Development grant in the amount of \$50,763. The grant will be used as part of the road improvements scheduled for North Franks Avenue. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Hile to approve the Scrap Tire Market Development Grant contract in the amount of fifty thousand seven hundred sixty-three dollars (\$50,763.00) between the City of Sturgis and Michigan Department of Environmental Quality for the North Franks Avenue Project and authorize City Manager Michael Hughes to sign all necessary documents.

Voting yea: Eight Voting nay: None Absent: Wilson MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Hile to go into Closed Session for the purpose of discussing the purchase of property.

Voting yea: Smith, Sisson, Stephens, Taulbee, Littman, Gay, Hile, Malone

Voting nay: None

Absent: Wilson

MOTION CARRIED

Meeting recessed at 9:28 p.m.

Meeting reconvened at 10:00 p.m.

Moved by Comm. Stephens and seconded by Comm. Hile to approve purchase of the six properties detailed on the Foreclosure List For St. Joseph County, located within the City limits, (206 Jefferson, 305 S. Maple, 403 E. Main, 805.5 E Main, 701 S. Orange, and 1502 Sunnyfield) for the amount of delinquent property taxes and any other fees determined by the County Treasurer.

Voting yea: Eight

Voting nay: None

Absent: Wilson

MOTION CARRIED

The meeting was adjourned at 10:15 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

**WORK SESSION - STURGIS CITY COMMISSION
WEDNESDAY, AUGUST 14, 2013
WIESLOCH RAUM – CITY HALL**

Mayor Malone called the meeting to order at 7:00 p.m.

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Manager, Assistant City Manager, Electric Department Superintendent, City Clerk

Tom Asp, Utility Financial Solutions, provided information on the Phase One report related to Advanced Metering Strategy and Planning. Discussion followed.

The meeting was adjourned at 7:35 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, AUGUST 14, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:35 p.m.

The Pledge of Allegiance was said by all present.

Pastor Stephen Middleton, Christian Fellowship Center gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant City Manager, City Engineer, Electric Department Superintendent, Public Safety Director, City Clerk

Michelle O'Neill from MDOT will be presenting information regarding a traffic signal study done at Nottawa St. and Chicago Rd. Discussion followed.

Mike Stiles, Auditorium Board Chair, asked that the Auditorium be exempted from the recent Tobacco Use Ordinance. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Hile to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of August 14, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the July 24, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$935,907.53 as presented.

C. Junior Women's League Downtown Decorations

APPROVE the request of the Junior Women's League to place decorations downtown as presented.

D. 425 Property Transfer

ADOPT the attached resolution transferring two properties (Tax Parcels #075-015-002-056-10 and #75-015-002-057-00) from Sturgis Township into the City as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of an IFEC to Johnson Precision Mold.

Cathy Knapp, Southwest Michigan First, provided information on the equipment purchased by Johnson Precision Mold as part of their business expansion. Discussion followed.

Mayor Malone closed the Public Hearing.

Moved by Comm. Sisson and seconded by Comm. Wilson to adopt a resolution awarding an Industrial Facilities Exemption Certificate, not-to-exceed one hundred and eighteen thousand, eight hundred seventy-six dollars and five cents (\$118,876.05) to Johnson Precision Mold and Engineering for a period of twelve (12) years.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

WHEREAS, Johnson Precision Mold and Engineering in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Johnson Precision Mold and Engineering, and

WHEREAS, on November 26, 1986 the City Commission established the Industrial Development District for the industrial property of Johnson Precision Mold and Engineering, and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Johnson Precision Mold and Engineering for an "Industrial Facilities Exemption Certificate".

City Manager Michael Hughes explained that the owners of Mike's Pizza contacted City staff regarding use of the alley area / parking lot behind their business at 112 W. Chicago Road. They intend to host a barbeque/smoker on Thursdays in order to expand their menu. Because their plans involve City property, Commission approval of the use is required. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Smith to adopt the Resolution for the Use of City Property by Mike's Pizza as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that Sturgis Junior Trojan Baseball (SJTB) has been working with members of City staff on a request to construct a concession stand as an addition to the Wall School Baseball/Softball complex. City staff proposes that there be a lease agreement in place between the City of Sturgis and Sturgis Junior Trojan Baseball for this property. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Littman to approve the sub-lease with Sturgis Junior Trojan Baseball as presented and authorize the City Manager to sign the agreement.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of a Brownfield Plan for Moso Village.

City Manager Michael Hughes introduced David Stegink, Envirologic and Jeremy Gump, Inquire Partners who provided information on the Moso Village Project and details of the related Brownfield Plan. Discussion followed.

Mayor Malone closed the Public Hearing.

Moved by Comm. Smith and seconded by Comm. Taulbee to approve the Resolution approving a Brownfield Plan for the City of Sturgis pursuant to and in Accordance with the provisions of Act 381 of the Public Acts of the State of Michigan as amended.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

**RESOLUTION APPROVING A BROWNFIELD PLAN
FOR THE CITY OF STURGIS PURSUANT TO AND
IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE
PUBLIC ACTS OF THE STATE OF MICHIGAN OF 1996, AS
AMENDED**

WHEREAS, the Brownfield Redevelopment Authority (the "Authority") of the City of Sturgis, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has prepared and recommended for approval by the Sturgis City Commission, a Brownfield Plan (the "Plan") pursuant to and in accordance with Section 13 of the Act; and

WHEREAS, the Authority has, at least ten (10) days before the meeting of the Sturgis City

Commission at which this resolution has been considered, provided notice to and fully informed all taxing jurisdictions which are affected by the Financing Plan (the "Taxing Jurisdictions") about the fiscal and economic implications of the proposed Financing Plan; and

WHEREAS, the Sturgis City Commission has made the following determinations and findings:

- A. The Plan constitutes a public purpose under the Act;
- B. The Plan meets all of the requirements for a Brownfield Plan set forth in Section 13 of the Act;
- C. The proposed method of financing the costs of the eligible activities, as described in the Plan, is feasible and the Authority has the ability to arrange the financing;
- D. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act;
- E. The amount of captured taxable value estimated to result from the adoption of the Plan is reasonable; and

WHEREAS, as a result of its review of the Plan and upon consideration of the views and recommendations of the Taxing Jurisdictions, the Sturgis City Commission desires to proceed with approval of the Plan.

NOW, THEREFORE, BE IT RESOLVED THAT:

- I. **Plan Approved.** Pursuant to the authority vested in the Sturgis City Commission by the Act, and pursuant to and in accordance with the provisions of Section 14 of the Act, the Plan is hereby approved in the form as presented at the Sturgis City Commission meeting on August 14, 2013.
- II. **Severability.** Should any section, clause or phase of this Resolution be declared by the Courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
- III. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

City Controller Holly Keyser introduced Tom Colis, Miller Canfield, who provided information on the next steps in the process of the SRF bonds.

Moved by Comm. Wilson and seconded by Comm. Sisson to approve the amendment to Part II - Chapter 2 Article IV of the Ordinances of the City of Sturgis pertaining to finance as according to Public Act 94.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

PART II – CODE OF ORDINANCES – CHAPTER 2 – ADMINISTRATION –
ARTICLE IV – FINANCE – SECTION 2-305

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances to add Section 2-305 to provide for the acquisition and construction of additions, extensions and improvements to the sanitary sewer system of the City of Sturgis; to provide for the issuance and sale of revenue bonds to pay the cost thereof; to prescribe the form of the 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 bonds; to provide for security for the bonds; to provide for the segregation and distribution of the revenues; to provide for the rights of the holders of the bonds in enforcement thereof; and to provide for other matters relating to the bonds and the system.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 2 is hereby amended by adding Article IV, Finance, Section 2-305 as follows, effective as of August 15, 2013:

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 Act 94, Public Acts of Michigan, 1933, as amended.
- (b) “Authority” means the Michigan Finance Authority.
- (c) “Authorized Officers” means the Mayor, City Clerk/Treasurer, City Manager and the Finance Director of the Issuer.
- (d) “Bonds” means the Series 2013A Bonds, together with the Outstanding Bonds and any additional bonds hereafter issued of equal standing with the Series 2013A Bonds.
- (e) “Engineers” means Fleis & Vandenbrink Engineers, the Issuer’s consulting engineers.
- (f) “Issuer” means the City of Sturgis, County of St. Joseph, State of Michigan.
- (g) “MDEQ” means the Michigan Department of Environmental Quality, or its successor agency.
- (h) “Outstanding Bonds” means the Series 1996 Bonds, Series 2007 Bonds and the Series 2008 Bonds.
- (i) “Prior Ordinance” means the Bond Authorizing Resolutions adopted on May 22, 1996, August 22, 2007 and August 8, 2008, authorizing the issuance of the Outstanding Bonds.
- (j) “Project” means the acquisition, construction, furnishing and equipping of additions, extensions and improvements to the City's Sanitary Sewer System, together with all necessary interests in land, rights of way and all appurtenances and attachments therefor, as described in the plans prepared by the Engineers and approved herein.
- (k) “Purchase Contract” means the Purchase Contract to be entered into between the Authority and the Issuer relating to the purchase by the Authority of the Series 2013A Bonds.
- (l) “Revenues” and “Net Revenues” means the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues”, the earnings derived from the investment of moneys in the various funds and accounts established by the Prior Ordinance and this Ordinance.
- (m) “Series 1996 Bonds” means the Issuer’s Sanitary Sewer System

Improvement Revenue Bond, Series 1996 (Limited Tax General Obligation).

(n) “Series 2007 Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2007 (Limited Tax General Obligation).

(o) “Series 2008 Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2008 (Limited Tax General Obligation).

(p) “Series 2013A Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2013A, in the principal amount of not to exceed \$3,800,000 issued pursuant to this Ordinance.

(q) “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.

(r) “Supplemental Agreement” means the supplemental agreement among the Issuer, the Authority and MDEQ relating to the Series 2013A Bonds.

(s) “System” means the entire Sanitary Sewer System of the Issuer, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the State Revolving Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two percent (2.00%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be an amount not to exceed Four Million Nine Hundred Seventy-Five Thousand Dollars (\$4,975,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than twenty-five (25) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring and constructing the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2013A Bonds, the Issuer shall borrow the

sum of not to exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and issue the Series 2013A Bonds pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from Issuer funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Prior Ordinance shall apply to the Series 2013A Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of equal standing and priority of lien as to the Net Revenues with the Outstanding Bonds to finance the cost of acquiring and constructing additions, extensions and improvements to the System; such purpose being authorized by the provisions of the Prior Ordinance, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2013A Bonds; Details. The Series 2013A Bonds of the Issuer, to be designated **SANITARY SEWER SYSTEM IMPROVEMENT REVENUE BOND, SERIES 2013A (LIMITED TAX GENERAL OBLIGATION)**, are authorized to be issued in the aggregate principal sum of not to exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000) as finally determined by order of the MDEQ for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2013A Bonds. The Series 2013A Bonds shall be payable out of the Net Revenues, as set forth more fully in Section 8 hereof. The Series 2013A Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the MDEQ at the time of sale of the Series 2013A Bonds and approved by the Authority and an Authorized Officer. Principal installments of the Series 2013A Bonds shall be payable on April 1 of the years 2015 through 2034, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2013A Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2014 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2013A Bonds and the payment dates and amounts of principal installments of the Series 2013A Bonds shall be evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than April 1, 2014 and the final principal installment shall be due no later than October 1, 2034 and that the total principal amount shall not exceed \$3,800,000.

The Series 2013A Bonds shall bear interest at a rate of two percent (2.00%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2013A Bonds in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2013A Bonds is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such

principal amount is drawn down by the Issuer.

The Series 2013A Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2013A Bonds shall be payable as provided in the Series 2013A Bond form in this Ordinance.

The Series 2013A Bonds shall be subject to optional redemption by the Issuer with the prior written approval of the Authority and on such terms as may be required by the Authority.

The City Clerk/Treasurer shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk/Treasurer.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2013A Bonds, the Authority shall deliver the Series 2013A Bonds to the Issuer for cancellation.

Section 6. Execution of Series 2013A Bonds. The Series 2013A Bonds shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk/Treasurer and shall have the corporate seal of the Issuer or a facsimile thereof impressed thereon. The Series 2013A Bonds bearing the manual signatures of the Mayor and the City Clerk/Treasurer sold to the Authority shall require no further authentication.

Section 7. 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 Issuer 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 Series 2013A Bonds contained in Section 13 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 Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), 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 Act 354, 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 8. Payment of Series 2013A Bonds; Security; Priority of Lien. Principal of and interest on the Series 2013A Bonds shall be payable primarily from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this Ordinance which shall be a lien that is equal in standing with the lien of the Outstanding Bonds created by the Prior Ordinance, 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. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under the Prior Ordinance or this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under the Prior Ordinance or this Ordinance.

In addition, the Series 2013A Bonds being sold to the Authority, the Issuer hereby pledges its limited tax full faith and credit for the payment of the principal of and interest on the Series 2013A Bonds. Should the Net Revenues of the System at any time be insufficient to pay principal and interest on the Series 2013A Bonds, as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to applicable constitutional, statutory and charter limitations, such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by this Ordinance.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring and constructing of the Project shall continue to be under the supervision and control of the Issuer. The Issuer 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 Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's fiscal year.

Section 10. Rates and Charges; No Free Service. The rates and charges for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance. No free service or use of the System, or service or use of the System at less than cost, 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. Funds and Accounts; Flow of Funds; Bond and Interest Redemption Fund. The funds and accounts established by the Prior Ordinance are hereby continued, the flow of funds established by the Prior Ordinance is hereby continued, and the applicable sections of the Prior Ordinance relating to funds and accounts and flow of funds are incorporated herein by reference as if fully set forth.

Section 12. Bond Proceeds. The proceeds of the sale of the Series 2013A Bonds as received by the Issuer shall be deposited in a separate account in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94 designated SANITARY SEWER SYSTEM REVENUE BONDS CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 13. Bond Form. The Series 2013A Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance, and further subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF ST. JOSEPH**

CITY OF STURGIS

**SANITARY SEWER SYSTEM
IMPROVEMENT REVENUE BOND, SERIES 2013A
(LIMITED TAX GENERAL OBLIGATION)**

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: Three Million Eight Hundred Thousand Dollars
(\$3,800,000)

DATE OF ORIGINAL ISSUE: September 17, 2013

The CITY OF STURGIS, County of St. Joseph, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay, primarily out of the hereinafter described Net Revenues of the City's Sanitary Sewer System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the City under this Bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information, provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$3,800,000 is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two percent (2.00%) per annum. Interest is first payable on April 1, 2014 and semiannually thereafter on the first day of April and October of each year, and principal is payable on the first day of April commencing April 1, 2015 and annually thereafter, as set forth in the Purchase Contract.

The Bond may be subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the City and received by the

Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Sanitary Sewer System of the City, including all appurtenances, extensions and improvements thereto (the "Sanitary Sewer System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created which is of equal standing and priority of lien as to the prior lien of the City's Sanitary Sewer System Improvement Revenue Bond, Series 1996, City's Sanitary Sewer System Improvement Revenue Bond, Series 2007 and the City's Sanitary Sewer System Improvement Revenue Bond, Series 2008 (collectively, the "Outstanding Bonds").

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to PART II – CODE OF ORDINANCES – CHAPTER 2 – ADMINISTRATION – ARTICLE IV – FINANCE – SECTION 2-305 duly adopted by the City Commission of the City (the "Ordinance") and Bond Authorizing Resolutions adopted on May 22, 1996, August 22, 2007 and August 6, 2008, respectively, authorizing issuance of the Outstanding Bonds (the "Prior Ordinance"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the Sanitary Sewer System of the City.

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 superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance and the Prior Ordinance.

This bond is primarily a self-liquidating bond, payable, both as to principal and interest, solely and only from the Net Revenues of the Sanitary Sewer System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. As additional security, the City has pledged its limited tax full faith and credit for payment of the principal of and interest on this bond, which includes the City's obligation to levy taxes, if necessary, within applicable constitutional, statutory and charter tax rate limitations.

The City 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 Sanitary Sewer System shall be outstanding, such rates for service furnished by the Sanitary Sewer System as shall be sufficient to provide for payment of the interest upon and the principal of this bond and any bonds of equal standing with this bond, the Outstanding Bonds and any additional bonds of equal standing with the Outstanding Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the Sanitary Sewer 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 Sanitary Sewer System as are required by the Ordinance and the Prior Ordinance.

This bond is transferable only upon the books of the City by the registered owner in person or 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 bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance and the Prior Ordinance, and upon payment of the charges, if any, therein prescribed.

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 have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City, by its City Commission has caused this bond to be executed with the manual signatures of its Mayor and its City Clerk/Treasurer and the corporate seal of the City to be impressed hereon, all as of the Date of Original Issue.

CITY OF STURGIS
County of St. Joseph
State of Michigan

By _____
Kenneth L. Malone, Its Mayor

(Seal)

Countersigned:

By _____

Kenneth D. Rhodes, Its City Clerk/Treasurer

DEQ Project No.: 5541-01

DEQ Approved Amt: \$3,800,000

Loan Amount Forgiven: (_____)*

Loan Amount to be Repaid:

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

<u>Maturity Date</u>	<u>Principal Amount</u>
April 1, 2015	\$155,000
April 1, 2016	160,000
April 1, 2017	165,000
April 1, 2018	165,000
April 1, 2019	170,000
April 1, 2020	170,000
April 1, 2021	175,000
April 1, 2022	180,000
April 1, 2023	185,000
April 1, 2024	185,000
April 1, 2025	190,000
April 1, 2026	195,000
April 1, 2027	200,000
April 1, 2028	200,000
April 1, 2029	205,000
April 1, 2030	210,000
April 1, 2031	215,000
April 1, 2032	220,000
April 1, 2033	225,000
April 1, 2034	230,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City pursuant to the Order which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.00% per annum, payable April 1, 2014, and semi-annually thereafter.

The City agrees that it will deposit with The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority

an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

Section 14. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty per cent (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 upon the Series 2013A 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 Series 2013A Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2013A Bonds and the security therefor.

Section 15. Negotiated Sale; Application to MDEQ and Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2013A Bonds to the Authority because the State Revolving Fund financing program provides significant interest savings to the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2013A Bonds with the Authority. The actions taken by the Authorized Officers with respect to the Series 2013A Bonds prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officers is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2013A Bonds for the State Revolving Fund. Prior to the delivery of the Series 2013A Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2013A Bonds contained in Section 13 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 16. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2013A Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) 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 expenditure and investment of Series 2013A Bonds proceeds and moneys deemed to be Bond proceeds.

Section 17. Approval of Bond Counsel. The representation of the Issuer by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with the State Revolving Fund program which may include advising the Authority with respect to this borrowing.

Section 18. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2013A Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2013A Bonds shall not exceed two percent (2.00%) per annum, and the Series 2013A Bonds shall mature in not more than twenty (20) annual installments.

Section 19. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 20. 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 21. Publication and Recordation. This Ordinance shall be published in full in the *Sturgis Journal*, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such record authenticated by the signatures of the Mayor and the City Clerk/Treasurer.

Section 22. Effective Date. This Ordinance shall be effective upon its adoption and publication.

ADOPTED AND SIGNED THIS 14th day of August, 2013.

Signed
Kenneth L. Malone, Its Mayor

Signed
Kenneth D. Rhodes, Its City Clerk/Treasurer

Moved by Comm. Wilson and seconded by Comm. Hile to adopt the resolution Authorizing Publication of Notice of Intent to Issue Additional Series of Bonds and Declaration of Intent to Reimburse from Bond Proceeds as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

**RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE ADDITIONAL SERIES
OF BONDS AND DECLARATION OF INTENT TO REIMBURSE FROM BOND
PROCEEDS**

WHEREAS, the City of Sturgis, County of St. Joseph, State of Michigan (the “City”), has previously indicated its intent to issue and sell bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000) (the “Bonds”), for the purpose of paying the costs of various improvements to the City’s wastewater collection and treatment system, including but not limited to, replacement of the wastewater treatment plant influent headworks systems, upgrades to several collection system pump stations, and a new grinder pump station and force main, together with all necessary interests in land, rights-of-way, appurtenances and attachments thereto (the “Project”); and

WHEREAS, following the receipt of bids on the Project, the City has been informed that the total cost of the Project is expected to be an amount not to exceed Four Million Nine Hundred Seventy Five Thousand Dollars (\$4,975,000); and

WHEREAS, a notice of intent was published on May 30, 2013 in the Sturgis Journal indicating that the City intended on issuing the Bonds in an amount not to exceed \$3,800,000; and

WHEREAS, it is necessary to publish an additional notice of intent to indicate that the City intends on issuing another series of bonds in the principal amount not to exceed \$1,175,000 (the “Additional Bonds”) to finance the costs of the remainder of the Project; and

WHEREAS, the City has been advised by the Michigan Department of Natural Resources and Environment that financial assistance to accomplish the acquisition and construction of the remaining portion of the Project is available through the Clean Water Revolving Fund loan program administered by the Michigan Finance Authority; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue the Additional Bonds in the *Sturgis Journal*, a newspaper of general circulation in the City.
2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the form attached hereto as Exhibit A.
3. The City Commission has determined that the foregoing form of notice of intent to issue the Additional Bonds and the manner of publication directed was the method best calculated to give notice to users of the City’s sanitary sewer system and the taxpayers

and electors of this City's intent to issue the Bonds, the purpose of the Additional Bonds, the security for the Additional Bonds and the right of referendum relating thereto, and the newspaper named for publication was determined to reach the largest number of persons to whom the notice is directed.

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

- (a) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the paying of the costs of the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof from revenues of the sanitary sewer system or the general funds of the City.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$4,975,000.

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

Public Safety Director David Northrop provided information on the changes to the State statutes related to fireworks and options that the City may utilize to regulate their use. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Taulbee to consider this the introduction and first reading of Chapter 34, Article V, Fireworks, of the Ordinances of the City of Sturgis.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser provided detailed information on the development of the utility rate structure. Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Taulbee to approve the water and wastewater rates for billings beginning on October 1st 2013, 2014 and 2015 as presented and approve electric rates for billings beginning on October 1st 2013 and 2014 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for the fiscal year 2013-2014 budget.

City Manager Michael Hughes provided detailed information on the fiscal year 2013-2014 budget. Discussion followed.

Mayor Malone closed the Public Hearing.

Moved by Comm. Sisson and seconded by Comm. Hile to adopt the 2013-2014 annual City of Sturgis Budget Summary and Appropriation Resolution.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant City Manager Andrew Kuk provided information on the State's effort to create regional revolving loan funds (RLF) for the use of Community Development Block Grant (CDGB) money to aid small businesses. In the past, local communities, including Sturgis, had been provided CDGB money to start their own RLF; the City of Sturgis started their fund in 1988. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Littman to approve the participation in the regional revolving loan fund model and the Michigan Strategic Fund Grant Application Manual and adopt the Resolution to Enter into a Subrecipient Agreement with Regional Fund Manager as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

**RESOLUTION TO ENTER INTO SUBRECIPIENT AGREEMENT WITH
REGIONAL FUND MANAGER**

WHEREAS, the Regional Fund will operate in a way that is consistent with the City of Sturgis community development plan; and

WHEREAS, the City of Sturgis agrees to assume all of the responsibilities for environmental review, decision making and action as specified and required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321) and Section 104 (f) of Title I of the Housing and Community Development Act and implementing regulations 24 CFR Part 58; and

WHEREAS, Michael Hughes, City Manager, is authorized to sign Regional Fund related documents on behalf of the City of Sturgis, including the Subrecipient Agreement and Statement of Assurances; and

WHEREAS, Andrew Kuk, Assistant City Manager is authorized to represent and vote on behalf of the City of Sturgis as a member of the Regional Fund Loan Approval Committee; and

WHEREAS, Capital Fund Services, Inc. (Great Lakes Capital Fund) is designated by the Michigan Strategic Fund as the Regional Fund Manager for Region Six, which encompasses St. Joseph County and the City of Sturgis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STURGIS: That we will enter into a subrecipient agreement with Capital Fund Services, Inc. (Great Lakes Capital Fund). This agreement outlines the roles and responsibilities of each party related to the administration of sub-granted Program Income and adherence to all State and Federal regulations and requirements (Exhibit A).

Moved by Comm. Littman and seconded by Comm. Wilson to go into Closed Session for the purpose of discussing the purchase of property and a legal opinion.

Voting yea: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Hile, Malone

Voting nay: Gay

MOTION CARRIED

Meeting recessed at 10:15 p.m.

Meeting reconvened at 11:24 p.m.

Moved by Comm. Taulbee and seconded by Comm. Smith to approve filing a Notice of Appeal and Application for Appointment of a Board of Review regarding the Nye Drain apportionment and authorize the Mayor to sign all necessary documents.

Voting yea:

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 11:26 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, AUGUST 28, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:35 p.m.

The Pledge of Allegiance was said by all present.

Cliff Brubaker, Amigo Center gave the Invocation

Commissioners present: Smith, Stephens, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Sisson, Wilson

Also present: City Attorney, City Manager, Assistant City Manager, Public Safety Director, Doyle Community Center and Recreation Director, City Controller, Deputy City Clerk

Moved by Comm. Littman and seconded by Comm. Hile to approve the agenda as amended with the addition of items 5b, 10d and 10e.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Vice-Mayor Hile shared highlights from a recent visit to our Sister City Wiesloch, Germany and presented gifts received from the former head of the Wiesloch Fire Department to the Director of Public Safety.

Sturges-Young Civic Center and Auditorium Executive Director Brad Donmyer answered questions about the upcoming Arts Council performances. Assistant City Manager, Andrew Kuk presented a short video from the Council of the Arts Great Performances series scheduled to run from September 2013 through May 2014.

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of August 28, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the August 14, 2013 work session as presented.

APPROVAL of the minutes from the August 14, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$2,727,544.01 as presented.

C. Auditorium By-laws Amendments

APPROVE the amendments to the Sturges-Young Auditorium Board by-laws as presented.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Public Safety Director, Geoff Smith spoke regarding an amendment to the Fireworks Ordinance.

Moved by Comm. Taulbee and seconded by Comm. Taulbee to consider this the second reading and approval of an amendment to the City Code of Ordinances, Part II, Chapter 34, adding Article V, Fireworks, with an effective date of September 20, 2013 as presented.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

AMENDMENT TO PART II – CHAPTER 34 OF THE ORDINANCES
OF THE CITY OF STURGIS

An ordinance to amend Part II – Chapter 34- Nuisances of the Ordinances of the City of Sturgis, adding Article V- Fireworks, pertaining to the regulation of the ignition, discharge, or use of consumer fireworks within the City and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances to add language which will regulate the ignition, discharge, or use of consumer fireworks within the City;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 34 is hereby amended by adding Article V.- Fireworks as follows, effective as of September 20, 2013:

Article V. Fireworks

Sec. 34-201. Purpose.

(a) Since the adoption of the Michigan Fireworks Safety Act, MCLA 28.451, *et. seq.*, which has legalized the sale, possession and use of consumer fireworks in Michigan with some restrictions, there has been disruptions to the peace and quiet in areas of the city resulting in a negative impact to the quality of life of the City's residents. An amendment to this Act now permits greater local regulation over the use and regulation of consumer fireworks. This ordinance enables the City to effectively exercise that authority.

(b) The purpose of this Article is to provide for the regulation of the ignition, discharge and use of consumer fireworks within the city of Sturgis, as permitted under the Michigan Fireworks Safety Act.

Sec. 34-202. Definitions.

As used in this chapter, the following definitions shall apply:

(a) "Act" means Act 256 of the Public Acts of Michigan of 2011, being MCL 28.451, *et seq.*, as it may be amended from time to time. (Michigan Fireworks Safety Act.)

(b) "Consumer fireworks" means fireworks devices that are designed to produce visible effects by combustion, that are required to comply with the construction, chemical composition, and labeling regulations promulgated by the United States consumer product safety commission under 16 CFR parts 1500 and 1507, and that are listed in APA (American Pyrotechnics Association- 2001) standard 87-1, 3.1.2, 3.1.3, or 3.5 as defined in the Act. Consumer fireworks do not include low-impact fireworks.

(c) "Public property" means any public park, street right-of-way (including the unimproved portions), City owned property and any other public place open to the public.

(d) "Firework" or "fireworks" means any composition or device, except for a starting pistol, a flare gun, or a flare, designed for the purpose of producing a visible or audible effect by combustion, deflagration, or detonation as defined in the Act.

(e) "Low-impact fireworks" means ground and handheld sparkling devices as that phrase is defined under APA standard 87-1, 3.1, 3.1.1.1 to 3.1.1.8, and 3.5.

(f) "Minor" means an individual who is less than 18 years of age.

(g) "National holiday," as used in this Chapter, means the following legal public holidays:

1. New Years' Day
2. Birthday of Martin Luther King, Jr.
3. Washington's Birthday
4. Memorial Day
5. Independence Day
6. Labor Day
7. Columbus Day
8. Veteran's Day
9. Thanksgiving Day
10. Christmas Day

(h) "Person" means an individual, agent, association, charitable organization, company, limited liability company, corporation, labor organization, legal representative, partnership, unincorporated organization, or any other legal or commercial entity.

(i) "Property of another person" includes hotel and motel property, apartment property, and condominium property, where an owner, management company, or association has or retains authority and control over the use of the property or common areas.

Sec. 34-203. Consumer Fireworks Prohibited; exception.

(a) A person shall not ignite, discharge or use consumer fireworks, except on the day preceding, the day of, or the day after a national holiday.

(b) In addition to the prohibitions contained in Sub-section (a) above, a person shall not ignite, discharge or use consumer fireworks on the day preceding, the day of, or the day after a national holiday between the hours of 1 A.M. and 8 A.M.

(c) Consumer fireworks shall not be sold to a minor.

Sec. 34-204 Certain Uses of Fireworks Prohibited.

When consumer fireworks are permitted pursuant to the exception in Section 34-203 the following shall apply:

(a) A person shall not ignite, discharge, cause to enter upon, or use consumer fireworks on public property, school property, church property, or the property of another person without that organization's or person's express permission.

(b) Consumer and low-impact fireworks shall not be ignited, discharged or used by a person under the influence of alcoholic liquor or a controlled substance or a combination of both.

(c) No person shall recklessly endanger the life, health, safety, or well-being of any person by the ignition, discharge, or use of consumer fireworks.

Sec. 34-205. Penalties.

(a) A person violating the provisions of this Article shall be responsible for a civil infraction punishable by a civil fine of not more than \$500.00 for each violation.

(b) A police officer, fireman or other person employed by the City may issue and serve civil infraction citations for violations of this Article.

(c) If the City Police Department determines that a violation of this Article has occurred, it may seize the firework as evidence and store it as provided under the Act.

(d) Following final disposition of a finding of responsibility for violating this ordinance, the City may dispose of or destroy any consumer fireworks retained as evidence in that prosecution.

(e) A person who is found responsible for violation of this Article shall be required to reimburse the City for the costs of storing, disposing of, or destroying consumer fireworks that were confiscated for a violation of this Article.

(f) No provision of this Article shall prevent a prosecution or a civil infraction under state law for violation of the provisions of the Act

Moved by Comm. Taulbee and seconded by Comm. Hile to adopt the resolution for Local Regulation of Fireworks as presented.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

RESOLUTION FOR LOCAL REGULATION OF FIREWORKS

WHEREAS, the State of Michigan adopted the Michigan Fireworks Safety Act, MCLA 28.451, which has legalized the sale, possession and use of consumer fireworks in Michigan; and

WHEREAS, an amendment to the Michigan Fireworks Safety Act now permits greater regulation over the use and regulation of consumer fireworks; and

WHEREAS, the citizens of the City of Sturgis expressed their concern about fireworks activity in the City; and

WHEREAS, the residents of the City of Sturgis are best able and deserve the right to further regulate fireworks including the possibility for more restrictive dates and hours of use; and

NOW THEREFORE BE IT RESOLVED, that the City Commission takes exception to the State of Michigan's regulation of fireworks and maintains that this is an issue of local control; and

FURTHER, a copy of this resolution will be forwarded to State Representative Matt Lori and State Senator Bruce Caswell.

City Manager Michael Hughes spoke regarding the Non-Motorized Trailway Master Plan. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Littman to adopt a resolution for the Sturgis Community Non-Motorized Trailway Master Plan.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

RESOLUTION FOR STURGIS COMMUNITY NON-MOTORIZED TRAILWAY MASTER PLAN

WHEREAS, The City of Sturgis, Sturgis Township, Fawn River Township, Sherman Township, and Burr Oak Township partnered to fund the development of a non-motorized trailway master plan. The City of Sturgis understands the importance of non-motorized trail systems, and are committed to developing a connected network of non-motorized trails within the community; and

WHEREAS, The purpose of the Master Plan is to create a 20-year vision for both on and off-road non-motorized facilities that will provide safe, enjoyable, and convenient connections within the community and beyond; and

WHEREAS, Non-motorized systems can provide many benefits that can strengthen the well-being of the community while providing opportunities to improve economic and environmental conditions; and

WHEREAS, Non-motorized systems promote healthier communities and increased recreational opportunities by providing connections to schools, parks, businesses, downtowns, and shopping centers; and

WHEREAS, Non-motorized systems can also boost local economies by attracting visitors and increasing property values; and

WHEREAS, During the development of the Non-Motorized Trailway Master Plan, two presentations, two public workshops and two steering committee meetings were held.

NOW THEREFORE BE IT RESOLVED, to does hereby support the Sturgis Community Non-Motorized Trailway Master Plan and will work with the partnering communities to implement the plan whenever and wherever feasible.

Mike Liston, Doyle Community Center and Recreation Director addressed the Commission with a new corporate membership program. Participation studies were completed with local corporations including the City of Sturgis, Sturgis Hospital, Burr Oak Tool and L.T.I. Under the new corporate membership program there will be two options available. The first is a basic corporate membership program which will provide employees a 5% discount from the current annual membership rate. The second option provides a total of 15% off if the employer pays a one hundred dollar (\$100.00) incentive toward the current annual membership rate. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the new corporate membership program as presented with an effective date of October 1, 2013.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Assistant to the City Manager, Andrew Kuk reviewed the Runway 6/24 and Taxiway C construction project.

Moved by Comm. Smith and seconded by Comm. Taulbee to approve the grant contract with MDOT Aeronautics for the Runway 6/24 and Taxiway C construction project, contract number 2013-0380 with a City match amount of forty-five thousand, three hundred and sixteen dollars (\$45,316.00) and authorize City Manager Michael Hughes to sign all necessary documents.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Taulbee to approve the construction contract with Rieth-Riley in the amount of seven hundred and fifty-seven thousand, nine hundred and six dollars and twenty-eight cents (\$757,906.28) and the amendment to the agreement for engineering services with QoE Consulting in the amount of ninety thousand, eight hundred and eighteen dollars and thirty-one cents (\$90,818.31) as presented and authorize the City Manager to sign all necessary documents.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Assistant City Manager Andrew Kuk provided information on the upcoming Sturgis Toy Run to be held on September 5th through September 7th and explained that the route and requests are similar to those in the past.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the use of City resources for the 2013 Toy Run contingent upon City staff reviewing and approving the details of the event.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Discussion followed regarding projected costs of running the event. Toy Run representatives Pat Linnan, President, Teresa Frost, Treasurer, and Martin Yoder, Head of Security were introduced and answered questions from the Commissioners.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve a waiver of fees for the Toy Run in an amount not to exceed \$800.00 contingent upon recognition of the City of Sturgis as an event sponsor per the policy.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Moved by Comm. Hile and seconded by Comm. Littman to designate Comm. Stephens as the City's representative at the Michigan Municipal League Annual Convention and designate City Manager, Michael Hughes as the alternate representative.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Hile to go into Closed Session to conduct a periodic personnel evaluation at the request of the employee.

Voting yea: Smith, Stephens, Taulbee, Littman, Gay, Hile, Malone

Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

Meeting recessed at 8:35 p.m.

Meeting reconvened at 9:00 p.m.

Moved by Comm. Smith and seconded by Comm. Hile to approve an addendum to the City Manager Agreement including a 2.5% increase in salary with an effective date of July 18, 2013.

Voting yea: Seven Voting nay: None Absent: Sisson, Wilson MOTION CARRIED

The meeting was adjourned at 9:02 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, SEPTEMBER 11, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Ross Gerber – Grace Christian Fellowship gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant City Manager, Electric Department Superintendent, City Engineer, City Controller, Deputy City Clerk

Moved by Comm. Littman and seconded by Comm. Hile to approve the agenda as amended with the addition of item 10C.

Voting yea: Nine Voting nay: None MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of September 11, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the August 28, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,931,988.89 as presented.

Voting yea: Nine Voting nay: None MOTION CARRIED

City Controller Holly Keyser provided detailed information on the updated Fee Schedule for the City. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Wilson to approve the City-wide schedule of fees as presented.

Voting yea: Eight Voting nay: Gay MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the bids received for replacing the roof at the Electric Administration building. Discussion followed. There was consensus to postpone consideration of the Electric building roof until a future meeting.

Moved by Comm. Hile and seconded by Comm. Gay to designate Assistant City Manager Andrew Kuk as the City's representative at the Michigan Municipal League Annual Convention and designate Clerk/Treasurer Kenneth Rhodes as the alternate representative.

Voting yea: Nine Voting nay: None MOTION CARRIED

The meeting was adjourned at 8:50 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, SEPTEMBER 25, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Deb Johnson, United Methodist Church gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant City Manager, City Engineer, City Controller, Deputy City Clerk

Moved by Comm. Littman and seconded by Comm. Hile to approve the agenda as amended with the addition of item 10F.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of September 25, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the September 11, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$2,065,094.12 as presented.

C. 2013 MML Liability and Property Pool Board of Directors Ballot

APPROVE submittal of the ballot for the Michigan Municipal League Liability and Property Pool Board of Directors as presented and authorize the City Manager to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant City Manager Andrew Kuk provided information on the requests for this year's Sturgis High School Homecoming parade.

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the request of Sturgis High School for the Homecoming Parade and fireworks display on October 4th as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant City Manager Andrew Kuk provided information on the downtown Halloween activities

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the request to close North St. and Pleasant St. on Thursday, October 31st between 4:00 p.m. and 6:00 p.m. as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of a Sidewalk Special Assessment District.

City Engineer Barry Cox provided information on the 2013 Sidewalk Program. Discussion followed regarding where sidewalks would be built, new sidewalks versus filling gaps, costs, and other issues.

John Huggett, 1210 Tulip, explained that all foot traffic is local and people use the street as opposed to the sidewalks.

Candace Graff, 1201 Tulip, reiterated the explanation of Mr. Huggett.

Deb Lehman, 1221 Tulip, questioned the necessity of the sidewalk installation.

Mayor Malone closed the Public Hearing.

The Commission had consensus to postpone consideration of a Sidewalk Special Assessment District and allow City Staff to review a comprehensive sidewalk program.

Mayor Malone opened the Public Hearing regarding the City's Renewable Energy Plan.

City Manager Michael Hughes provided information on the City's Renewable Energy Plan.

There was no comment from the public.

Mayor Malone closed the Public Hearing.

City Controller Holly Keyser provided information on the fiscal year budget amendments. Discussion followed.

Moved by Comm. Wilson and seconded by Comm. Hile to approve the amendments to the fiscal year 2012-2013 budget as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Hile to adopt the Resolution of Support for Inquire Partners, Inc. as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

RESOLUTION OF SUPPORT FOR INQUIRE PARTNERS, INC.

WHEREAS, Inquire Partners, Inc. has spent a great deal of time exploring, developing, and designing an exciting new venture with the desire to have and build in Sturgis; and

WHEREAS, the proposed development would bring new life to a struggling area of the Sturgis Community by removing blighted and unused structures, and

WHEREAS, the development follows so closely the Sturgis 2022 Plan envisioned by the Sturgis Community, and

WHEREAS, the development has the potential to bring much wanted business and additional investment to the downtown area; and

WHEREAS, Inquire Partners, Inc. has the desire to create a sense of place and invest in the Sturgis Community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STURGIS, that we support the efforts of Inquire Partners, Inc. and the development of the Moso Village in the City of Sturgis.

There was discussion regarding a proposal from the adjacent neighbor to purchase the City owned parcel at 207 S. Maple. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Hile to allow ten days for each adjacent neighbor to submit a proposal and authorize the City Manager to accept a proposal after that time to sell the property at 207 S. Maple.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Smith and seconded by Comm. Hile to go into Closed Session to discuss the potential purchase of property

Voting yea: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Hile, Malone

Voting nay: None

MOTION CARRIED

Meeting recessed at 9:20 p.m.

Meeting reconvened at 9:50 p.m.

There was further discussion regarding 2012-2013 budget expenditures.

The meeting was adjourned at 10:25 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, OCTOBER 9, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Doug Carr, Sturgis Foursquare Church gave the Invocation

Commissioners present: Smith, Sisson, Stephens, Taulbee, Wilson, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant City Manager, City Engineer, City Controller, City Clerk

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of October 9, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the September 25, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$851,709.40 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of an IFEC to Michiana Corrugated Products.

Cathy Knapp, Southwest Michigan First, provided information on the new equipment and its uses at Michiana Corrugated.

The City Commission commented on the business and commended owner Eric Jones for his commitment to Sturgis. There was no comment from the public.

Mayor Malone closed the Public Hearing.

Moved by Comm. Taulbee and seconded by Comm. Wilson to adopt a resolution awarding an Industrial Facilities Exemption Certificate, not to exceed Four Hundred Ninety-Seven Thousand Thirty-Seven Dollars (\$497,037.00) to Michiana Corrugated Products for a period of twelve (12) years.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

WHEREAS, Michiana Corrugated Products Company in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Michiana Corrugated Products Company, and

WHEREAS, on July 12, 2000 the City Commission established the Industrial Development District for the industrial property of Michiana Corrugated Products Company, and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Michiana Corrugated Products Company for an "Industrial Facilities Exemption Certificate".

City Engineer Barry Cox explained that the City received a request from Abbott Nutrition to vacate the westerly portion of West Lafayette Street which is surrounded on three (3) sides by Abbott property. In 2007, Abbott Nutrition purchased the property located at 511 West Lafayette Street and a survey was done on the property. Should the Commission pass the resolution, a public hearing will be set for November 25th and consider a second resolution to complete the process of vacating the street.

Moved by Comm. Wilson and seconded by Comm. Taulbee to adopt the resolution approving vacating of street and scheduling of Public Hearing on Monday, November 25, 2013 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant City Manager Andrew Kuk explained that City staff recently received a request from Mandi Taylor who is hosting the 3rd Annual “Dip, Dive & Dodge for Breast Cancer” Dodgeball Tournament at the Doyle Community Center on October 26th.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the requests for breast cancer awareness month as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox explained that the City received bids for the MDOT Category A project for street reconstruction of Broadus and Progress Streets. The MDOT Category A grant is an 80/20 match for up to four hundred forty-two thousand four hundred sixty dollars (\$442,460.00) including construction, engineering and other eligible costs. He also provided information on Task Order 46 with Fleis and Vandenbrink which will provide an onsite resident project representative during construction.

Moved by Comm. Wilson and seconded by Comm. Littman to award the contract for the MDOT Category A Project for Broadus and Progress Street Improvements Project to Niblock Excavating, Inc. contingent upon the City of Sturgis’ receipt of a Notice to Proceed from the Michigan Department of Transportation in the amount of three hundred sixty-five

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Wilson and seconded by Comm. Littman to approve Task Order 46 with Fleis and VandenBrink Engineering, Inc. for construction phase services associated with the MDOT Category A project in the amount of Thirty-Four Thousand Six Hundred Dollars (\$34,600.00) as presented.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

City Engineer Barry Cox provided information on the bids which were received for the 2013 Street Improvements Project. The low bidder was Niblock Excavating of Bristol, Indiana in the amount of four hundred sixty-one thousand seven hundred four dollars and seventy-three cents (\$461,704.73). Discussion followed.

Moved by Comm. Sisson and seconded by Comm. Hile to approve the contract for the 2013 Street Improvements Project to Niblock Excavating of Bristol Indiana in the amount of Four Hundred Sixty-One Thousand Seven Hundred Four Dollars and Seventy-Three Cents (\$461,704.73) and authorize City Manager Michael Hughes to sign the contract on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The City Commission shared their thoughts about the loss of David Locey.

The meeting was adjourned at 10:15 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, OCTOBER 23, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Cliff Brubaker, Amigo Centre gave the Invocation.

Commissioners present: Smith, Sisson, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone
Commissioners absent: Stephens, Wilson

Also present: Assistant to the City Attorney, City Manager, Assistant City Manager, Wastewater Superintendent, Electric Department Superintendent, City Engineer, City Controller, City Clerk

Deputy Police Chief David Ives explained that Jim Cook, the Sturgis Police Department Volunteer in Policing Coordinator, was one of eight volunteers awarded the Michigan Volunteers in Policing Volunteer of the Year Award. Chief Ives introduced Jim, Diane Warnement, and Lee Austermann, members of Sturgis' VIP program. Chief Ives and the City Commission commended the members of the VIP program for their dedication to the City.

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of October 23, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the October 9, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$2,302,393.72 as presented.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

Mayor Malone opened the Public Hearing for consideration of an IFEC for Americraft Carton.

Cathy Knapp, Southwest Michigan First, provided information on the expansion and investment at Americraft Carton.

Ed Miller, 517 S. Jefferson, asked if the jobs created would be new jobs. It was explained that they were.

The City Commission commended Americraft for their investment and commitment to Sturgis.

Mayor Malone closed the Public Hearing.

Moved by Comm. Smith and seconded by Comm. Taulbee to adopt a resolution awarding an Industrial Facilities Exemption Certificate, not to exceed six million two hundred eighty-nine thousand two hundred eighty-two dollars (\$6,289,282.00), to Americraft Carton, Inc. for a period of twelve (12) years.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

WHEREAS, Americraft Carton, Inc., in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Americraft Carton, Inc., and

WHEREAS, on July 13, 1983 the City Commission established the Industrial Development District for the industrial property of Americraft Carton, Inc. and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Americraft Carton, Inc. for an "Industrial Facilities Exemption Certificate".

Mayor Malone opened the Public Hearing for consideration of an IFEC for Burr Oak Tool & Gauge.

Cathy Knapp, Southwest Michigan First, provided information on the expansion and investment at Burr Oak Tool. Brian McConnell, Burr Oak Tool President, provided additional information and expressed a desire to expand in Sturgis.

The City Commission commended Burr Oak for their investment and commitment to Sturgis.

Mayor Malone closed the Public Hearing.

Moved by Comm. Taulbee and seconded by Comm. Smith to adopt the resolution awarding an Industrial Facilities Exemption Certificate, not to exceed four million nine hundred forty-two thousand one hundred seventy-nine dollars (\$4,942,179.00), to Burr Oak Tool, Inc. for a period of twelve (12) years.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

WHEREAS, Burr Oak Tool & Gauge in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Burr Oak Tool & Gauge, and **WHEREAS**, on June 27, 1990 and February 23, 2005 the City Commission established the Industrial Development District for the industrial property of Burr Oak Tool & Gauge and **WHEREAS**, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and **WHEREAS**, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Burr Oak Tool & Gauge for an "Industrial Facilities Exemption Certificate".

Mayor Malone opened the Public Hearing for consideration of an IFEC for Mayer Tool and Engineering.

Cathy Knapp, Southwest Michigan First, provided information on the expansion and investment at Mayer Tool.

The City Commission commended Mayer for their investment and commitment to Sturgis.

Mayor Malone closed the Public Hearing.

Moved by Comm. Taulbee and seconded by Comm. Gay to adopt the resolution awarding an Industrial Facilities Exemption Certificate, not to exceed fifty-four thousand eight hundred seventy-five dollars (\$54,875.00), to Mayer Tool and Engineering for a period of twelve (12) years.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

WHEREAS, Mayer Tool and Engineering, Inc. in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Mayer Tool and Engineering, Inc., and

WHEREAS, on November 26, 1986 the City Commission established the Industrial Development District for the industrial property of Mayer Tool and Engineering, Inc. and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the (governmental unit), after granting this certificate, will 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; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption 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 Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Mayer Tool and Engineering, Inc. for an "Industrial Facilities Exemption Certificate".

City Manager Michael Hughes explained that within the City's zoning code, a provision is made for the creation of a Planned Development District (PDD) as an "overlay" of an existing zoning district, imposing different standards proposed by a developer and approved by the City Commission. PDD's are typically used to encourage high quality development with an emphasis on enhanced architectural and site design, landscaping, pedestrian, motorized and nonmotorized activities. He explained that Jeremy Gump of Inquire Partners recently submitted a PDD Preliminary Plan to the Sturgis Planning Commission for the Moso Village development. The plan includes a preliminary site plan document, as well as language proposed to be added to the zoning code as "PDD-2".

Mr. Gump provided an explanation of the details that would be included in PDD-2.

The City Commission commended Mr. Gump on his investment. Mr. Hughes provided comments from Commissioner Stephens regarding specifics in the Site Plan.

Moved by Comm. Sisson and seconded by Comm. Gay to consider this the first reading of an amendment to the City Code of Ordinances, Appendix A: Zoning, regarding the addition of "PDD-2 Planned Development District".

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

Tom Colis, Miller Canfield Bond Attorney, provided information on the Series 2013-B bonds for the SRF project and the associated ordinance. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Littman to approve the amendment to Part II - Chapter 2 Article IV of the Ordinances of the City of Sturgis pertaining to finance as according to Public Act 94.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

PART II – CODE OF ORDINANCES – CHAPTER 2 – ADMINISTRATION –
ARTICLE IV – FINANCE – SECTION 2-306

WHEREAS, the City of Sturgis has determined that is in the best interest of the residents of the City to amend the Ordinances to add Section 2-306 to provide for the acquisition and construction of additions, extensions and improvements to the sanitary sewer system of the City of Sturgis; to provide for the issuance and sale of revenue bonds to pay the cost thereof; to prescribe the form of the 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 bonds; to provide for security for the bonds; to provide for the segregation and distribution of the revenues; to provide for the rights of the holders of the bonds in enforcement thereof; and to provide for other matters relating to the bonds and the system.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 2 is hereby amended by adding Article IV, Finance, Section 2-306 as follows, effective as of October 24, 2013:

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 Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Authority" means the Michigan Finance Authority.
- (c) "Authorized Officers" means the Mayor, City Clerk/Treasurer, City Manager and the Finance Director of the Issuer.
- (d) "Bonds" means the Series 2013B Bonds, together with the Outstanding Bonds and any additional bonds hereafter issued of equal standing with the Series 2013B Bonds.
- (e) "Engineers" means Fleis & Vandenbrink Engineers, the Issuer's consulting engineers.
- (f) "Issuer" means the City of Sturgis, County of St. Joseph, State of Michigan.
- (g) "MDEQ" means the Michigan Department of Environmental Quality, or its successor agency.
- (h) "Outstanding Bonds" means the Series 1996 Bonds, Series 2007 Bonds, Series 2008 Bonds and the Series 2013A Bonds.
- (i) "Prior Ordinance" means the Bond Authorizing Resolutions adopted on May 22, 1996, August 22, 2007 and August 8, 2008, and Article IV, Finance, Section 2-305 of the Code of Ordinances of the Issuer authorizing the issuance of the Outstanding Bonds.
- (j) "Project" means the acquisition, construction, furnishing and equipping of additions, extensions and improvements to the City's Sanitary Sewer System, together with all necessary interests in land, rights of way and all appurtenances and attachments therefor, as described in the plans prepared by the Engineers and approved herein.
- (k) "Purchase Contract" means the Purchase Contract to be entered into between the Authority and the Issuer relating to the purchase by the Authority of the Series 2013B Bonds.
- (l) "Revenues" and "Net Revenues" means the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by the Prior Ordinance and this Ordinance.
- (m) "Series 1996 Bonds" means the Issuer's Sanitary Sewer System Improvement Revenue Bond, Series 1996 (Limited Tax General Obligation).

(n) “Series 2007 Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2007 (Limited Tax General Obligation).

(o) “Series 2008 Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2008 (Limited Tax General Obligation).

(p) “Series 2013A Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2013A (Limited Tax General Obligation).

(q) “Series 2013B Bonds” means the Issuer’s Sanitary Sewer System Improvement Revenue Bond, Series 2013B (Limited Tax General Obligation), in the principal amount of not to exceed \$1,170,000 issued pursuant to this Ordinance.

(r) “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.

(s) “Supplemental Agreement” means the supplemental agreement among the Issuer, the Authority and MDEQ relating to the Series 2013B Bonds.

(t) “System” means the entire Sanitary Sewer System of the Issuer, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the State Revolving Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.50%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be an amount not to exceed Four Million Nine Hundred Seventy-Five Thousand Dollars (\$4,975,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than twenty-five (25) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring

and constructing the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2013B Bonds, the Issuer shall borrow the sum of not to exceed One Million One Hundred Seventy Thousand Dollars (\$1,170,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and issue the Series 2013B Bonds pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from Issuer funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Prior Ordinance shall apply to the Series 2013B Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of equal standing and priority of lien as to the Net Revenues with the Outstanding Bonds to finance the cost of acquiring and constructing additions, extensions and improvements to the System; such purpose being authorized by the provisions of the Prior Ordinance, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2013B Bonds; Details. The Series 2013B Bonds of the Issuer, to be designated **SANITARY SEWER SYSTEM IMPROVEMENT REVENUE BOND, SERIES 2013B (LIMITED TAX GENERAL OBLIGATION)**, are authorized to be issued in the aggregate principal sum of not to exceed One Million One Hundred Seventy Thousand Dollars (\$1,170,000) as finally determined by order of the MDEQ for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2013B Bonds. The Series 2013B Bonds shall be payable out of the Net Revenues, as set forth more fully in Section 8 hereof. The Series 2013B Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the MDEQ at the time of sale of the Series 2013B Bonds and approved by the Authority and an Authorized Officer. Principal installments of the Series 2013B Bonds shall be payable on April 1 of the years 2015 through 2034, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2013B Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2014 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2013B Bonds and the payment dates and amounts of principal installments of the Series 2013B Bonds shall be evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than April 1, 2014 and the final principal installment shall be due no later than October 1, 2034 and that the total principal amount shall not exceed \$1,170,000.

The Series 2013B Bonds shall bear interest at a rate of two and one-half percent (2.50%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2013B Bonds in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2013B Bonds is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2013B Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2013B Bonds shall be payable as provided in the Series 2013B Bond form in this Ordinance.

The Series 2013B Bonds shall be subject to optional redemption by the Issuer with the prior written approval of the Authority and on such terms as may be required by the Authority.

The City Clerk/Treasurer shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk/Treasurer.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2013B Bonds, the Authority shall deliver the Series 2013B Bonds to the Issuer for cancellation.

Section 6. Execution of Series 2013B Bonds. The Series 2013B Bonds shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk/Treasurer and shall have the corporate seal of the Issuer or a facsimile thereof impressed thereon. The Series 2013B Bonds bearing the manual signatures of the Mayor and the City Clerk/Treasurer sold to the Authority shall require no further authentication.

Section 7. 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 Issuer 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 Series 2013B Bonds contained in Section 13 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 Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), 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 Act 354, 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 8. Payment of Series 2013B Bonds; Security; Priority of Lien. Principal of and interest on the Series 2013B Bonds shall be payable primarily from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this Ordinance which shall be a lien that is equal in standing with the lien of the Outstanding Bonds created by the Prior Ordinance, 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. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under the Prior Ordinance or this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under the Prior Ordinance or this Ordinance.

In addition, the Series 2013B Bonds being sold to the Authority, the Issuer hereby pledges its limited tax full faith and credit for the payment of the principal of and interest on the Series 2013B Bonds. Should the Net Revenues of the System at any time be insufficient to pay principal and interest on the Series 2013B Bonds, as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to applicable constitutional, statutory and charter limitations, such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by this Ordinance.

Section 9. Management; Fiscal Year. The operation, repair and management of the

System and the acquiring and constructing of the Project shall continue to be under the supervision and control of the Issuer. The Issuer 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 Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's fiscal year.

Section 10. Rates and Charges; No Free Service. The rates and charges for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance. No free service or use of the System, or service or use of the System at less than cost, 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. Funds and Accounts; Flow of Funds; Bond and Interest Redemption Fund. The funds and accounts established by the Prior Ordinance are hereby continued, the flow of funds established by the Prior Ordinance is hereby continued, and the applicable sections of the Prior Ordinance relating to funds and accounts and flow of funds are incorporated herein by reference as if fully set forth.

Section 12. Bond Proceeds. The proceeds of the sale of the Series 2013B Bonds as received by the Issuer shall be deposited in a separate account in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94 designated SANITARY SEWER SYSTEM REVENUE BONDS CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 13. Bond Form. The Series 2013B Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance, and further subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF ST. JOSEPH
CITY OF STURGIS
SANITARY SEWER SYSTEM
IMPROVEMENT REVENUE BOND, SERIES 2013B
(LIMITED TAX GENERAL OBLIGATION)**

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: One Million One Hundred Seventy Thousand Dollars
(\$1,170,000)

DATE OF ORIGINAL ISSUE: December 12, 2013

The CITY OF STURGIS, County of St. Joseph, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay, primarily out of the hereinafter described Net Revenues of the City's Sanitary Sewer System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the City under this Bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information, provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$1,170,000 is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.50%) per annum. Interest is first payable on April 1, 2014 and semiannually thereafter on the first day of April and October of each year, and principal is payable on the first day of April commencing April 1, 2015 and annually thereafter, as set forth in the Purchase Contract.

The Bond may be subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the City and received by the

Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two and one-half percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Sanitary Sewer System of the City, including all appurtenances, extensions and improvements thereto (the "Sanitary Sewer System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created which is of equal standing and priority of lien as to the prior lien of the City's Sanitary Sewer System Improvement Revenue Bond, Series 1996, City's Sanitary Sewer System Improvement Revenue Bond, Series 2007, the City's Sanitary Sewer System Improvement Revenue Bond, Series 2008 and the City's Sanitary Sewer System Improvement Revenue Bond, Series 2013A (collectively, the "Outstanding Bonds").

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Article IV, Finance, Section 2-306 of the Code of Ordinances duly adopted by the City Commission of the City (the "Ordinance") and Bond Authorizing Resolutions adopted on May 22, 1996, August 22, 2007 and August 6, 2008, respectively, and Article IV, Finance, Section 2-305 of the Code of Ordinances authorizing issuance of the Outstanding Bonds (the "Prior Ordinance"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the Sanitary Sewer System of the City.

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 superior

and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance and the Prior Ordinance.

This bond is primarily a self-liquidating bond, payable, both as to principal and interest, solely and only from the Net Revenues of the Sanitary Sewer System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. As additional security, the City has pledged its limited tax full faith and credit for payment of the principal of and interest on this bond, which includes the City's obligation to levy taxes, if necessary, within applicable constitutional, statutory and charter tax rate limitations.

The City 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 Sanitary Sewer System shall be outstanding, such rates for service furnished by the Sanitary Sewer System as shall be sufficient to provide for payment of the interest upon and the principal of this bond and any bonds of equal standing with this bond, the Outstanding Bonds and any additional bonds of equal standing with the Outstanding Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the Sanitary Sewer 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 Sanitary Sewer System as are required by the Ordinance and the Prior Ordinance.

This bond is transferable only upon the books of the City by the registered owner in person or 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 bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance and the Prior Ordinance, and upon payment of the charges, if any, therein prescribed.

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 have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City, by its City Commission has caused this bond to be executed with the manual signatures of its Mayor and its City Clerk/Treasurer and the corporate seal of the City to be impressed hereon, all as of the Date of Original Issue.

CITY OF STURGIS
County of St. Joseph
State of Michigan

By _____
Its Mayor

(Seal)

Countersigned:

By _____
Its City Clerk/Treasurer

DEQ Project No.: 5541-02
DEQ Approved Amount: \$1,170,000
Loan Amount Forgiven: (_____) *
Loan Amount to be Repaid:

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

<u>Maturity Date</u>	<u>Principal Amount</u>
April 1, 2015	\$45,000
April 1, 2016	45,000
April 1, 2017	50,000
April 1, 2018	50,000
April 1, 2019	50,000
April 1, 2020	50,000
April 1, 2021	55,000
April 1, 2022	55,000
April 1, 2023	55,000
April 1, 2024	55,000
April 1, 2025	60,000
April 1, 2026	60,000
April 1, 2027	60,000
April 1, 2028	65,000
April 1, 2029	65,000
April 1, 2030	65,000
April 1, 2031	70,000
April 1, 2032	70,000
April 1, 2033	70,000
April 1, 2034	75,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City pursuant to the Order which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable April 1, 2014, and semi-annually thereafter.

The City agrees that it will deposit with The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

Section 14. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty per cent (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 upon the Series 2013B 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 Series 2013B Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2013B Bonds and the security therefor.

Section 15. Negotiated Sale; Application to MDEQ and Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2013B Bonds to the Authority because the State Revolving Fund financing program provides significant interest savings to the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2013B Bonds with the Authority. The actions taken by the Authorized Officers with respect to the Series 2013B Bonds prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officers is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2013B Bonds for the State Revolving Fund. Prior to the delivery of the Series 2013B Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2013B Bonds contained in Section 13 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 16. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2013B Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) 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 expenditure and investment of Series 2013B Bonds proceeds and moneys deemed to be Bond proceeds.

Section 17. Approval of Bond Counsel. The representation of the Issuer by Miller, Canfield, Paddock and Stone, P.L.C. (“Miller Canfield”), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with the State Revolving Fund program which may include advising the Authority with respect to this borrowing.

Section 18. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2013B Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2013B Bonds shall not exceed two and one-half percent (2.50%) per annum, and the Series 2013B Bonds shall mature in not more than twenty (20) annual installments.

Section 19. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 20. 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 21. Publication and Recordation. This Ordinance shall be published in full in the *Sturgis Journal*, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such record authenticated by the signatures of the Mayor and the City Clerk/Treasurer.

Section 22. Effective Date. This Ordinance shall be effective upon its adoption and publication.

City Clerk/Treasurer Kenneth Rhodes provided information on the regulations of the Local Officials Compensation Commission. Mr. Rhodes explained that the Sturgis LOCC met recently to recommend a salary of \$3,400.00 for the Mayor and \$2,750.00 for the Commissioners with no allowance for any other benefits including a membership to the Doyle Community Center. After a review from the City, it was determined that the LOCC can only address salary. The LOCC then met again and reiterated their recommendation to address salary only. Mr. Rhodes also explained that in order for the recommendation not to go into effect, the City Commission must reject the recommendation with a 2/3 majority vote.

Moved by Comm. Smith to reject the recommendation of the Local Official Compensation Commission.

There was no second so the motion was defeated due to a lack of support.

Wastewater Superintendent Jeanette Fenner provided extensive information on the State's Stormwater, Asset Management, and Wastewater (SAW) grant program. The intent of the SAW grant program is to require all municipalities with a National Pollutant Discharge Elimination System (NPDES) permit to develop an Asset Management Plan (AMP) for their storm water collection and treatment, wastewater collection, and treatment systems. She also provided information on the RFQ's that were received from engineering consultants to assist with the AMP. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Littman to approve the proposal from Fleis and Vandenbrink in the amount of four thousand five hundred dollars (\$4,500.00) for the SAW Grant Application and authorize City Manager, Michael Hughes, to sign the necessary paperwork.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the bids that were received for a transformer storage area at the PSUB facility. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Gay to reject the bids for the transformer storage excavation project at this time.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser provided information on Public Act 152 and the alternatives for municipalities related to health care. Discussion followed.

Moved by Comm. Smith and seconded by Comm. Taulbee to adopt the Resolution to Control Municipal Health Care Costs as presented.

Voting yea: Seven

Absent: Stephens, Wilson

Voting nay: None

MOTION CARRIED

RESOLUTION TO CONTROL MUNICIPAL HEALTH CARE COSTS

WHEREAS, Public Act 152 of 2011 (PA 152), an act to limit a public employer's expenditures for employee medical benefit plans, was approved by the State of Michigan and made effective September 27, 2011 and

WHEREAS, PA 152 mandates hard cap limits on health care expenses for public employers in a total amount equal to \$5,857.58 times the number of employees with single person coverage, \$11,715.17 times the number of employees with individual and spouse coverage, plus \$15,975.23 times the number of employees with family coverage, for a medical benefit plan coverage year beginning on or after January 1, 2014; and

WHEREAS, PA 152 allows public employers the option, instead of the hard cap, of electing to pay not more than 80% of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees and elected public officials with a majority vote of its governing body; and

WHEREAS, PA 152 allows local units of government, including cities, the option to opt out of all limits set forth in the act with a 2/3rd majority vote of its governing body; and

WHEREAS, these limits would impact all non-union employees beginning January 1st, 2014 and all union employees upon the expiration of their current union contract; and

WHEREAS, the City Commission has approved an increase of cost-sharing levels for non-union employees equal to 20% of the rates for traditional health care plans beginning with the payroll period which includes April 1, 2014

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STURGIS, that the City will comply with the requirements of Public Act 152 of 2011 for the 2014 calendar year by opting out of the requirements of the Act as stipulated in Section 8 of the Act; and

LET IT BE FURTHER RESOLVED, that the City will implement cost-sharing levels for employees equal to \$200 for a single or \$300 for dual and family coverage when enrolled in the high deductible health plan; and

LET IT BE FURTHER RESOLVED, that the City will contribute \$1,000.00 in 2014 to each Health Savings Account established, with payments distributed during January 2014.

The meeting was adjourned at 9:00 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

**ORGANIZATIONAL MEETING
STURGIS CITY COMMISSION
MONDAY, NOVEMBER 11, 2013
CONFERENCE ROOM - CITY HALL**

City Clerk Kenneth Rhodes called the meeting to order at 8:00 p.m.

Commissioners present: Sisson, Austermann, Taulbee, Huber, Malone, Wilson, Littman, Hile, Gay

Commissioners absent: None

Also present: City Manager, Assistant City Manager, City Controller, City Clerk

City Clerk/Treasurer Kenneth Rhodes provided a summary of the November 5th General Election results.

Moved by Comm. Littman and seconded by Comm. Hile to accept the November 5, 2013 General Election Results.

Voting Yea : Nine

Voting Nay : None

MOTION CARRIED

Mr. Rhodes swore in L. Michael Austermann and Charles Huber as 1st and 2nd Precinct Commissioner respectively.

The City Clerk asked for nominations for the Office of Mayor.

Comm. Littman nominated Comm. Malone

Comm. Smith nominated Comm. Sisson

Voting for Comm. Malone: Smith, Sisson, Stephens, Taulbee, Malone, Wilson, Littman, Hile, Gay

Comm. Malone was seated as the Mayor of the City of Sturgis.

Mayor Malone asked for nominations for the Office of Vice-Mayor.

Comm. Taulbee nominated Comm. Hile

Moved by Comm. Taulbee and seconded by Comm. Austermann to close the nominations for the Office of Vice-Mayor and cast a unanimous ballot for Comm. Hile.

Voting Yea : Nine

Voting Nay : None

MOTION CARRIED

Comm. Hile was seated as the Vice-Mayor of the City of Sturgis.

Mayor Malone explained that if Commissioners wanted to maintain their current appointments, that would be fine and asked for interest in the vacancies. Discussion followed. Mayor Malone confirmed the following appointments:

Ambulance: Gay

Auditorium: Hile

Finance Committee: Malone, Littman, Wilson

EDC: Smith

Employee's Retirement Board: Littman, Malone

IFEC / Idle Buildings: Gay, Malone, Stephens, Taulbee

Investment Committee: Taulbee, Hile, Sisson

Recycling Committee: Stephens

St. Joe County Traffic Committee: Malone

Sister City Committee: Wilson

City Manager Michael Hughes and City Clerk/Treasurer Kenneth Rhodes provided information on the City Commission Procedural Policy which contained no revisions.

Salary – conflict of interest to not pay taxes? – 2nd payroll of every third month

Moved by Comm. Taulbee and seconded by Comm. Sisson to approve the City Commission Procedural Policy as presented.

Voting Yea : Nine

Voting Nay : None

MOTION CARRIED

The meeting was adjourned at 8:35 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, NOVEMBER 13, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Reverend Steve Bean, Sturgis Wesleyan Church gave the Invocation.

Commissioners present: Austermann, Taulbee, Huber, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Sisson, Wilson

Also present: City Attorney, City Manager, Assistant City Manager, Wastewater Superintendent, Director of Public Safety, Deputy Police Chief, City Engineer, City Controller, City Clerk

Mayor Malone read the following Proclamation:

WHEREAS, Ruth Routsong Notestine was born in LaGrange County, Indiana, on November 6th, 1913; and

WHEREAS, Ruth Routsong Notestine moved to Sturgis, Michigan and began working at Freeman Manufacturing after high school; and

WHEREAS, Ruth Routsong Notestine married Ike Notestine in 1938 and they built their home on Mechanic Street; and

WHEREAS, Ruth and Ike Notestine were blessed with two children, Rita Notestine and Jane Notestine Dickey as well as three grandchildren and six great-grandchildren; and

NOW, THEREFORE, BE IT RESOLVED, Ruth Routsong Notestine celebrated her 100th birthday while residing at Thurston Woods Village.

NOW, THEREFORE, BE IT FURTHER RESOLVED, the Sturgis City Commission wishes Ruth Routsong Notestine a Happy 100th Birthday and hope that she will enjoy many more to come.

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Seven

Absent: Sisson, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of November 13, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the October 23, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,305,770.92 as presented.

Voting yea: Seven

Absent: Sisson, Wilson

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided additional information from the last City Commission meeting regarding the Planned Development District ordinance related to the Moso Village Project. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Hile to consider this the second reading of and approve amendments to the City Code of Ordinances, Appendix A: Zoning, regarding the addition of "PDD-2 Planned Development District" effective November 14, 2013.

Voting yea: Seven

Absent: Sisson, Wilson

Voting nay: None

MOTION CARRIED

AMENDMENT TO
THE ZONING ORDINANCE OF THE CITY OF STURGIS

An ordinance to add Article IV, Section 1.0412; amend Article V, Sections 1.0501 and 1.0502; and add Article X, Section 1.1009, to or of the Zoning Ordinance of the City of Sturgis and to provide for an effective date of this Ordinance.

WHEREAS, the City Commission has determined that it is in the best interest of the residents of the City to create a Planned Development District Ordinance within the Central Business District by adding Article IV, Section 1.0412; amending Article V, Sections 1.0501 and 1.0502; and adding Article X, Section 1.1009 of the Zoning Ordinance of the City of Sturgis;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan ordains:

Article IV, Section 1.0412; Article V, Sections 1.0501 and 1.0502; and Article X, Section 1.1009, of the Zoning Ordinance of the City of Sturgis are hereby added or amended as follows effective as of November 14, 2013.

1.0412. PDD-2 Planned Development District.

- (A) *Intent.* The PDD-2 Planned Development District is established to create a planned development district convenient and attractive for a wide range of retail uses, business, residential, government and professional offices, and places of amusement in a setting conducive to and safe for pedestrian traffic.
- (B) *Permitted uses.* The following uses are permitted in the PDD-2 district.
- (1) Professional offices including: executive, administrative, legal, accounting, writing, clerical, drafting, engineering, architectural.
 - (2) Medical and dental offices, including clinics.
 - (3) Business schools or private schools operated for profit.
 - (4) Bed and breakfast.
 - (5) Stores for retail sales and retail services.
 - (6) Theaters and social clubs.
 - (7) Laundry and dry cleaning.
 - (8) Printing or publishing.
 - (9) Drink and restaurant establishments.
 - (10) Train, bus, or taxi terminal or dispatching.
 - (11) Institutional or public uses.
 - (12) Essential services.
 - (13) Hotels and motels.
 - (14) Uses similar to the above uses.

- (15) Accessory structures and uses customarily incident to the above permitted uses, provided such buildings and uses are located on the same zoning lot with a permitted use.
 - (16) Multifamily Residential Uses as found in the R-4 District.
 - (17) Condominiums
 - (18) Outdoor video display boards: A maximum of one monitor greater than 100 inches measured diagonally and 400 square feet overall and mounted on an assembly that when combined with the video display board results in a structure no higher than 40 feet above grade. Additional monitors will be considered as “Special Land Uses”.
 - (19) Apartments above stores
 - (20) Sidewalks and cafes provided that they do not restrict pedestrian travel paths to less than 60 inches wide.
 - (21) Outdoor sale areas provided that they do not restrict pedestrian travel paths to less than 60 inches wide.
- (C) *Special land uses.* The following special land uses are permitted in the PDD-2 district under the conditions of article VI [of this zoning ordinance].
- (1) Murals.
 - (2) Child care centers and day care centers in accord with section 1.0602 and section 1.0603CML.
 - (3) Additional video display boards as described in Section B.15 and meeting the criteria described in Section B.15
- (D) *Required conditions.* The following conditions are required in the PDD-2 Planned Development District
- (1) *[Use parameters.]* All permitted uses shall be conducted within the confines of a building or within an enclosure which screens any outdoor storage of materials from the view of adjoining residential streets or residential properties. A chain-link or decorative fence of sufficient density (1 ¼ inch by 1¼ inch) to keep discarded debris within the confines of a site for uses which are likely to have debris shall be provided.
 - (2) *Dwellings.* Existing dwellings, transient rooming houses and apartments shall meet the provision of the R-4 apartment district and special land uses within the R-4 apartment district, as set out in section 1.0404.
 - (3) *Screening dumpsters.* All areas of trash storage and disposal including dumpsters must be screened by a six-foot screen fence, but in no case less than six inches in height over the top of the trash or dumpster.
 - (4) *Site plan review.* Site plan review and approval must be obtained for all new construction in accordance with the provisions of article XII [of this zoning ordinance].
 - (5) *Area and bulk requirements.* See article V, schedule of regulations, [of this zoning ordinance] limiting the height and bulk of buildings, the minimum size of lot by permitted land use, and providing minimum yard setback requirements.

1.0501. Table-Schedule of Regulations.

Minimum Zoning Lot Size Per Unit (k)(l)			Maximum Height of Structure (k)(o)		Minimum Yard Setback (Per Lot In Feet) (k)(l)(n)(o)(p)		
Zoning District	Area in Square Feet	Width In Feet	In Stories	In Feet	Front	Each Side	Rear
R-1 rural residential	35,000(a)	165(a)	2	30	40(b)	20(n) (c)(b)	30(b)
R-2 rural residential	11,000(a)	85(a)	2	30	30(b)	11(n)(c)(b)	30(b)
R-3 residential	7,500	60	2	30	25(b)	5(n)(c)(b)	30(b)
R-3A	7,500	70	2	3	25(b)	5/8(d)	30(b)
R-4 apartment	1,500(d)(e)	(d)(e)	2 1/2	35	25(b)	5(b)(n)	30(b)
R-5 residential	6,000	50	2	30	25(b)	5(n)(c)(b)	30(b)
B-OS business office service	-	-	2	30	25(g)	15(b)(f)	25(i)
B-C central business	-	-	8	40	0	0	12(i)
B-H business highway	-	-	2	30	60(g)	0(h)(j)	25(i)
M manufacturing	-	-		50	(g)(m)	10(j)	10
P parking	See article IX [of this zoning ordinance] for applicable standards.						
PD planned development	See section 1.0411 for applicable standards.						
PDD-2 Planned Development District	-	50	-	70	0	0(q)	0(q)

Note: All footnotes in parentheses () apply as designated in columns above (see section 1.0502).

1.0502. Schedule of Regulations.

This section delineates the height, bulk, density and area limits pertaining to the zoning districts defined in this [zoning] ordinance. [The] following are notes to section 1.0501, table-schedule of regulations:

...

- (q) Where the PDD-2 district is adjacent to a Residential district the setbacks at the shared property lines shall be as stated in the Schedule for the corresponding Residential zoning district. Where the PDD-2 district is adjacent to a property utilized exclusively for residential purposes as of September 1, 2013, the setbacks at the shared property lines shall be as stated for zoning district R-3 Residential.

1.1009. Signs in the PDD-2 Planned Development District.

Sign Type	Max. Quantity	Max. letter Height	Max. Signage Area
Primary Sign Types			120 sq. ft.
Type A - Trellis/Marquee	One (1) per Tenant frontage	18 inches - single line 24 inches - double line	120 sq. ft.
Type B - Fascia Wall Sign	One (1) per Tenant frontage	18 inches - single line 24 inches - double line	120 sq. ft.
Type C - Feature Sign	One (1) per Tenant frontage	18 inches - single line 24 inches - double line	120 sq. ft.
Secondary Sign Types			60 sq. ft.
Type D - Window and Door	One (1) per window	8 inches	10 sq. ft. (only 1 side coun

Type E - Changeable Signs	One (1) easel per major entry	N/A	12 sf (umbrellas) sq. ft. (ea
Type F - Projecting Blade Sign	One (1) per Tenant frontage	N/A	10 sq. ft. (only 1 side coun
Type G - Awning Sign	One (1) per awning	8 inches	10 sq. ft. per awning
Type H - Plaque Sign	One (1) per major entry	N/A	4 sq. ft.

- (1) Signs shall be designed as an integral part of the storefront design concept and shall complement the existing context of other buildings and signs in the PDD-2 district.
- (2) Primary sign area is limited to 1.5 square feet per linear foot of frontage, up to the maximum size indicated in the chart below. (Frontage is measured parallel to street right of way.)
- (3) Secondary sign area is limited to .75 square feet per linear foot of frontage, up to the maximum size indicated below.
- (4) Graphic symbols used on primary signs may exceed the height of letters by 25%.
- (5) All primary signs must be three-dimensional, with maximum letter return of six (6) inches and a minimum panel thickness of one (1) inch.
- (6) Tenants in corner locations or with frontage on two principal streets may be permitted to use two or more primary signs for identification. If in a corner location, one of the signs must be a feature/marquee type sign.
- (7) Sign area is defined as the area within regular geometric shapes enclosing the limits of lettering, emblems, or other figures on a sign, together with any material or color forming an integral part of the display or used to differentiate the sign from the background on which it is placed. Structural members bearing no sign copy shall not be included in its surface area.
- (8) Flags of the United States, the State, the City, foreign nations having diplomatic relations with the United States, and any of their flag adopted or sanctioned by an elected legislative body of competent jurisdiction are not considered signs.
- (9) Temporary pennants, flags, or banners are permitted provided that they are kept in a state of good repair. Sandwich boards and other free standing flags and banners must be removed at the close of business.
- (10) Signs are not permitted on rooftops.
- (11) For rent, lease or property for sale signs no larger than 32 square feet in area advertising the property on which they are located are permitted provided that no building larger than 1,000 square feet is currently located on the property and such signs are promptly removed upon a building of larger than 1,000 square feet being constructed. For rent, lease or property for sale signs no larger than 16 square feet in area advertising the property on which they are located are permitted on properties containing a building of greater than 1,000 square feet provided such signs are promptly removed upon rent, lease or sale of such property. A permit for such sign shall not be required. Properties with frontage on two or more principle streets may be permitted to use 1 sign meeting the requirements of this section facing each principle street.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the Preliminary Plan for Planned Development District Two (PDD-2) as presented.

Voting yea: Seven

Voting nay: None

Absent: Sisson, Wilson

MOTION CARRIED

Moved by Comm. Taulbee and seconded by Comm. Hile to consider this the first reading of an amendment to the City of Sturgis Code of Ordinances, Appendix A: Zoning, Article XV - Groundwater Protection.

Voting yea: Seven

Voting nay: None

Absent: Sisson, Wilson

MOTION CARRIED

Moved by Comm. Taulbee and seconded by Comm. Hile to adopt the Transportation Enhancement Program Grant Resolution as presented.

Voting yea: Seven

Voting nay: None

Absent: Sisson, Wilson

MOTION CARRIED

A RESOLUTION TO ESTABLISH A REQUEST FOR FUNDING, DESIGNATE AN AGENT, ATTEST TO THE EXISTENCE OF FUNDS AND COMMIT TO IMPLEMENTING A MAINTENANCE PROGRAM FOR SOUTH NOTTAWA STREET PROJECT FUNDED BY THE TRANSPORTATION ENHANCEMENT PROGRAM GRANT #2012057.

WHEREAS, the Transportation Enhancement Program is a federally funded program administered in Michigan by the Michigan Department of Transportation (MDOT).

WHEREAS, the City of Sturgis is applying for funds through MDOT from the Transportation Enhancement Program to re-construct South Nottawa Street as a historical brick street in 2014.

WHEREAS, MDOT requires a formal commitment from the public agency that will be receiving these funds and will be implementing and maintaining these infrastructure projects.

NOW, THEREFORE, BE IT RESOLVED THAT, the City has authorized City Manager Michael Hughes to request Transportation Enhancement Program funding, to act as the applicant's agent during the project development, and to sign a project agreement upon receipt of a funding award.

BE IT FURTHER RESOLVED THAT, the City attests to the existence of, and commits to the funds necessary to carry out the project, including engineering for design and construction, permit fees, administration costs, cost overruns, and the required matching funds for the overall project cost.

BE IT FURTHER RESOLVED THAT, the City commits to owning, operating, funding and implementing a maintenance program over the design life of the facilities constructed with Transportation Enhancement Program funding.

Moved by Comm. Littman and seconded by Comm. Hile to adopt the Resolution Authorizing the SAW Grant Agreement for wastewater design reimbursement as presented.

Voting yea: Seven

Voting nay: None

Absent: Sisson, Wilson

MOTION CARRIED

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to (*select one or more*)

☐ establish an asset management plan, ☐ establish a stormwater management plan, ☐ establish a plan for wastewater/stormwater, *X establish a design of wastewater/stormwater,*
☐ pursue innovative technology, or ☐ initiate construction activities (up to \$500,000 for disadvantaged community).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed \$350,000.00 ("Grant") be requested from the MFA and the DEQ to pay for the above-mentioned undertaking(s); and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Manager, a position currently held by Michael Hughes, is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached Sample Grant Agreement) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

Moved by Comm. Littman and seconded by Comm. Taulbee to adopt the Resolution Authorizing the SAW Grant Agreement for establishment of an asset management program as presented.

Voting yea: Seven

Absent: Sisson, Wilson

Voting nay: None

MOTION CARRIED

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to (*select one or more*) *X establish an asset management plan.* ☐ establish a stormwater management plan, ☐ establish a plan for wastewater/stormwater, ☐ establish a design of wastewater/stormwater, ☐ pursue innovative technology, or ☐ initiate construction activities (up to \$500,000 for disadvantaged community).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed \$1,650,000.00 ("Grant") be requested from the MFA and the DEQ to pay for the above-mentioned undertaking(s); and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Manager, a position currently held by Michael Hughes, is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached Sample Grant Agreement) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant

funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.

6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.

7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

Moved by Comm. Austermann and seconded by Comm. Gay to approve the conveyance or property and partial termination of easement for 120 N. Monroe St. from Newell Rubbermaid to the City as presented.

Voting yea: Seven

Absent: Sisson, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Hile to go into Closed Session to discuss the potential purchase of property

Voting yea: Austermann, Taulbee, Huber, Littman, Gay, Hile, Malone

Voting nay: None

Absent: Sisson, Wilson

MOTION CARRIED

Meeting recessed at 8:12 p.m.

Meeting reconvened at 8:20 p.m.

The meeting was adjourned at 8:35 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
MONDAY, NOVEMBER 25, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Pastor Deb Johnson, United Methodist Church, gave the Invocation.

Commissioners present: Austermann, Taulbee, Huber, Littman, Gay, Sisson, Wilson,
Vice-Mayor Hile, Mayor Malone
Commissioners absent: None

Also present: City Attorney, City Manager, Assistant City Manager, City Engineer, City Controller, Deputy City Clerk

Mayor Malone presented Carter Brown with the following proclamation:

WHEREAS, Sturgis native Carter Brown chose to volunteer and work in the Philippines; and
WHEREAS, in November, Typhoon Haiyan hit the Philippines causing massive damage and loss of life in the country; and
WHEREAS, Mr. Brown rendered life-saving aid and shelter during and after the typhoon to members of the community in Tacloban, at great risk to his personal safety.
THEREFORE, this Monday, November 25th, the City of Sturgis recognizes the outstanding and life-saving work of Carter Brown in the Philippines and honors his dedication and volunteerism in the cause of helping others.

Mayor Malone presented Elsa Thomsma the following proclamation, accepted on her behalf by her parents:

WHEREAS, Sturgis native Elsa Thomsma has for several years volunteered and worked with the community of Cangumbang in the Philippines; and
WHEREAS, Ms. Thomsma raised over \$40,000.00 to build a community center and evacuation shelter in Cangumbang; and
WHEREAS, in November, Typhoon Haiyan hit the Philippines causing massive damage and loss of life in the country, including destroying all the homes in the village of Cangumbang; and
WHEREAS, due to the existence of the evacuation shelter no life was lost in Cangumbang; and
WHEREAS, Ms. Thomsma rendered life-saving aid and shelter during and after the typhoon to members of the community in Tacloban at great risk to her personal safety, and continues her work there.
THEREFORE, this Monday, November 25th the City of Sturgis recognizes the outstanding and life-saving work of Elsa Thomsma in the Philippines on behalf of the community of Cangumbang and others and honors her tireless spirit, dedication and volunteerism in the cause of helping others.

Moved by Comm. Littman and seconded by Comm. Gay to approve the agenda as presented.
Voting yea: Nine Voting nay: None MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of November 25, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the November 13, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$2,640,857.03 as presented.

C. DDA Board of Directors

APPOINT Emilee Blouin to the DDA Board of Directors as the voting student member.

ACCEPT the resignation of Frank Iannarelli to the DDA Board of Directors and send him a letter of recognition for his service.

REMOVE Anthony Messner from the DDA Board of Directors.

Voting yea: Nine Voting nay: None MOTION CARRIED

City Engineer Barry Cox spoke regarding the Groundwater Protection Ordinance.

Moved by Comm. Taulbee and seconded by Comm. Hile that the City Commission consider this the second reading and approval of an amendment to the City of Sturgis Code of Ordinances, Chapter 2, Appendix A: Zoning, Article XV-Groundwater Protection, effective January 1, 2014.

Voting yea: Nine Voting nay: None MOTION CARRIED

AMENDMENT TO PART II – CHAPTER 2 – APPENDIX A
OF THE ORDINANCES OF THE CITY OF STURGIS

An ordinance to amend Part II - Chapter 2 - Appendix A - Zoning, of the Ordinances of the City of Sturgis by adding Article XV – Groundwater Protection, pertaining to the regulation and protection of groundwater resources within the City, and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances to add Article XV to the Zoning Ordinance to regulate and protect the groundwater resources within the City.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 2 - Appendix A - Zoning is hereby amended by adding Article XV – Groundwater Protection as follows, effective as of January 1, 2014:

ARTICLE XV. GROUNDWATER PROTECTION

1.1501. PURPOSE

The City of Sturgis has determined that:

1. Certain groundwater underlying areas, including the City of Sturgis, currently is, or may be in the future, the sole source of the City's drinking water supply.
2. Groundwater aquifers are integrally connected with the surface water, lakes, and streams that constitute significant public health, recreational and economic resources of the City and surrounding area.
3. Spills and discharges of hazardous substances threaten the quality of the groundwater supplies and other water related resources, posing potential public health and safety

hazards and threatening economic losses.

Therefore, the City of Sturgis has enacted a groundwater protection ordinance to:

1. Protect existing and potential groundwater supplies, aquifers, and groundwater recharge areas of the City.
2. Preserve the natural resources of the City and the surrounding area.

1.1502. DEFINITIONS

AQUIFER: A geological formation, group of formations, or part of a formation capable of storing and yielding a significant amount of groundwater to wells and springs.

CHEMICAL ABSTRACT SERVICE (CAS) NUMBER: This is a unique number for every chemical established by a Columbus Ohio organization which indexes information published in "Chemical Abstracts" by the American Chemical Society.

HAZARDOUS SUBSTANCE: A chemical or other material that is or may become injurious to the public health, safety, or welfare, or to the environment. The term "hazardous substance" includes, but is not limited to, any of the following which are stored or generated in quantities greater than 100 kilograms (approximately 220 pounds or 25 gallons) per month, and which require site plan review under provisions of this ordinance

- a. Hazardous Substances as defined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, Public Law 96.510, 94 State. 2767;
- b. Hazardous Waste as defined in Part 111 of the State of Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended;
- c. Regulated Substance as defined in Part 213 of the State of Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended;
- d. Hazardous Substance as defined in Part 201 of the State of Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended;
- e. Used oil;
- f. Radiological materials.

PROPERLY PLUGGED ABANDONED WELL: A well that has been closed in accordance with regulations and procedures of the Michigan Department of Environmental Quality and the local Health Department. A properly plugged abandoned well requires a permit to be brought back into service.

SECONDARY CONTAINMENT: A second tank, catchment pit, pipe, or vessel that limits and contains liquid or chemical leaking or leaching from a primary containment area; monitoring and recovery are required.

UNDERGROUND STORAGE TANK: A tank or combination of tanks, including underground pipes connected to the tank or tanks, which is, was, or may have been used to contain an accumulation of hazardous substances, as defined in Part 211 of the State of Michigan Natural Resources and Environmental Protection Act, 1994 Public Act 451, as amended.

UNPLUGGED ABANDONED WELL: A well which has not been used for one year or more.

WASTE OIL: Any oil that has been refined from crude oil, or used, or as a result of such use contaminated by physical or chemical impurities.

WELL: As defined in the Michigan Water Well Construction and Pump Installation Code, Part 127, Act 368 of the Public Acts of 1978, as amended, and rules; or a permanent or temporary opening in the surface of the earth for the purpose of removing water, or

testing water quality, or measuring water characteristics, or measuring liquid recharge, or measuring liquid levels, or oil and gas exploration or production, or waste disposal, or dewatering purposes, or geothermal heat exchange purposes, or a cistern of a depth of 4 feet or more and with a top width of 12 inches or more.

WELLHEAD PROTECTION AREA: The area which has been approved by the MDEQ in accordance with the State of Michigan Wellhead Protection Program, which represents the surface and subsurface area surrounding a water well or well field, which supplies a public water system, and through which contaminants are reasonably likely to move toward and reach the water well or well field within a ten-year time of travel.

1.1503. APPLICABILITY

1. **USES SUBJECT TO SITE PLAN REVIEW:** Except as provided in Section 1.1507, “EXEMPTIONS AND WAIVERS”, this Groundwater Protection ordinance applies to all building permit requests made under ARTICLE XII. SITE PLAN REVIEW.

1.1504. PROHIBITIONS WITHIN TEN (10) YEAR TIME-OF-TRAVEL (TOT) WELLHEAD PROTECTION AREA

1. For any parcel of land that has a portion within a ten-year Wellhead Protection Area, the following are prohibited at any location on the parcel:
 - a. Operations of a scrap and recycling yard.
 - b. Operations of a State of Michigan Type II or Type III solid waste landfill.
 - c. Use of oil, waste oil, or similar liquid petroleum-type products for dust suppression.
 - d. Installation of a private water well for the purpose of drinking water or irrigation if, in the determination of the City of Sturgis City Manager, or a person or body designated by the City Manager, public water service is reasonably available.
 - e. Use of a non-municipal well that meets the State of Michigan’s definition of a High Capacity Well as defined in Part 327 The Great Lakes Preservation Act unless it can be shown that the proposed well will not have an adverse impact on current municipal wells.
 - f. Excavation, extraction, or mining of sand, gravel, bedrock, or any other type of earth if a permit or site plan review is required.
 - g. Unplugged abandoned wells.
 - h. Drilling for natural gas or petroleum, whether for exploration or production.
 - i. Drilling, direct-push and other earth penetration beyond 20 feet depth shall be sealed to within 2 feet of surface grade with grout, or with soil material exhibiting lower hydraulic permeability than the native soil.

1.1505. SITE PLAN REVIEW

1. **SITE PLAN REVIEW PROCEDURES:** Applicable projects under this Article that also require site plan review under ARTICLE XII shall include:
 - a. Existing and proposed land use deed restrictions, if any.
 - b. Location and outline of all existing septic tanks and drain fields.
 - c. The location of any floor drains in proposed structures on the site. The point of discharge for all drains and pipes shall be specified on the site plan.
 - d. Location of existing and proposed public and private drinking water wells, monitoring wells, irrigation wells, test wells, wells used for industrial processes or wells that have no identified use.
 - e. Inventory of hazardous substances to be stored, used or generated on-site, presented

in a format acceptable to the code official and Fire Department (include CAS numbers).

- f. Description and drawings showing size and location for any existing or proposed aboveground and underground storage tanks, piping lines and dispensers.
- g. Descriptions of type of operations proposed for the project and drawings showing size, location, and description of any proposed interior or exterior areas of structures for storing, using, loading or unloading of hazardous substances.
- h. Reported delineation of areas on the site which are known or suspected to be contaminated, together with a report on the status of cleanup or closure.
- i. Completion of the City of Sturgis Environmental Permits Checklist.

1.1506. CRITERIA FOR REVIEW

1. ARTICLE XII Criteria for Review will include:

- a. The project and related improvements shall be designed to protect land and water resources from pollution, including pollution of soils, groundwater, rivers, streams, lakes, ponds, and wetlands.
- b. Sites that at any time use, store or generate hazardous substances shall be designed to prevent spills and unpermitted discharges to air, surface of the ground, groundwater, lakes, streams, rivers or wetlands.
- c. Hazardous substances stored on the site before, during or after site construction, shall be stored in a location and manner designed to prevent spills and unpermitted discharges to air, surface of the ground, groundwater, lakes, streams, rivers, or wetlands. Secondary containment facilities shall be provided for aboveground storage of hazardous substances in accordance with state and federal requirements. Aboveground secondary containment facilities shall be designed and constructed so that the potentially polluting material cannot escape from the unit by gravity through sewers, drains, or other means, directly or indirectly into a sewer system, or to the waters of the State (including groundwater).
- d. Unplugged abandoned wells and cisterns shall be plugged in accordance with regulations and procedures of the Michigan Department of Environmental Quality and the County Health Department.
- e. Completion of the City of Sturgis Environmental Permits Checklist.

1.1507. EXEMPTIONS AND WAIVERS

1. A limited exclusion from this ordinance is hereby authorized as follows:

- a. The site plan review criteria of Section 1.1506 do not apply to hazardous substances packaged for personal or household use or present in the same form and concentration as a product packaged for use by the general public. The total excluded substances containing hazardous substances may not exceed the lesser of two hundred (200) gallons or one thousand (1000) pounds at any time.
- b. The site plan review requirements of Section 1.1506 do not apply to products held in containers with a volume of less than 40 gallons and packaged for retail use.

1.1508. INACTIVE OPERATIONS

- 1. This section applies to any inactive business or other operation (“operation”) at which there are hazardous substances. For purposes of this section, “inactive” is defined to include those business/operations that are unoccupied and have no activity for at least thirty (30) days. Those who own or control such an inactive operation shall do the

following:

- a. Within seven (7) days of becoming inactive, take such steps as necessary to secure the site such that natural elements such as water, wind and ice or vandals and all other persons cannot gain access to the hazardous substances.
- b. Within thirty (30) days of becoming inactive, provide to the code official and the Fire Department a document that identifies the site, the date of inactivity, the hazardous substances that exist on site, and the name, address, and telephone number of both the owner and the person in control of the site.
- c. Within sixty (60) days of becoming inactive, remove all hazardous substances from the site. This does not include those substances used for heating, cooling, and/or electrical lighting.

1.1509. ENFORCEMENT

1. Whenever the City determines that a person has violated a provision of this ordinance, the City may order compliance by issuing a written Notice of Violation to the responsible person/facility/property owner.
2. If abatement of a violation and/or restoration of affected property are required, the notice shall set forth a deadline by which such remediation or restoration must be completed. Said notice shall further advise that, should the responsible party fail to remediate or restore within the established deadline, the work may be done by the City, with the expense thereof charged to the property owner and possibly assessed as a lien against the property.

1.1510. ABATEMENT/REMEDIAL ACTIVITIES BY THE CITY

1. The City is authorized to take or contract with others to take reasonable and necessary abatement or remedial activities whenever the City determines a violation of this ordinance has occurred and that the responsible party cannot or will not correct the violation in a timely manner, or when no known responsible party exists. The responsible party shall reimburse the City for all reasonable expenses thus incurred by the City. A lien may be placed on the property for the reimbursement of all reasonable expenses.
2. If the City desires the responsible party to reimburse it for reasonable abatement activity expenses, the City shall, within ninety (90) days of the completion of said activities, mail to that person a Notice of claim outlining the expenses incurred, including reasonable administrative costs, and the amounts thereof. The person billed shall pay said sum in full within 30 days of receipt of the claim. If the person billed desires to object to all or some of the amount sought by the City, said person may file, within the same thirty (30) day period, a written objection so stating. The City shall, within thirty (30) days of its receipt of the objection, provide an opportunity for the objecting party to present facts or arguments supporting said objection. If the City determines that some or the entire amount originally billed is appropriate, the person shall pay said sum within thirty (30) days of receipt of that determination. If the amount due is not paid, the city may cause the charges to become a special assessment against the property and shall constitute a lien on the property.

1.1511. INJUNCTIVE RELIEF

1. If a person has violated or continues to violate the provisions of this ordinance, the City may petition the appropriate court for injunctive relief restraining the person from activities that would create further violations, or compelling the person to perform necessary abatement or remediation.

1.1512. VIOLATIONS DEEMED A PUBLIC NUISANCE

1. In addition to the enforcement processes and penalties provided, any condition caused or permitted to exist in violation of any of the provisions of this ordinance is a threat to public health, safety, and welfare, and is declared and deemed a nuisance, and may be summarily abated or restored at the responsible party's expense, and/or a civil action to abate, enjoin, or otherwise compel the cessation of such nuisance may be taken by the City.

1.1513. PENALTIES AND COSTS

1. Any violation of this ordinance shall be considered a misdemeanor, punishable by a fine of not more than \$500.00 or imprisonment of not more than ninety (90) days. Each day a violation exists shall be deemed a separate violation. A citation charging such a misdemeanor may be issued by the code official, or his or her designee.

1.1514. GROUNDWATER PROTECTION BOARD OF APPEALS

1. In order that the provisions of this article may be reasonably applied and substantial justice done in instances where unnecessary hardship would result from carrying out the strict letter of these sections, the city commission shall appoint a groundwater protection board of appeals. The duty of the groundwater protection board of appeals shall be to consider appeals from the decision of the City Manager and to determine, in particular cases, whether any deviation from strict enforcement will violate the intent of this article or jeopardize the public health or safety or environment.
2. The groundwater protection board of appeals shall meet at times as the board may determine. There shall be a fixed place of meeting and all meetings shall be open to the public in accordance with applicable laws. The groundwater protection board of appeals shall adopt its own rules of procedure and keep a record of its proceedings, showing findings of fact, the action of the board, and the vote of each member upon each question considered. The presence of five members of the groundwater protection board of appeals shall be necessary to constitute a quorum.
3. The groundwater protection board of appeals may prescribe the sending of notice to persons as it deems to be interested in any hearing by the board.
4. The groundwater protection board of appeals will be appointed by City Commission, may be revised from time to time, and shall include:
 - a. Mayor
 - b. Chair of the Planning Commission
 - c. At large Planning Commission member
 - d. City Engineer
 - e. Director of Public Services
 - f. At large Citizen of the City of Sturgis
 - g. At large representative of industry in the City of Sturgis

1.1515. APPEALS

1. Right of appeal. Any person has the right to appeal the basis for any charges, permits, orders, or other action developed in accordance with this article. Appeals shall be directed to the City Manager along with any supporting documentation for amendment of the charges in question. Any additional information that may be required to resolve the appeal, as directed by the City Manager, shall be obtained by the user at his expense. Resolution of appeals shall be made within 30 days in accordance with the best available data and the formulations presented in this article. In no event shall appeals be accepted

which would require a variance in the methods of charge calculations established and in force by this article.

2. Informal hearing.
 - a. An informal hearing before the City Manager may be requested in writing by any person deeming itself aggrieved by any citation, order, charge, fee, surcharge, penalty, or action within ten days after the date thereof, stating the reasons therefor with supporting documents and data.
 - b. The informal hearing shall be scheduled at the earliest practicable date, but not later than five days after receipt of the request, unless extended by mutual written agreement.
 - c. The hearing shall be conducted on an informal basis at the city hall or such place as designated by the City Manager.
3. Formal hearing.
 - a. Appeals from orders of the City Manager may be made at the groundwater protection board of appeals, within 30 days from the date of any citation, order, charge, fee, surcharge, from the date of any citation, order, charge, fee, surcharge, penalty or other action. The appeal may be taken by any person aggrieved. The appellant shall file a notice of appeal with the City Manager and with the groundwater protection board of appeals, specifying the grounds therefor. Prior to a hearing, the City Manager shall transmit to the groundwater protection board of appeals a summary report of all previous action taken. The board of appeals may, at its discretion, call upon the City Manager to explain the action. The final disposition of the appeal shall be in the form of a resolution, either reversing, modifying, or affirming, in whole or in part, the appealed decision or determination. In order to find for the appellant, a majority of the groundwater protection board of appeals must concur.
 - b. The groundwater protection board of appeals shall fix a reasonable time for the hearing of the appeal, give due notice thereof the interested parties, and decide the appeal within a reasonable time. Within the limits of its jurisdiction, the groundwater protection board of appeals may reverse or affirm, in whole or in part, or may make such order, requirements, decisions, or determination as, in its opinion, ought to be made in the case under consideration, and to that end shall have all the powers of the official from whom the appeal is taken.
 - c. The decision of the groundwater protection board of appeals shall be final, except that the board or the members thereof may be required, under proper mandamus proceedings, to show cause why certain actions were taken or decisions rendered.
4. Charges outstanding during appeal process. All charges for service, penalties, fees, or surcharges outstanding during any appeal process shall be due and payable to the city. Upon resolution of any appeal, the city shall adjust such amounts accordingly.
5. Administrative action. If an informal or formal hearing is not demanded within the periods specified in this section, the administrative action shall be deemed final. In the event either or both hearings are demanded, the action shall be suspended until a final determination has been made, except for immediate cease and desist orders or any emergency or judicial action.
6. Appeals from determinations of groundwater protection board of appeals. Appeals from the determinations of the groundwater protection board of appeals may be made to the circuit court for the county as provided by law. The appeals shall be governed

procedurally by the Administrative Procedures Act of 1969 (MCL 24.201 et seq.). All findings of fact, if supported by the evidence, made by the board shall be conclusive upon the court.

1.1516. REMEDIES NOT EXCLUSIVE

1. The remedies listed in this ordinance are not exclusive of any other remedies available under any applicable federal, state, or local law, and it is within the discretion of the City to seek cumulative remedies.

1.1517. CONFLICTING REGULATIONS

1. Whenever any provision of this ordinance imposes more stringent requirements, regulations, restrictions or limitations than are imposed or required by the provisions of any other law or ordinance, then the provisions of this ordinance shall govern. Whenever the provisions of any other law or ordinance impose more stringent requirements than are imposed or required by this title, then the provision of such ordinance shall govern.

1.1518. SEVERABILITY

1. If any provision, paragraph, work, section or article of this ordinance is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections, and chapters shall not be affected and shall continue in full force and effect.

Mayor Malone opened the public hearing for the Abbott Nutrition Street Vacation.

City Engineer Barry Cox provided information regarding vacating a portion of W. Lafayette St.

There was no comment was received from the public.

Mayor Malone closed the public hearing.

Moved by Comm. Austermann and seconded by Comm. Taulbee that the City Commission adopt the resolutions vacating a portion of W. Lafayette Street as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

RESOLUTION APPROVING VACATING OF STREET

WHEREAS, the City Commission of the City of Sturgis, County of St. Joseph and State of Michigan, the same being the legislative body of the said City of Sturgis, deems it in the best interests of the City of Sturgis that the portion of West Lafayette Street adjacent to Abbott Laboratories, 901 North Centerville Road and 511 West Lafayette Street being within the City of Sturgis be vacated, said street being described as follows, to-wit:

A parcel of land located in St. Joseph County, Michigan in the City of Sturgis.

Commencing at the Southwest corner of Section 36 T7S, R10W and running thence East, along the township line, 952.42 feet to the point of beginning of this description; The boundary of the portion of W. Lafayette Street to be vacated runs thence N06 degrees 06 minutes W along the easterly line of the old railroad, 33.19 feet; thence East, along the North right of way line of W. Lafayette Street, 152.85 feet; thence South 66 feet; thence West, along the South right of way line of W. Lafayette Street, 145.80 feet; thence N06 degrees 06 minutes W, along the Easterly right of way line of the old railroad, 33.19 feet to the point of beginning.

Subject to all easements and restrictions of record;
and

WHEREAS, it being advisable to vacate and abandon the said described property, due notice was published in the Sturgis Journal, a newspaper published and circulated in the City of Sturgis, County of St. Joseph, State of Michigan, as required by law, notifying the public and all interested persons that the City Commission would meet and be in session on Monday, November 25, 2013, at 7:30 p.m. in the Wiesloch Raum of Sturgis City Hall to hear and consider objections thereto; and

WHEREAS, no one appeared at said meeting to object to the proposed vacation and abandonment and no objections having been filed with the City Clerk.

NOW, THEREFORE, BE IT RESOLVED, subject to the City of Sturgis reserving an easement on said property for the purpose of constructing, repairing, substituting, removing enlarging, replacing and maintaining utilities, that the above described street be hereby vacated, abolished, abandoned and discontinued; and

BE IT FURTHER RESOLVED, that within thirty (30) days from this date, the City Clerk shall forward a certified copy of this resolution to the Treasurer of the State of Michigan, and also a certified copy of this resolution to the Register of Deeds of the County of St. Joseph, State of Michigan, for recording, and that a proper record of this vacation and abandonment be entered into the Book of Plats of the City of Sturgis.

RESOLUTION FOR DECERTIFICATION/VACATION OF A PORTION OF WEST LAFAYETTE STREET

NOW THEREFORE IT IS RESOLVED:

Whereas the City of Sturgis does wish to decertify/vacate a portion of West Lafayette Street. This decertification/vacation of West Lafayette Street is located 952.24 feet West of the Southwest Corner of Section 36 Town 7 South, Range 10 West and 1101.74 feet West of the Southwest Corner of Section 36 Town 7 South, Range 10 West for a total decertification/vacation length of 149.32 feet or 0.03 miles.

Moved by Comm. Hile and seconded by Comm. Littman to recess the regular meeting of November 25, 2013.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Director Wilson and seconded by Director Hile to convene as the Sturgis Housing Development Corporation.

Voting yea: Ten

Voting nay: None

MOTION CARRIED

President Hughes provided information on the relocation of the Depot Building to a more visible location from its current location at 200 W. Main St. to 400 W. Chicago Rd. Discussion followed including a proposed agreement between the City of Sturgis, Sturgis Historical Society, Sturgis Housing Development Corporation and the Foundation. Ed Miller, 517 S. Jefferson St, addressed the Commission with his concerns with the costs of repairing the Depot building as opposed to relocating it.

Moved by Dir. Taulbee and seconded by Dir. Hile that the Sturgis Housing Development Corporation approve the Depot Development Agreement as presented and authorize

President Hughes to sign all necessary documents.

Voting yea: Ten

Voting nay: None

MOTION CARRIED

Moved by Dir. Sisson and seconded by Dir. Wilson that the Sturgis Housing Development Corporation adjourn the meeting.

Voting yea: Ten

Voting nay: None

MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Wilson that the Sturgis City Commission reconvene their regular meeting of November 25th, 2013.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the proposed Depot Development Agreement.

Moved by Comm. Sisson and seconded by Comm. Hile that the Sturgis City Commission approve the Depot Development Agreement as presented and authorize City Manager Michael Hughes to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Director of Doyle and Recreation, Mike Liston, addressed the Commission regarding a bid waiver and approval to purchase new exercise equipment for the Doyle Circuit room.

Moved by Comm. Wilson and seconded by Comm. Austermann that the City Commission approve a bid waiver for and approve the purchase of the Matrix G3 Series from All Pro Exercise in the amount of thirty-three thousand forty dollars (\$33,040.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes announced the retirement of City Assessor Jaime Hutson. He explained that City Staff then met with Dale Hutson regarding the position and determined that he is qualified to serve as the City's Assessor and is recommending his appointment.

Moved by Comm. Wilson and seconded by Comm. Littman that the Sturgis City Commission appoint Dale Hutson as the City of Sturgis Assessor and approve the contract between Hutson Assessing, Inc. and the City of Sturgis as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the proposed changes to the City Commission Procedural Policy.

Moved by Comm. Austermann and seconded by Comm. Wilson that the Sturgis City Commission approve the City Commission Procedural Policy as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:22 p.m.

Shelly Stoddard, Deputy City Clerk

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, DECEMBER 11, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Pastor Stephen Middleton – Christian Fellowship Center gave the Invocation.

Commissioners present: Sisson, Austermann, Taulbee, Huber, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Wilson

Also present: City Attorney, City Manager, Assistant City Manager, Director of Public Safety, Auditorium Director, Electric Department Superintendent, City Controller, City Clerk

Assistant City Manager presented the eCities video related to entrepreneurship.

Moved by Comm. Littman and seconded by Comm. Hile to approve the agenda as presented with the addition of Item 10C-1 related to copper wire.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of December 11, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the November 25, 2013 regular meeting as presented.

B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$787,912.68 as presented.

C. Accounts Payable Authorization

AUTHORIZE the Finance Committee to authorize the payment of City bills at their next meeting

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Auditorium Director Brad Donmyer provided information on the bids received and the fundraising efforts related to the purchase of a new sound system for the auditorium. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve a budget amendment of eighty-eight thousand (\$88,000.00) dollars to the Auditorium Fund as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Austermann to approve the purchase of sound system equipment and installation from Stage Lighting & Sound, LLC in the amount of eighty-seven thousand, nineteen dollars and ninety-nine cents (\$87,019.99) as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the bids to replace the batteries in the Industrial Park and Central Substations which provide power to operate the protective relays and devices. Discussion followed.

Moved by Comm. Austermann and seconded by Comm. Littman to approve the bid from Storage Battery Systems, LLC in the amount of twelve thousand two hundred four dollars (\$12,204.00) as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the RFPs for the FERC required independent consultant inspection of the hydroelectric plant. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Sisson to approve the proposal from Mill Road Engineering to conduct the Part 12D Inspection of the City's hydroelectric plant in the amount of sixteen thousand, five hundred dollars (\$16,500.00) as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the bids that were received on 12,000 feet of copper power cable. Discussion followed.

Moved by Comm. Huber and seconded by Comm. Gay to approve the bid from Power Line Supply for Copper Power Cable in the amount of one hundred ninety-seven thousand, forty dollars (\$197,040.00) as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser provided information on a mini excavator and multi-terrain loader combination for the Electric Department and an offer to purchase these items used, along with a utility trailer, from Bryant Excavating for fifty-two thousand dollars (\$52,500.00). Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the purchase of used equipment from Bryant Excavating, Inc. in the amount of fifty-two, five hundred thousand (\$52,500.00) as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes provided details on the revised Poverty Guidelines Resolution related to assets. Discussion followed.

Moved by Comm. Austermann and seconded by Comm. Taulbee to approve the revision to the Property Guidelines Resolution as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the 2014 Commission Meeting dates as presented.

Voting yea: Eight

Absent: Wilson

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:17 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, DECEMBER 18, 2013
WIESLOCH RAUM – CITY HALL

Mayor Malone called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

Father Aaron Evans – St. John's Episcopal Church gave the Invocation.

Commissioners present: Sisson, Austermann, Taulbee, Littman, Gay, Vice-Mayor Hile, Mayor Malone

Commissioners absent: Huber, Wilson

Also present: City Attorney, City Manager, Assistant City Manager, Director of Public Safety, Auditorium Director, Electric Department Superintendent, City Controller, City Clerk

Sturgis Police Officers Ryan Banaszak and Damon Knapp provided an update on the Safety Town project. The staff and students constructing the buildings explained their work. Discussion followed.

Moved by Comm. Littman and seconded by Comm. Hile to approve the agenda as presented.

Voting yea: Seven

Absent: Huber, Wilson

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Taulbee to approve the Consent Agenda of December 18, 2013 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the December 11, 2013 regular meeting as presented.

B. Shared Grant Writer Memorandum of Understanding – Michael Hughes

APPROVE the Shared Grant Writer Memorandum of Understanding as presented.

Voting yea: Seven

Absent: Huber, Wilson

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided details on the proposed Development Agreement for the Moso Village project. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Littman to approve the Development Agreement for the Moso Village project and authorize the Mayor to sign all necessary documents.

Voting yea: Seven

Absent: Huber, Wilson

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox provided details on the RFQ responses for Street Improvement Engineering and the evaluation of the committee. Extensive discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Littman to approve the Street RFQ Committee's recommendation and begin negotiating a Master Services Agreement with Fleis & Vandenbrink to provide engineering services over the next ten (10) years.

Voting yea: Austermann, Taulbee, Littman, Hile, Malone
Absent: Huber, Wilson

Voting nay: Gay, Sisson
MOTION CARRIED

Assistant City Manager Andrew Kuk provided information on the process of the S.H.D.C annual meeting.

Moved by Comm. Austermann and seconded by Comm. Hile to recess their regular meeting of December 18, 2013.

Voting yea: Seven
Absent: Huber, Wilson

Voting nay: None
MOTION CARRIED

Moved by Dir. Austermann and seconded by Dir. Hile to convene the Sturgis Housing Development Corporation annual meeting.

Voting yea: Eight
Absent: Huber, Wilson

Voting nay: None
MOTION CARRIED

Moved by Dir. Sisson and seconded by Dir. Hile to adopt the Consent Resolution of the Board of Directors as presented.

Voting yea: Eight
Absent: Huber, Wilson

Voting nay: None
MOTION CARRIED

Moved by Dir. Sisson and seconded by Dir. Hile to adjourn the annual meeting.

Voting yea: Eight
Absent: Huber, Wilson

Voting nay: None
MOTION CARRIED

Moved by Comm. Sisson and seconded by Comm. Hile to reconvene their regular meeting of December 18, 2013.

Voting yea: Seven
Absent: Huber, Wilson

Voting nay: None
MOTION CARRIED

Electric Department Superintendent John Griffith explained system improvements to accommodate the Burr Oak expansion as well as the other parcels in Dresser Park.

Moved by Comm. Taulbee and seconded by Comm. Hile to approve the purchase of the 477 ACSR 26/7 code name "Hawk" wire from Resco as presented.

Voting yea: Seven
Absent: Huber, Wilson

Voting nay: None
MOTION CARRIED

The meeting was adjourned at 9:20 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer