
RULE OF THE CHAMBER

Any person wishing to address City Council shall step up to the lectern, state their name and address in an audible tone of voice for the record, and unless further time is granted by the presiding officer, shall limit their address to three (3) minutes. A person may not give up or relinquish all or a portion of their time to the person having the floor or another person in order to extend a person's time limit in addressing the Council.

Any person who does not wish to address Council from the lectern, may print their name, address and comment/question which he/she would like brought before Council on a card provided by the Clerk/Treasurer and return the card to the Clerk/Treasurer before the meeting begins. The Clerk/Treasurer will address the presiding officer at the start of Citizen Comments on the Agenda, notifying him of the card comment, and read the card into the record for response.

Those who want to use audio and image recording equipment in Council Chambers that requires a monopod, tripod or other auxiliary equipment for the audio and image devices shall notify the City Clerk before the meeting begins. Arrangements will be made to accommodate the request in a manner that minimizes the possibility of disrupting the meeting. No additional illuminating lights may be used in Council Chambers unless a majority of City Council members consent. Additionally, cell phones and pagers should be set to vibrate or silent mode when inside Council Chambers.

Should any person fail or refuse to comply with any Rules of the Chamber, after being informed of such noncompliance by the presiding officer, such a person may be deemed by the presiding officer to have committed a breach of the peace by disrupting the public meeting, and the presiding officer may then order such person excluded from the public meeting under Section 3 (6) of Open Meetings Act, Act 267 of 1976.

You will notice a numbering system under each heading. There is significance to these numbers. Each agenda item is numbered consecutively beginning in January and continues through December of each calendar year.

The City of Monroe will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting/hearing upon one week's notice to the City Clerk/Treasurer. Individuals with disabilities requiring auxiliary aids or services should contact the City of Monroe by writing or calling: City of Monroe, City Clerk/Treasurer, 120 E. First St., Monroe, MI 48161, (734) 384-9136. The City of Monroe website address is www.monroemi.gov.

**AGENDA - CITY COUNCIL REGULAR MEETING
MONDAY, NOVEMBER 15, 2010
7:30 P.M.**

I. CALL TO ORDER.

II. ROLL CALL.

III. INVOCATION/PLEDGE OF ALLEGIANCE.

IV. PRESENTATION.

Presentation by Mayor Clark regarding the Monroe Area Soccer Association.

Presentation by Plante Moran of the 2010 Comprehensive Annual Financial Report and audit.

V. PROCLAMATION.

252 Native American Heritage Month – November 2010.

VI. CONSENT AGENDA. (All items listed under the Consent Agenda are considered to be routine by Mayor and Council and will be approved by one motion, unless a Council member or citizen requests that an item be removed and acted on as a separate agenda item)

A. Approval of the Minutes of the Special Meeting held on Thursday, October 28, 2010 and the Minutes of the Regular Meeting held on Monday, November 1, 2010.

B. Approval of payments to vendors in the amount of \$_____
Action: Bills be allowed and warrants drawn on the various accounts for their payment.

253 Demolition Bid – 118 Almyra Avenue.

1. Communication from the Building Official, reporting back on bids received for the demolition of a property located at 118 Almyra Avenue, and recommending that the award be made to Earth Works Excavating in the amount of \$6,999, and that a total of \$11,999 be encumbered to include a contingency of \$5,000 for the abatement of asbestos if identified, and further recommending that the Mayor or Clerk-Treasurer be authorized to sign the contract on behalf of the City of Monroe.
2. Supporting documents.
3. Action: Accept, place on file and the recommendation be carried out.

254 Demolition Bid – 622 Fernwood Drive.

1. Communication from the Building Official, reporting back on bids received for the demolition of a property located at 622 Fernwood Drive, and recommending that Council award the contract to Earth Works Excavating in the amount of \$7,199 and that a total of \$12,199 be encumbered to include a contingency of \$5,000 for the abatement of asbestos if identified, and further recommending that the Mayor or Clerk-Treasurer be authorized to sign the contract on behalf of the City of Monroe.
2. Supporting documents.
3. Action: Accept, place on file and the recommendation be carried out.

255 Traffic Committee Minutes and Traffic Control Order #167-008.

1. Communication from the Director of Engineering & Public Services, submitting the minutes of the Traffic Committee meeting held on October 27, 2010, and recommending that Council accept and place on file the minutes from the October 27, 2010 Mayor's Traffic Committee meeting, and approve Traffic Control Order 167-008.
2. Supporting documents.
3. Action: Accept, place on file and the recommendation be carried out.

256 Appointments – Proposed Resolution

1. Communication from the Mayor's Office, submitting a proposed resolution for appointments to various boards, commissions and committees, and recommending that the resolution be adopted.
2. Supporting documents.
3. Action: Accept, place on file and the resolution be adopted.

257 City Hall Tuck Pointing – Change Order.

1. Communication from the Director of Engineering & Public Services, submitting a change order to the City Hall Window Replacement and Masonry restoration contract to DRV Contractors LLC, and recommending that Council award a Change Order to the above contract in the amount of \$54,580 for tuck pointing work on the entire City Hall building, and that a total of \$60,000 be encumbered to include a 10% contingency in case other similar minor items arise, and further recommending that the Director of Engineering and Public Services be authorized to sign the Change Order on behalf of the City of Monroe.
2. Supporting documents.
3. Action: Accept, place on file and the recommendation be carried out.

258 Multi-Sports Complex Management Agreement.

1. Communication from the Finance Director reporting back on proposals received for the management of the Monroe Multi-Sports Complex, and recommending that the Mayor and City Council approve entering into a five year agreement beginning January 1, 2011 with Rink Management Services Corporation in the amount of \$34,800.00 with an annual incentive equal to 20% of the operating income above the prior fiscal year's results.
2. Supporting documents.
3. Action: Accept, place on file and the recommendation be carried out.

259 Wastewater Treatment Plant Improvement –Phase II Financing Bond Issue Resolution.

1. Communication from the Director of Finance, submitting a proposed resolution and contract for the financing of the phase II improvements at the Wastewater Treatment Plant, and recommending that Mayor and City Council approve the attached resolutions and referenced contract.
2. Supporting documents.
3. Action: Accept, place on file and the resolutions be adopted.

VII. MAYOR'S COMMENTS.

VIII. CITY MANAGER COMMUNICATION.

IX. COUNCIL COMMENTS.

X. CITIZEN COMMENTS

XII. ADJOURNMENT.

PROCLAMATION

- WHEREAS,** National American Indian Heritage Month is celebrated to recognize the intertribal cultures and to educate the public about the heritage, history, art and traditions of the American Indian; and
- WHEREAS,** Dr. Arthur C. Parker, a Seneca Indian, past Director of the Museum of Arts and Science in Rochester, New York led the campaign for an official day of recognition for the “First Americans” in the early 1900’s, and
- WHEREAS,** historic observances enrich the lives of all citizens by providing a deeper understanding of the diversity of our unique Monroe heritage; and
- WHEREAS,** Native American Indian tribes in the Monroe County area were the Potawatomie, Ottawa, Wyandot and Huron; and
- WHEREAS,** Native Americans have contributed immeasurably to our country as scholars, artists, entrepreneurs, leaders, and have served in the United States Armed Forces with honor and distinction; and
- WHEREAS,** the theme of Native American Indian Heritage Month is *“Pride in Our Heritage, Honor Our Ancestors”*; and
- WHEREAS,** it is important to recognize and celebrate Monroe’s earliest ancestors, the Native American Indians, who were the original inhabitants, explorers and settlers of the United States.

NOW, THEREFORE, I, Robert E. Clark, Mayor of the City of Monroe, with the full support of City Council, do hereby proclaim November 2010, as **“NATIVE AMERICAN INDIAN HERITAGE MONTH”** in Monroe, and we encourage all citizens to reflect upon the past and recognize the importance of preservation to our heritage, to ourselves, and to our future and to participate in events to learn more about the American Indian culture.

IN WITNESS WHEREOF, We have hereunto set our hands and caused the Seal of the City of Monroe to be affixed this 15th day of November 2010.

Council Members:

Jeffery A. Hensley, Precinct 1

Christopher M. Bica, Precinct 3

Mary V. Conner, Precinct 5

Robert E. Clark, Mayor

Edward F. Paisley, Precinct 2

Jeremy J. Molenda, Precinct 4

Brian P. Beneteau, Precinct 6



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: Bids for demolition of 118 Almyra Avenue.

DISCUSSION: Bids were opened on Friday, November 5, 2010, for the demolition of a property located at 118 Almyra Avenue, Monroe. The three lowest bids were received from Earth Works Excavating (\$6,999.00), Executive Construction Management Co. (\$7,650.00) and Homrich Inc. (\$7,900.00).

After review of the bids it is recommended that the City Council award the above contract in the amount of \$6,999.00 to Earth Works Excavating and that a total of \$11,999.00 be encumbered to include a contingency of \$5,000.00 for the abatement of asbestos if identified.

It is further recommended that the Mayor or Clerk Treasurer be authorized to sign the contract on behalf of the City of Monroe.

CITY MANAGER RECOMMENDATION:

- For
- For, with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: 11/15/10

REASON FOR DEADLINE: Council meeting on this date

STAFF RECOMMENDATION: Award to Earth Works Excavating

REASON AGAINST: N/A

INITIATED BY: Building Department

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: City Council and Building Department

FINANCES

COST AND REVENUE PROJECTIONS:	Cost of Total Project	\$11,999.00
	Cost of This Project Approval	\$11,999.00
	Related Annual Operating Cost	\$
	Increased Revenue Expected/Year	\$

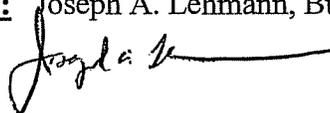
SOURCE OF FUNDS:	City	Account Number	Amount
	Demolition Service	10165805 818030	\$11,999.00
			\$
			\$
			\$
	<u>Other Funds</u>		\$ N/A
			\$ N/A
			\$ N/A
			\$ N/A

Budget Approval: _____

FACT SHEET PREPARED BY: Joseph A. Lehmann, Building Official

DATE: 11/5/10

REVIEWED BY:



COUNCIL MEETING DATE: November 15, 20110



CITY OF MONROE
BUILDING DEPARTMENT
120 East First Street
Monroe, Michigan 48161-2169
734-384-9186

Friday, November 5, 2010

JOHNSON, ROBERT & HELEN
118 ALMYRA AVE
MONROE, MI 48161

RE: 118 ALMYRA AVE

DEAR JOHNSON, ROBERT & HELEN

Due to your failure to comply with the demolition order on **September 2, 2010**. According to the 2006 International Property Maintenance Code, Section 110, Demolition.

If the owner of a premises fails to comply with a demolition order within the time prescribed, the code official shall cause the structure to be demolished and removed, either through an available public agency or by contract or arrangement with private persons, and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

If you would like to show cause to why this should not be carried out, the authorization to award a contract for demolition will be brought in front of Monroe City Council on **November 15, 2010** at 7:30 pm in the City of Monroe, Council Chambers.

If you have any questions please feel free to contact me at (734) 384-9186.

Thank You

Joseph A. Lehmann
Building Official
City of Monroe



CITY OF MONROE
BUILDING DEPARTMENT
120 East First Street
Monroe, Michigan 48161-2169
734-384-9186

Wednesday, September 2, 2010

JOHNSON, ROBERT & HELEN
118 ALMYRA AVE
MONROE, MI 48161

Re: 118 ALMYRA AVE

Dear JOHNSON, ROBERT & HELEN:

Notice and Order

Due to the present condition and the failure to repair the structure at 118 ALMYRA AVE it has become so old, dilapidated and out of repair as to be dangerous, unsafe, unsanitary, or otherwise unfit for human habitation or occupancy, and such that it is unreasonable to repair that the structure be demolished and removed. (Section 110 of the 2006 International Property Maintenance Code).

ACTION TO BE TAKEN

It is, therefore, required that you shall secure the required demolition permit within 20 days of September 2, 2010, and demolition completed within 30 days of issuance. That should you fail to comply with this order within the time prescribed, I shall cause the structure to be demolished per the City of Monroe demolition specifications and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate. The cost shall also be the personal obligation of the property owner which may be collected by the use of any and all appropriate legal remedies.

Any person directly affected by a decision of the code official, the Building Official or a notice or order issued under this code shall have the right to appeal to the Construction Board of Appeals, provided that a written application for appeal is filed within 21 days after the day the decision, notice or order was served and with a filing fee of four hundred dollars (\$400.00). An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted there under have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means or that the strict application of any requirement of this code would cause an undue hardship.

If you have any questions, please feel free to contact this office.

Sincerely,

Joseph A. Lehmann
Building Official
City of Monroe



CITY OF MONROE
BUILDING DEPARTMENT
120 East First Street
Monroe, Michigan 48161-2169
734-384-9186

Wednesday, August 18, 2010

JOHNSON, ROBERT & HELEN
118 ALMYRA AVE
MONROE, MI 48161

RE: 118 ALMYRA AVE

DEAR JOHNSON, ROBERT & HELEN

An inspection was conducted at this property on 08/13/2010. At the time of inspection, the following is a list of violations according to the **2006 International Property Maintenance Code**.

302.1 Sanitation. All exterior property and premises shall be maintained in a clean, safe and sanitary condition. The occupant shall keep that part of the exterior property which such occupant occupies or controls in a clean and sanitary condition.

302.4 Weeds. All premises and exterior property shall be maintained free from weeds or plant growth in excess of **8 inches**. 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.

Upon failure of the owner or agent having charge of a property to cut and destroy weeds after service of a notice of violation, any duly authorized employee of the jurisdiction or contractor hired by the jurisdiction shall be authorized to enter upon the property in violation and cut and destroy the weeds growing thereon, and the costs of such removal shall be paid by the owner or agent responsible for the property.

304.1 Exterior Structure General. The exterior of a structure shall be maintained in good repair, structurally sound and sanitary so as not to pose a threat to the public health, safety or welfare.

304.2 Exterior protective treatment. All exterior surfaces, including but not limited to, doors, door and window frames, cornices, porches, trim, balconies, decks and fences shall be maintained in good condition. Exterior wood surfaces, other than decay-resistant woods, shall be protected from the elements and decay by painting or other protective covering or treatment. Peeling, flaking and chipped paint shall be eliminated and surfaces repainted. All siding and masonry joints as well as those between the building envelope and the perimeter of windows, doors, and skylights shall be maintained weather resistant and water tight. All metal surfaces subject to rust or corrosion shall be coated to inhibit such rust and corrosion and all surfaces with rust or corrosion shall be stabilized and coated to inhibit future rust and corrosion. Oxidation stains shall be removed from exterior surfaces. Surfaces designed for stabilization by oxidation are exempt from this requirement.

304.6 Exterior walls. All exterior walls shall be free from holes, breaks, and loose or rotting materials; and maintained weatherproof and properly surface coated where required to prevent deterioration.

304.7 Roofs and drainage. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof drains, gutters and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a public nuisance.

304.10 Stairways, decks, porches. Every exterior stairway, deck porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair, with proper anchorage and capable of supporting the imposed loads.

304.13 Window, skylight and door frames. Every window, skylight, door and frame shall be kept in sound condition, good repair and weather tight.

305.1 General. The interior of a structure and equipment therein shall be maintained in good repair, structurally sound and in a sanitary condition. Occupants shall keep that part of the structure which they occupy or control in a clean and sanitary condition. Every owner of a structure containing a rooming house, housekeeping units, a hotel, a dormitory, two or more dwelling units or two or more nonresidential occupancies shall maintain, in a clean and sanitary condition, the shared or public areas of the structure and exterior property.

305.3 Interior surfaces. All interior surfaces, including windows and doors, shall be maintained in good, clean and sanitary condition. Peeling, chipping flaking or abraded paint shall be repaired, removed or covered. Cracked or loose plaster, decayed wood and other defective surface conditions shall be corrected.

305.4 Stairs and walking surfaces. Every stair, ramp, landing, balcony, porch, deck or other walking surface shall be maintained in sound condition and good repair.

305.5 Handrails and guards. Every handrail and guard shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition.

307.1 Accumulation; of rubbish or garbage. All exterior property and premises, and the interior of every structure, shall be free from any accumulation of rubbish or garbage.

504.1 General. All plumbing fixtures shall be properly installed and maintained in working order, and shall be kept free from obstructions, leaks and defects and be capable of performing the function for which such plumbing fixtures are designed. All plumbing fixtures shall be maintained in a safe, sanitary and functional condition.

505.1 General. Every sink, lavatory, bathtub or shower, drinking fountain, water closet or other plumbing fixture shall be properly connected to either a public water system or to an approved private water system. All kitchen sinks, lavatories, laundry facilities, bathtubs and showers shall be supplied with hot or tempered and cold running water in accordance with the International Plumbing Code.

602.3 Heat Supply. Every owner and operator of any building who rents, leases or lets one or more dwelling units or sleeping units on terms, either expressed or implied, to furnish heat to the occupants thereof shall supply heat to maintain temperatures of not less than 68 degrees F (20 degrees C) in all habitable rooms, bathrooms, and toilet rooms.

603.1 Mechanical appliances. All mechanical appliances, fireplaces, solid fuel-burning appliances, cooking appliances and water heating appliances shall be properly installed and maintained in a safe working condition, and shall be capable of performing the intended function.

604.2 Service. The size and usage of appliances and equipment shall serve as a basis for determining the need for additional facilities in accordance with the "ICC Electrical Code". Dwelling units shall be served by a three-wire, 120/240 volt, single phase electrical service having a rating of not less than 60 amperes.

604.3 Electrical system hazards. Where it is found that the electrical system in a structure constitutes a hazard to the occupants or the structure by reason of inadequate service, improper fusing, insufficient receptacle and lighting outlets, improper wiring or installation, deterioration or damage, or for similar reasons, the code official shall require the defects to be corrected to eliminate the hazard.

605.1 Installation. All electrical equipment, wiring and appliances shall be properly installed and maintained in a safe and approved manner.

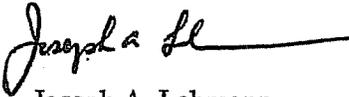
It is, therefore, required that the conditions described above be repaired or improvements made to abate the unsafe condition and that you contact us within 14 calendar days (September 1, 2010), to secure all required permits, the work must show progress within 30 days after issuance of the permit and all work shall be completed within 180 days from the date of this order.

Any person directly affected by a decision of the code official or a notice or order issued under this code shall have the right to appeal to the Construction Board of Appeals, provided that a written application for appeal is filed within 20 days after the day the decision, notice or order was served and with a filing fee of four hundred dollars (\$400.00). An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted there under have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means.

Please be advised that any person failing to comply with a notice or order shall be deemed guilty of a misdemeanor or civil infraction as determined by the local municipality, and the violation shall be deemed a strict liability offense. If the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the structure in violation of the provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

Your Cooperation in this matter is appreciated.

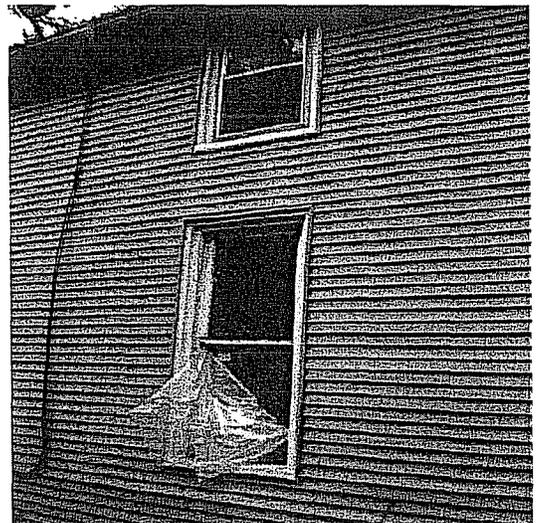
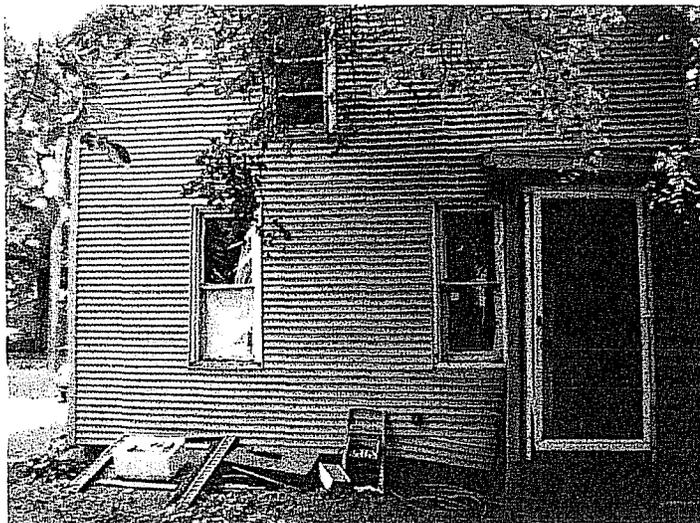
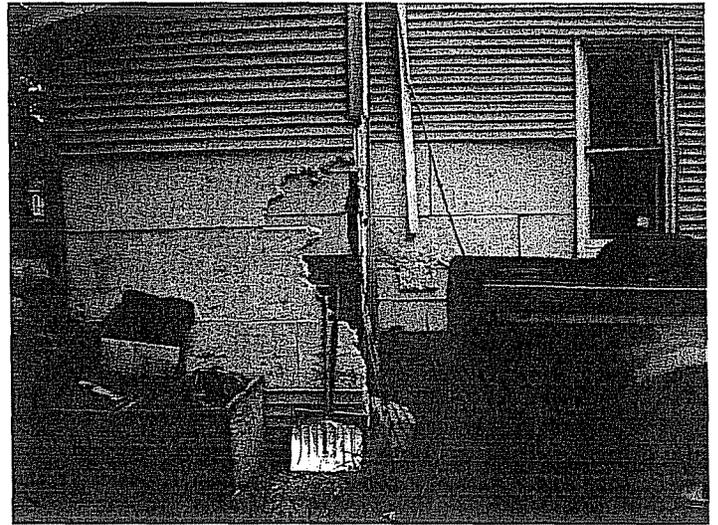
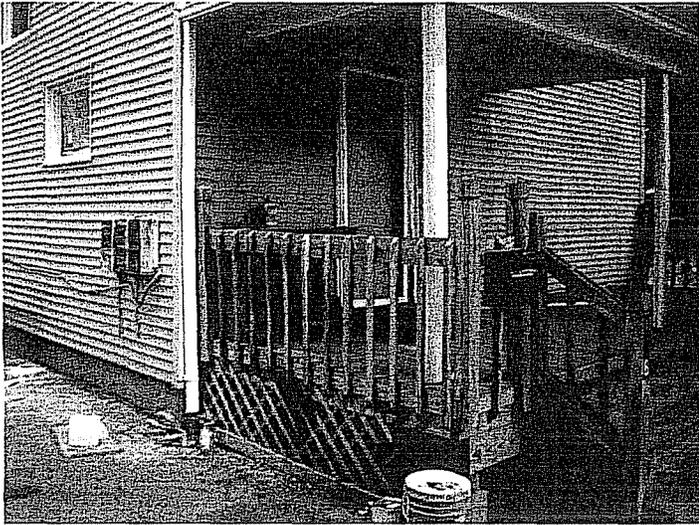
Respectfully,



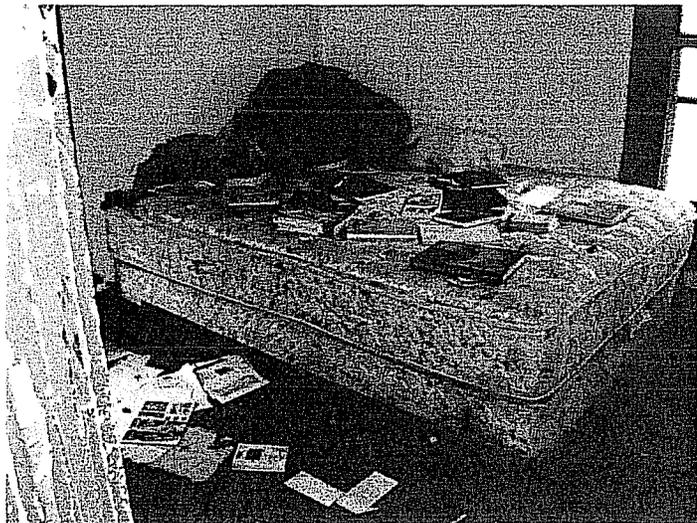
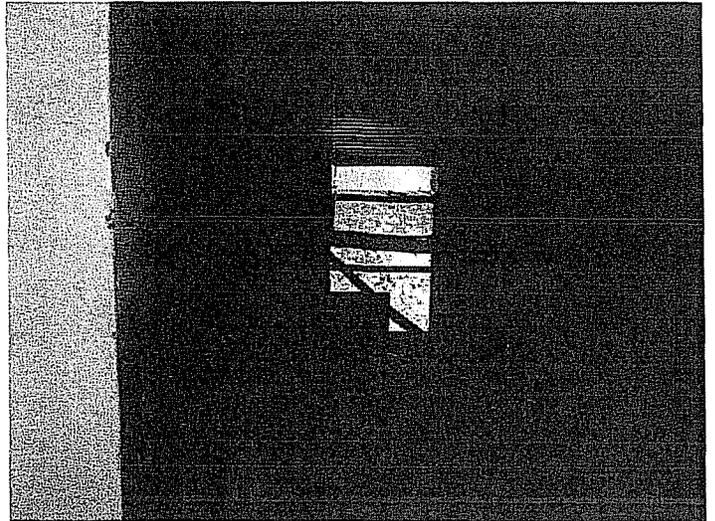
Joseph A. Lehmann
Building/Zoning Director

Cc: File

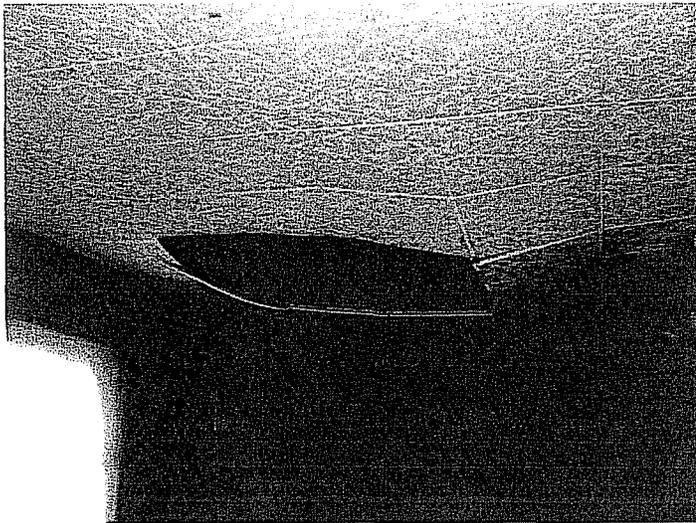
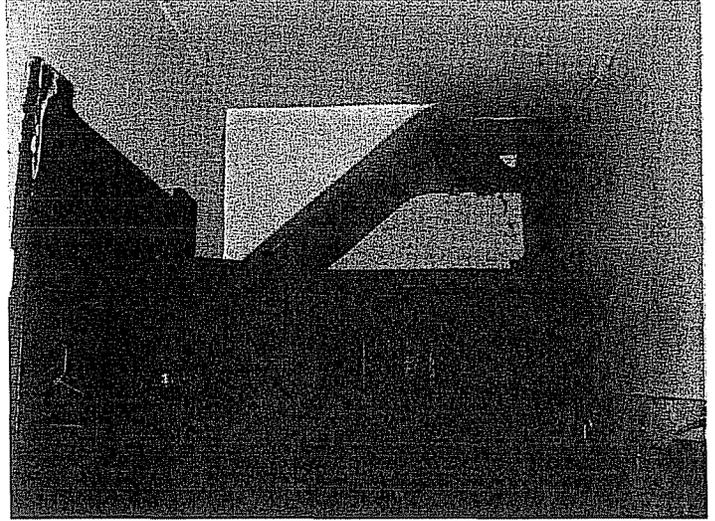
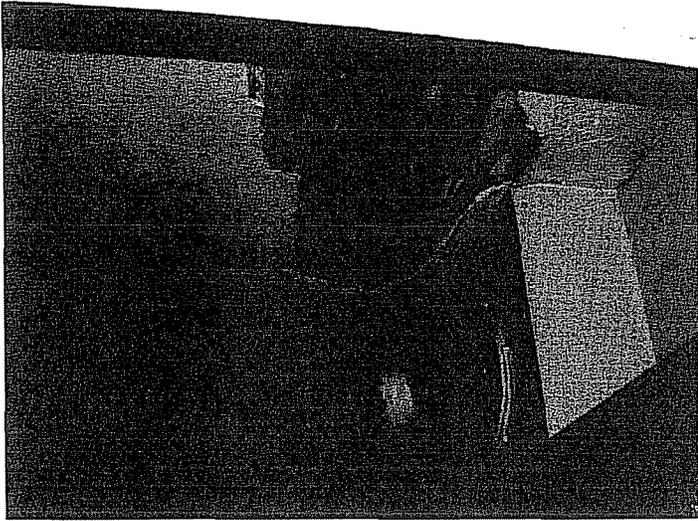
118 Almyra 8/13/10



118 Almyra 8/13/10



118 Almyra 8/13/10



118 Almyra 8/13/10



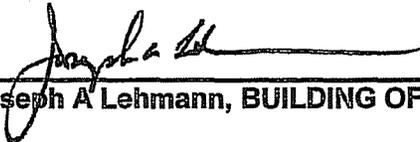
**THIS STRUCTURE AT 118 Almyra
IS DEEMED UNSAFE
FOR HUMAN OCCUPANCY**

**Under the International Property Maintenance Code of the City of
Monroe Codified Ordinance**

**IT IS UNLAWFUL FOR ANY PERSON TO OCCUPY OR
RESIDE IN THIS BUILDING**

DATE: September 2, 2010

BY ORDER OF:


Joseph A. Lehmann, BUILDING OFFICIAL

**Any Unauthorized Copying or Removing of this Sign will be
Prosecuted**



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: Bids for demolition of 622 Fernwood Drive.

DISCUSSION: Bids were opened on Friday, November 5, 2010, for the demolition of a property located at 622 Fernwood Drive, Monroe. The three lowest bids were received from Earth Works Excavating (\$7,199.00), Homrich Inc. (\$7,200.00) and Erie Demolition & Salvage Inc (\$7,300.00).

After review of the bids it is recommended that the City Council award the above contract in the amount of \$7,199.00 to Earth Works Excavating and that a total of \$12,199.00 be encumbered to include a contingency of \$5,000.00 for the abatement of asbestos if identified.

It is further recommended that the Mayor or Clerk Treasurer be authorized to sign the contract on behalf of the City of Monroe.

CITY MANAGER RECOMMENDATION:

- For
- For, with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: 11/15/10

REASON FOR DEADLINE: Council meeting on this date

STAFF RECOMMENDATION: Award to Earth Works Excavating

REASON AGAINST: N/A

INITIATED BY: Building Department

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: City Council and Building Department

FINANCES

COST AND REVENUE PROJECTIONS:	Cost of Total Project	\$12,199.00
	Cost of This Project Approval	\$12,199.00
	Related Annual Operating Cost	\$
	Increased Revenue Expected/Year	\$

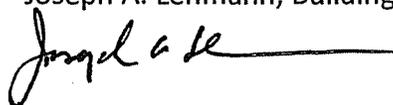
SOURCE OF FUNDS:	<u>City</u>	Account Number	Amount
	Demolition Service	10165805 818030	\$12,199.00
			\$
			\$
			\$
	<u>Other Funds</u>		\$ N/A
			\$ N/A
			\$ N/A
			\$ N/A

Budget Approval: _____

FACT SHEET PREPARED BY: Joseph A. Lehmann, Building Official

DATE: 11/5/10

REVIEWED BY:



COUNCIL MEETING DATE: November 15, 20110



CITY OF MONROE
BUILDING DEPARTMENT
120 East First Street
Monroe, Michigan 48161-2169
734-384-9186

Friday, November 5, 2010

BROWN, DONALD F (LC)
CASPER L. TURNER
3849 W DUNBAR RD
MONROE, MI 48161

RE: 622 FERNWOOD DR

DEAR BROWN, DONALD F (LC)

Due to your failure to comply with the demolition order on **August 19, 2010**. According to the 2006 International Property Maintenance Code, Section 110, Demolition.

If the owner of a premises fails to comply with a demolition order within the time prescribed, the code official shall cause the structure to be demolished and removed, either through an available public agency or by contract or arrangement with private persons, and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

If you would like to show cause to why this should not be carried out, the authorization to award a contract for demolition will be brought in front of Monroe City Council on **November 15, 2010** at 7:30 pm in the City of Monroe, Council Chambers.

If you have any questions please feel free to contact me at (734) 384-9186.

Thank You

Joseph A. Lehmann
Building Official
City of Monroe

Cc: Casper L Turner



CITY OF MONROE
BUILDING DEPARTMENT
120 East First Street
Monroe, Michigan 48161-2169
734-384-9186

Thursday, August 19, 2010

BROWN, DONALD F (LC)
3849 W DUNBAR RD
MONROE, MI 48161

Re: 622 FERNWOOD DR

Dear BROWN, DONALD F (LC):

Notice and Order

Due to the present condition and the failure to repair the structure at 622 FERNWOOD DR it has become so old, dilapidated and out of repair as to be dangerous, unsafe, unsanitary, or otherwise unfit for human habitation or occupancy, and such that it is unreasonable to repair that the structure be demolished and removed. (Section 110 of the 2006 International Property Maintenance Code).

ACTION TO BE TAKEN

It is, therefore, required that you shall secure the required demolition permit within 20 days of August 19, 2010, and demolition completed within 30 days of issuance. That should you fail to comply with this order within the time prescribed, I shall cause the structure to be demolished per the City of Monroe demolition specifications and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate. The cost shall also be the personal obligation of the property owner which may be collected by the use of any and all appropriate legal remedies.

Any person directly affected by a decision of the code official, the Building Official or a notice or order issued under this code shall have the right to appeal to the Construction Board of Appeals, provided that a written application for appeal is filed within 21 days after the day the decision, notice or order was served and with a filing fee of four hundred dollars (\$400.00). An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted there under have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means, or that the strict application of any requirement of this code would cause an undue hardship.

If you have any questions, please feel free to contact this office.

Sincerely,

Joseph A. Lehmann
Building Official
City of Monroe



CITY OF MONROE

Department of Building & Zoning

October 14, 2009

BROWN, DONALD F (LC)
3849 W DUNBAR RD
MONROE, MI 48161

RE: 622 FERNWOOD DR

DEAR BROWN, DONALD F (LC)

An inspection was conducted at this property on 10/13/2009. At the time of inspection, the following is a list of violations according to the 2006 International Property Maintenance Code.

302.1 Sanitation. All exterior property and premises shall be maintained in a clean, safe and sanitary condition. The occupant shall keep that part of the exterior property which such occupant occupies or controls in a clean and sanitary condition. (Debris in rear yard)

302.3 Sidewalks and driveways. All sidewalks, walkways, stairs, driveways, parking spaces and similar areas shall be kept in a proper state of repair, and maintained free from hazardous conditions. (Sidewalk and driveway need repaired)

302.5 Rodent harborage. All structures and exterior property shall be kept free from rodent harborage and infestation. Where rodents are found, they shall be promptly exterminated by approved processes which will not be injurious to human health. After extermination, proper precautions shall be taken to eliminate rodent harborage and prevent reinfestation. (Rodents can harbor under front porch.)

304.1 Exterior Structure General. The exterior of a structure shall be maintained in good repair, structurally sound and sanitary so as not to pose a threat to the public health, safety or welfare. (Rear roof assembly above door is falling down and there are broken windows).

304.10 Stairways, decks, porches. Every exterior stairway, deck porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair, with proper anchorage and capable of supporting the imposed loads. (Front porch and stair assembly needs repair)

304.12 Handrails and guards. Every handrail and guard shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition. (Front porch rails need repaired)

304.7 Roofs and drainage. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof drains, gutters and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a public nuisance.

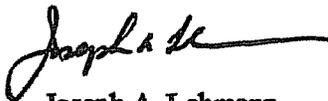
It is, therefore, required that the conditions described above be repaired or improvements made to abate the unsafe condition and that you contact us within 10 calendar days (October 24, 2009), to secure all required permits, the work must show progress within 30 days after issuance of the permit and all work shall be completed within 180 days from the date of this order.

Any person directly affected by a decision of the code official or a notice or order issued under this code shall have the right to appeal to the Construction Board of Appeals, provided that a written application for appeal is filed within 20 days after the day the decision, notice or order was served and with a filing fee of four hundred dollars (\$400.00). An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted there under have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means.

Please be advised that if the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the structure in violation of the provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

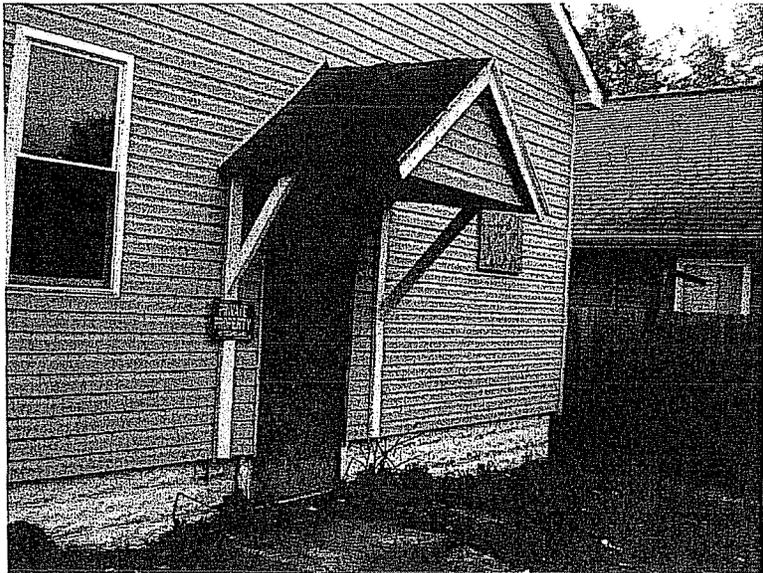
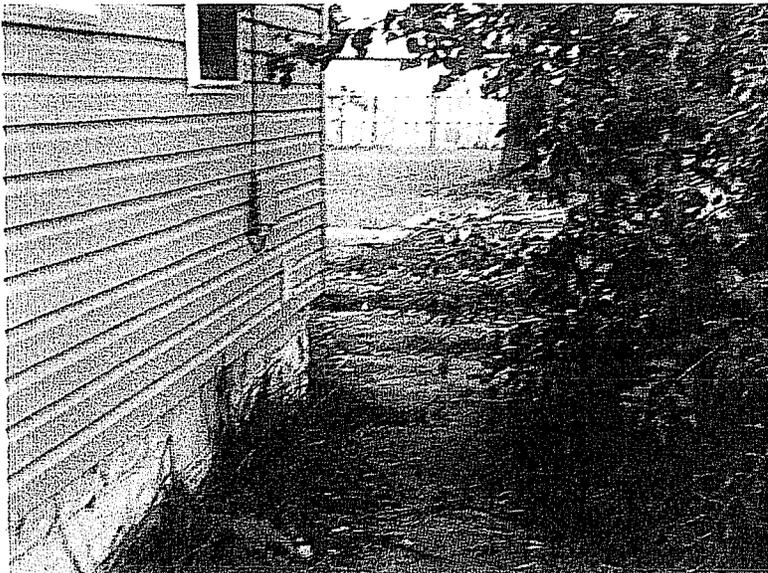
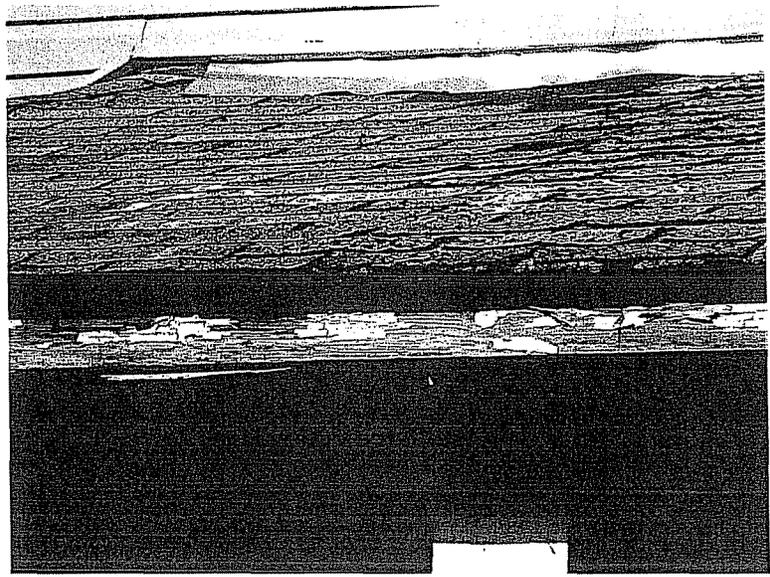
Your Cooperation in this matter is appreciated.

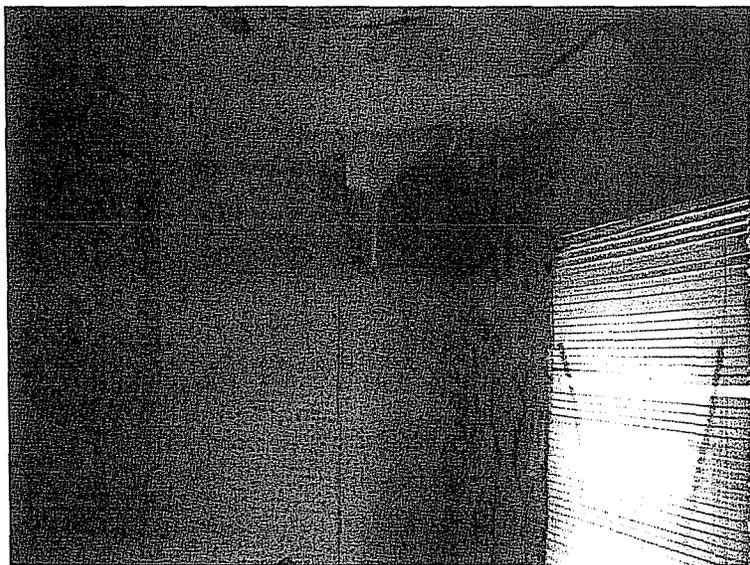
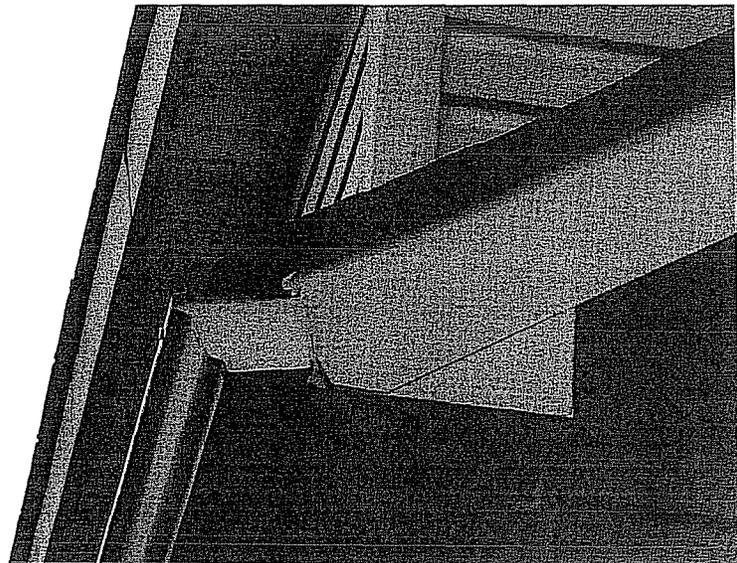
Respectfully,



Joseph A. Lehmann
Building/Zoning Director

Cc: File
Mr. Richard Brown







CITY OF MONROE

Department of Building & Zoning

October 8, 2003

Donald Brown
3849 W. Dunbar Rd.
Monroe, MI 48161

Re: 622 Fernwood. (Property I.D. #49-00310-000)

Dear Mr. Brown:

Due to a complaint, on October 7, 2003 the Building Inspector, Electrical Inspector, Plumbing/Mechanical Inspector and the Fire Marshal performed an inspection at 622 Fernwood Ave., Monroe, Michigan. The following conditions that are listed deems it an unsafe building as per Section 302 of the Uniform Code for the Abatement of Dangerous Buildings as adopted by the Codified Ordinances of the City of Monroe.

NOTICE AND ORDER

The following is a brief and concise description of conditions or defects that were found on September 8, 2003, that deem this structure to be an unsafe building:

1. Furnace needs replaced (cracked heat exchanger) per Aquila red tag. To be installed by licensed heating contractor
2. Provide heat to second floor north bedroom.
3. Correct dryer venting with proper material.
4. New water heater, correct venting with screws at each joint, proper size $\frac{3}{4}$ pressure relief drop tube within 4" above floor.
5. Install proper vent and drain for washing machine.
6. Correct pitch on kitchen sink drain to meet code and trap.
7. Install vent on bathtub drain not vented to code.
8. Repair or replace kitchen sink faucet.
9. Upgrade service due to deteriorated cable sheathing and undersized for service disconnect size.
10. Properly ground panel installed without permit.
- 11.. Replace missing junction box covers in basement.
12. Remove or replace unapproved wiring in the basement.
13. Properly support wire-way in west bedroom on the first floor.
14. support water piping to code in basement.
15. Front outside stairs need to meet code.
16. Front outside stairs need handrail.
17. Extend downspouts away from dwelling.
18. Soffit coming loose in numerous locations.
19. add smoke detection in sleeping room on first floor, second floor, and in basement..
20. add guard rail to basement stairs.
21. install handrail to second floor to code.
22. add handrail in kitchen to rear landing.
23. repair guardrail on stair assembly on second floor. (loose)
24. Correct foundation on north side of basement.

In respect to these unsafe conditions, it is my duty to declare the aforementioned structure as an unsafe structure.

ACTION TO BE TAKEN

It is, therefore, required that the conditions described above be repaired or improvements made to abate the unsafe condition and that all required permits be secured within the following time frame:

- all required permits shall be secured and the work shall commence 60 days from the date of this order (December 8, 2003) .
- all work shall be completed 180 days from the date of this order (May 16, 2004).

Please be advised that if either the proper permits are not secured within such time as ordered or the time frame for the work is not adhered to, the building shall be scheduled to appear on the first appropriate dangerous building hearing docket for a determination by the Dangerous Building Hearing Officer as to whether the building or structure shall be ordered repaired, demolished or otherwise made safe. The building or structure shall be posted as a dangerous building.

Please be advised that if any required repair or demolition work is not commenced within the time specified, the Building Official may order the building vacated and posted to prevent further occupancy until the work is completed.

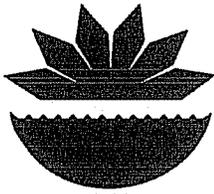
If you have any questions, please feel free to contact this office.

Sincerely,



David J. Zinner, Building Official
Director of Building & Zoning

cc: Robert Hamilton, City Manager
Timothy Laitur, Assistant City Attorney
Joe Lehmann, Building Inspector
Jim Kansier, Fire Marshal
Butch Weiss, Plumbing Inspector
Dave Tubbs, Electrical Inspector



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: Traffic Committee Minutes of October 27, 2010 meeting and Traffic Control Order 167-008

DISCUSSION: The Mayor's Traffic Committee meeting was held on October 27, 2010, and the minutes are attached for your review and approval. There is one (1) traffic control order for approval at this time as a result of the meeting.

Traffic Control Order 167-008 reverses the current back-in angled parking on the south side of East Second Street between Washington and South Macomb Streets, and converts it back into standard head-in angled parking. This change was requested by the Police Department due to observed difficulties from citizens attempting to utilize the spaces, and has the backing of both the County Sheriff and State Police, who also utilize some of the spaces.

IT IS RECOMMENDED that the City Council accept and place on file the minutes from the October 27, 2010 Mayor's Traffic Committee meeting, and approve Traffic Control Order 167-008.

CITY MANAGER RECOMMENDATION:

- For
- For, with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: N/A

REASON FOR DEADLINE:

STAFF RECOMMENDATION: X For Against

REASON AGAINST: N/A

INITIATED BY: Department of Engineering and Public Services

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: Engineering Department, Department of Public Services, Police Department, traveling public, adjacent residents

FINANCES

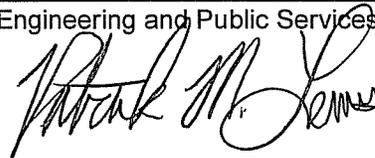
COST AND REVENUE PROJECTIONS:	Cost of Total Project	\$N/A
	Cost of This Project Approval	\$N/A
	Related Annual Operating Cost	\$N/A
	Increased Revenue Expected/Year	\$N/A

SOURCE OF FUNDS:	City	Account Number	Amount
	<u>Other Funds</u>		

Budget Approval: _____

FACT SHEET PREPARED BY: Patrick M. Lewis, P.E., Dir. of Engineering and Public Services **DATE:** 10/28/10

REVIEWED BY:



DATE:

COUNCIL MEETING DATE: November 15, 2010

CITY OF MONROE
MAYOR'S TRAFFIC COMMITTEE MINUTES
October 27, 2010

Meeting was called to order by Mayor Clark on Wednesday, October 27, 2010 at 5:00 P.M. in the City Council Chambers.

Members Present: Mayor Clark, Councilman Hensley, Lt. Greg Morgel (for Police Chief Moore), James Crammond (arrived at 5:05), Scott Davidson, Michael Miletti, Dennis Polczynski (arrived at 5:05), Anthony Webb

Members Excused: Councilman Beneteau

Clerk / Staff: Patrick Lewis, Director of Engineering and Public Services

Citizens Commenting: None present

1. Request from citizen Dale Fountain to consider restricting parking on the north side of Fountain Street.

Motion: It was moved by Michael Miletti and supported by Scott Davidson to survey the adjacent residents to determine their preferences.

Action: The motion passed unanimously (6-0).

2. Request from various residents on South Macomb Street to consider a Residential Parking District on the west side of the street between Third and Second Streets.

Motion: It was moved by Councilman Hensley and supported by Scott Davidson to deny this request.

Action: The motion passed unanimously (8-0).

3. Request from the Police Department to convert the south side of East Second Street between Washington and South Macomb Streets from reverse angle parking into standard head-in angle parking.

Motion: It was moved by Councilman Hensley and supported by Michael Miletti to accept this request.

Action: The motion passed unanimously (8-0).

4. Report back from the Engineering Department on the request from Gerdau / MacSteel to authorize the right lane of eastbound Front Street to be for standing trucks, and to further restrict this activity within the vicinity of Borchert Park Drive.

Motion: It was moved by Anthony Webb and supported by Dennis Polczynski to take no further action on this request.

Action: The motion passed unanimously (8-0).

5. Action: With no further business, Mayor Clark adjourned the meeting at 5:26 P.M.



CITY OF MONROE

TRAFFIC CONTROL ORDER

ORDER NO. 167-008

EFFECTIVE DATE: November 2010

When official traffic control signs conforming to the mandate of this order shall have been erected.

The following regulations shall apply to East Second Street:

PAGE ONE

Parking

1. "No Parking" from the alley east of South Monroe Street to a location 50 feet east of said alley, north side.
2. Metered 2-hour parking at the rate of \$0.50 per hour, with enforcement times of 8:00 A.M. to 5:00 P.M., Monday through Friday, between South Monroe Street and Washington Street, all other spaces, both sides.
3. "Sheriff Department Parking Only", ~~back-in~~ angle parking, the first two spaces east of Washington Street, south side.
4. "City Police Parking Only", the fifth and sixth ~~back-in~~ angled spaces east of Washington Street, south side.
5. "State Police Parking Only", the third and fourth ~~back-in~~ angled spaces east of Washington Street, south side.
6. 30-minute metered angled parking for "Police Visitors Only" at the rate of \$0.25 per 30 minutes, with enforcement times of 8:00 A.M. to 5:00 P.M., Monday through Friday, the seventh ~~back-in~~ angled space east of Washington Street, south side.
7. Designated "Disabled Parking" ~~back-in~~ angled parking, the eighth space east of Washington Street, south side.
8. Designated "Vehicle Inspection Parking", the second space east of Washington Street, north side.
9. Metered 2-hour angled parking at the rate of \$0.50 per hour, with enforcement times of 8:00 A.M. to 5:00 P.M., Monday through Friday, all remaining spaces between Washington Street and South Macomb Street, both sides. ~~The spaces on the north side of this block shall be head-in angled parking, while the spaces on the south side shall be back-in angled parking.~~
10. Residential Parking District, with enforcement times of 7:00 A.M. to 6:00 P.M., Monday through Friday, from South Macomb Street to Scott Street, both sides.
11. Residential Parking District, with enforcement times of 7:00 A.M. to 6:00 P.M., Monday through Friday, from Scott Street to Wadsworth Street, north side.



CITY OF MONROE
TRAFFIC CONTROL ORDER

ORDER NO. 167-008

EFFECTIVE DATE: November 2010

When official traffic control signs conforming to the mandate of this order shall have been erected.

The following regulations shall apply to East Second Street:

PAGE TWO

Parking

12. "No Parking" from Scott Street to Half Street, south side.
13. Permitted parking, with no time restrictions, from Half Street to a location 225 feet east of Half Street, south side.
14. "No Parking" from 7:00 A.M. to 4:00 P.M., School Days, from a location 225 east of Half Street to Kentucky Avenue, south side.
15. Permitted parking, with no time restrictions, from Half Street to Eastchester Street, north side.
16. Specifically post "No Parking in Driveway" in front of 917 East Second Street.
17. Permitted parking, with no time restrictions, from Kentucky Ave. to Eastchester St., south side.

Intersection Control

18. Traffic signals with pedestrian signals shall be placed at the intersection of East Second Street and South Monroe Street.
19. "Four-way STOP" at Washington Street.
20. East Second Street shall STOP at South Macomb Street.
21. East Second Street shall STOP at Scott Street.
22. East Second Street shall STOP at Winchester Street.
23. East Second Street shall STOP at Eastchester Street.

The following Traffic Control Orders shall hereby be rescinded: 167-007

City Traffic Engineer

City Clerk-Treasurer

Date

Date



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: Appointments

DISCUSSION: The attached Resolution recommends appointments to various City Boards and Commissions whose terms have expired and/or where there is a vacancy.

Therefore, it is recommended, that City Council approve the proposed Resolution making appointments to various City Boards and Commissions.

CITY MANAGER RECOMMENDATION:

- For
- For, with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: N/A

REASON FOR DEADLINE: N/A

STAFF RECOMMENDATION: For Against

REASON AGAINST: N/A

INITIATED BY:

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: City Operations

FINANCES

COST AND REVENUE PROJECTIONS:

Cost of Total Project	\$ N/A
Cost of This Project Approval	\$ N/A
Related Annual Operating Cost	\$ N/A
Increased Revenue Expected/Year	\$ N/A

<u>SOURCE OF FUNDS:</u>	<u>City</u>	<u>Account Number</u>	<u>Amount</u>
			\$ N/A
	<u>Other Funds</u>		\$ N/A
			\$ N/A
			\$ N/A
			\$ N/A

Budget Approval: _____

FACT SHEET PREPARED BY: Mayor's Office

DATE: 11/9/10

REVIEWED BY: Robert E. Clark, Mayor

DATE:

COUNCIL MEETING DATE: 11/15/10



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: CITY HALL WINDOW REPLACEMENT AND MASONRY RESTORATION – CHANGE ORDER FOR TUCK POINTING

DISCUSSION: The City of Monroe has budgeted funding through the Capital Improvements Program in past years for substantial work on Monroe City Hall, which is now more than 30 years old. The Building and Engineering Departments have been coordinating the design and bidding of the project, and James S. Jacobs Architects, PLLC has been the designer on the work. The City is utilizing a share of the County's Recovery Zone Bonds as authorized by the American Recovery and Reinvestment Act (ARRA) of 2009 to finance the project, which involves selling taxable bonds instead of the usual tax-exempt bonds, but with the Federal government paying a substantial portion (45%) of the interest costs. In addition, the City is expected to realize a significant decrease in energy costs due to the installation of more efficient windows, though the exact benefit has not been quantified.

Bids were opened on September 13 and awarded on October 4 for the base project bid, which consists of window replacement, installation of new canopy overhang at the Macomb Street entrance, and resetting of the original City Hall sign on the East First Street façade. Some masonry work was required in the base bid both to accommodate the new window framing system and to reset the brick veneer to provide for the installation of new flashing and weep holes, as well as cleaning and sealing of the exterior brick. At the time of the original bid, alternate #1 was also awarded, which included new exit doors from both the Council Chambers and First Floor Conference Room, and subsequently a change order was approved on November 1 to include window replacement in the pump room at the Water Filtration Plant as well. The base bid and alternate #1 was awarded to DRV Contractors, LLC of Shelby Township in the amount of \$173,200, with the change order of \$29,000 awarded for the Water plant later. They are well underway, have completed windows on the Third Floor, and should have no issues with completing the work this Fall. We have been pleased with their work thus far, as well as that of their window subcontractor, Monroe Glass.

When this project was originally conceived, both the Architect and the City felt that substantial "tuck pointing" should be included, which involves essentially re-mortaring joints in the brick that have fallen into poor condition. Performing such work minimizes the possibility of water penetrating the brick, which in turn helps protect interior building elements from further deterioration. However, there were concerns that including all of this would result in the project budget being exceeded, and thus the tuck pointing work was not included. At this time, based on available funding of nearly \$72,000 in the project budget, we have asked the project contractor for a price to perform this work. The work could certainly be bid independently either now or at a later date, but it was felt by the City and Architect that mobilization costs would be minimized, and the work could be completed this Fall if the current contractor could utilize scaffolding that has already been erected. It should be noted that we initially were considering tuck pointing the low-level walls around the planter boxes as well, but felt that more extensive work is needed and mobilization costs will be nominal, so we are recommending this project be considered for 2011 funding and construction instead.

The recommendation from the Architect and the quotation from DRV Contractors is attached. As noted, their "per foot" pricing is on the low end of industry ranges, and we are comfortable that awarding this work as a change order is in the best interest of the City at this time. They would be able to complete all work within the next 3-4 weeks before poor weather sets in.

IT IS RECOMMENDED that the City Council award a Change Order to the City Hall Window Replacement and Masonry Restoration contract to DRV Contractors, LLC, in the amount of \$54,580 for tuck pointing work on the entire City Hall building, and that a total of \$60,000 be encumbered to include a 10% contingency in case other similar minor items arise. **IT IS FURTHER RECOMMENDED** that the Director of Engineering and Public Services be authorized to sign the change order on behalf of the City of Monroe.

CITY MANAGER RECOMMENDATION:

- For
- For, with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: November 15, 2010

REASON FOR DEADLINE: The next opportunity to approve the work will not be until December 6, and this will not allow adequate time before poor weather is expected to be an issue.

STAFF RECOMMENDATION: X For Against

REASON AGAINST: N/A

INITIATED BY: Department of Engineering and Public Services

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: City Council, Engineering Department, Building Department, Water Department, City Hall users

FINANCES

COST AND REVENUE PROJECTIONS:	Cost of Total Project	\$292,000*
	Cost of This Project Approval	\$60,000
	Related Annual Operating Cost	\$ N/A
	Increased Revenue Expected/Year	\$ N/A

*Includes \$232,000 previously encumbered for City Hall and Water Filtration Plant work, plus this award.

SOURCE OF FUNDS:	City	Account Number	Amount
	City Hall Improvements	401-95.265-818.020 09C04	\$60,000.00

Other Funds

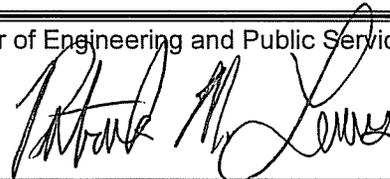
Budget Approval: _____

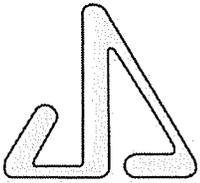
FACT SHEET PREPARED BY: Patrick M. Lewis, P.E., Director of Engineering and Public Services **DATE:** 11/09/10

REVIEWED BY:

DATE:

COUNCIL MEETING DATE: November 15, 2010





JAMES S. JACOBS ARCHITECTS, PLLC

25 WASHINGTON STREET • MONROE, MICHIGAN 48161 • (734) 241-7933

November 9, 2010

City of Monroe
Department of Engineering
120 East First Street
Monroe, Michigan 48161-2169
Attn. Patrick Lewis P. E., Director of Engineering

Re: Proposed Change Order for Tuck Pointing City Hall in Conjunction with Window Replacement and Flashing Repair Project

Dear Pat,

While working on the repair of the flashing above the windows on City Hall, the necessity for tuck-pointing has become very apparent, especially, on the east wall. This work was not included in the original bid as it was projected that the budget could not support it. At the time of the initial inspection, prior to bidding, a past repair on the west wall and a ground level inspection seemed to indicate it was something that could wait and could be placed on a long-term maintenance list which the sealing would potentially prolong.

However, at closer inspection and with bids coming in better than expected, we were prompted to inquire about the cost for performing additional masonry repairs prior to sealing and cleaning of the building. We feel that the best course of action, due to weather, re-mobilization, and necessity, is to issue a Change Order to DRV to complete the additional work as proposed in their attached change order request.

Having compared DRV's unit costs to industry information available and by checking with the Michigan Masonry Institute (MMI) we feel that DRV's proposed cost for this work is fair and reasonable and bidding the project could result in similar or more costs due to the remobilization. DRV's price equates to \$4.30 per linear foot of tuck-pointing. Industry standards, the best we can find, dictate costs to range between \$3.80 and \$6.05 per linear foot; reference 2010 RSMeans Building Construction Cost Data, reaffirmed by phone conversation with MMI.

Repair of the grade level planters is not included in this scope of work and should be placed on a maintenance schedule for the near future.

Sincerely,
JAMES S. JACOBS ARCHITECTS, PLLC

James S. Jacobs, AIA



November 8th, 2010

Mr. Jim Jacobs
James S Jacobs Architects, PLLC
25 Washington St
Monroe, Mi 48161

Re: Monroe City Hall

From: Kris Collins

Mr. Jacobs:

DRV is pleased to provide you with the following proposal for Add on Masonry Restoration, on the Monroe City Hall Window Replacement and Masonry Restoration Project.

Scope of Work:

- Tuck Point entire building as needed, **except planter wall**

Total Price.....\$54,580

Thank you for the opportunity to provide our services,

Kris Collins

Kris Collins, Sales/Project Management

DRV Contractors, LLC
51667 Oro Dr.
Shelby Twp., MI 48315
Office - 586.247-6480
Fax - 586.247-6499



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: Multi-Sports Complex Management Agreement

DISCUSSION: In 2005, Canlan Ice Sports was hired to manage the Monroe Multi-Sports Complex (MMSC) after a request for proposal process. The contract that they entered into with the City at that time expires on December 31, 2010. The management fee in the contract called for a base fee of \$65,000 per year, but there were both incentives and disincentives built into the agreement that could change the fee. If operating income for the facility ever exceeded \$110,000 per year, then additional management fees would be due. When the operating income went below \$90,000, the management fee began to be reduced with the lowest amount that would be paid per year being \$30,000. For all five years of the agreement, Canlan Ice Sports was paid the minimum fee of \$30,000 per year.

Proposals were requested for the management of the MMSC and were due to the City of Monroe on September 15, 2010. Proposals were received from three companies: Canlan Ice Sports, Suburban Arena Management, and Rink Management Services Corporation.

Canlan Ice Sports is the current manager of the MMSC and currently manages 22 multi-purpose recreational ice sports facilities across North America. 18 of the facilities are in Canada and the other 4 are in the United States. Canlan proposed an annual management fee of \$60,000. If the facility were to earn a net operating income of more than \$100,000 per year, Canlan would be paid an additional management fee of 10% of the operating income exceeding \$100,000.

Suburban Arena Management is primarily a Michigan based company with their main office located in Farmington Hills. Suburban currently owns or manages five (5) ice arenas in Michigan located in Farmington Hills, Novi, Rochester, Macomb Township, and East Lansing. Suburban proposed a management fee of \$36,000 per year or 6% of gross revenue, whichever is higher. Based upon the budgeted revenue for the MMSC for fiscal year 2011, the management fee would amount to \$49,747.

Rink Management Services Corporation (RMSC) is a national company with their headquarters located in Mechanicsville, Virginia. RMSC currently manages 24 ice rinks in 12 states with 8 of those being owned by municipalities and governments. When other recreational facilities under their management are added, such as ski areas and athletic centers, the total number of facilities managed is increased to 27. In Michigan, RMSC manages the Taylor Sportsplex and the Romulus Athletic Center. RMSC proposed an annual management fee of \$34,800. An incentive would be earned each year equal to 20% of the operating income above the prior fiscal year's results. The MMSC has not earned a net operating income since the City's 2005 fiscal year.

After an initial review of the proposals by the Finance Director, a recommendation was made to form a committee to interview each of the companies. All of the companies seemed to have the needed qualifications to manage an ice arena. Based upon that information, a committee was formed consisting of Robert Clark, Mayor; George Brown, City Manager; Susan Wetzel (representing the Recreation Advisory Committee), and Ed Sell, Finance Director. Gary Wyse was also used as a fifth committee member, but he was unable to attend the interviews. Gary has significant experience managing sports arenas in the Toledo area. While he did not attend the interviews, he did review the proposals and provided comments and suggestions for issues to look at during the interview process.

On November 2, each company was interviewed. The interviews were planned for one hour each with each company having 15-20 minutes to present and the committee having the remaining time to ask questions and have discussion. After the interviews ended, the committee discussed the proposals and the interviews and came to an easy consensus that the company that submitted the best proposal and had the best overall interview was Rink Management Services Corporation. RMSC was felt to be the company that has the best experience in a multi-sports facility to move the MMSC forward and the overall plan that was presented by them was felt to be the best. Suburban Arena Management was thought to be a very strong company in operating ice arenas and they have had excellent results with those that they own or operate, but they don't have any experience in operating a facility that is a multi-recreation facility and offers dry floor/non-ice sports activities. Canlan Ice Sports was not chosen primarily due to the fact that the past financial performance of the MMSC during their tenure has not been good, they don't have as broad of experience in a multi-recreation facility as RMSC, and their fee proposal was the highest with the lowest amount of incentive built in.

Overall, the committee was pleased with the plan presented by RMSC in terms of what they would plan to do their first 15-30 days as managers of the MMSC. It was felt that they were more comprehensive in the types of recreational facilities they manage and they have shown the ability to turnaround poor performing facilities. They have stated an intention to be involved in the local community. The management team that serves their Taylor and Romulus managed facilities are all local, being within 20-30 minutes of Monroe. They have local hockey and soccer operations managers that we would expect to enhance both the ice and indoor sports operations at the MMSC. They have also shown a commitment to continuing to operate the MMSC without a City operating subsidy.

The proposals received are available in the Finance Department for review. It is recommended that the Mayor and City Council approve entering into a five year agreement beginning January 1, 2011 with Rink Management Services Corporation for the management of the Monroe Multi-Sports Complex. The proposed form of contract is attached and the approval is contingent on the City Attorney approving the agreement. The annual management fee would be \$34,800 with an annual incentive equal to 20% of the operating income above the prior fiscal year's results.

CITY MANAGER RECOMMENDATION:

- For
- For, with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: 11/15/2010

REASON FOR DEADLINE: Transition period between managers

STAFF RECOMMENDATION: For Against

REASON AGAINST: N/A

INITIATED BY: Edward Sell, Finance Director

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: Monroe Multi-Sports Complex

FINANCES

COST AND REVENUE PROJECTIONS:

Cost of Total Project	\$ 174,000
Cost of This Project Approval	\$ 174,000
Related Annual Operating Cost	\$ N/A
Increased Revenue Expected/Year	\$ N/A

SOURCE OF FUNDS:

City

Account Number
101-70.757-818.020

Amount
\$ 34,800
\$ N/A
\$ N/A
\$ N/A
\$ N/A

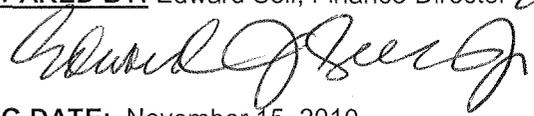
Other Funds

\$ N/A
\$ N/A
\$ N/A
\$ N/A

Budget Approval: 

FACT SHEET PREPARED BY: Edward Sell, Finance Director 

DATE: 11/5/2010

REVIEWED BY: 

DATE: 11-9-10

COUNCIL MEETING DATE: November 15, 2010

MANAGEMENT AGREEMENT

This Management Agreement (“Agreement”) is made and entered into this 15th day of November 2010 between The City of Monroe, referred to in this agreement as “Owner,” and Rink Management Services Corporation, referred to in this agreement as “Manager.”

Owner has constructed and operates a two pad ice facility situated in the City of Monroe, Michigan, Monroe County, having the street address of 333 N. Dixie Highway, referred to in this Agreement as the Monroe Multi-Sports Complex (“MMSC”); and

Owner desires to contract with Manager from and after the 1st day of January 2011, to manage the MMSC in accordance with the terms and provisions set forth, and Manager agrees to manage the MMSC pursuant to the terms and provisions set forth in this Agreement.

The parties agree as follows:

- 1.0 Definitions. The parties agree to the following definitions of terms used in this Agreement.
- 1.1 MMSC. The term “MMSC” shall have the definition stated above and shall include all the furnishings and equipment necessary for the operation of the two pad ice facility.
- 1.2 Buildings. The terms “building” shall mean and refer to the two pad ice facility and all other buildings now or hereafter constructed at the MMSC, together with all access structures, fixtures and improvements to such buildings or at the MMSC, including all personal property items that are permanently affixed.
- 1.3 Distributable Funds. The term “Distributable Funds” shall mean the amount as of the end of any calendar month by which cash receipts for that month have exceeded cash expenditures for that month or such additional or lesser funds as the parties may from time to time agree.
- 1.4 Furnishings and Equipment. The term “Furnishings and Equipment” shall include all furniture, furnishings, equipment, rentals, supplies, and inventory and such additional items located at the MMSC as are used in connection with the development, operation, management, and use of the MMSC.
- 1.5 Gross Receipts. The term “Gross Receipts” shall mean all revenues of any kind or source derived from the operation of the MMSC, including without limitation, concessions, fees, admission charges, rentals, and any insurance proceeds or other recovery for lost rent and/or profits.

- 1.6 Operating Expenses. The term “Operating Expenses” shall mean all expenses incurred in the normal operation of the MMSC, including all items which can be expensed for determining federal and state income tax whether spent currently or accrued including, but not limited to, the Management Fee, insurance, personal property taxes, real estate taxes, repair and maintenance, but excluding expenditures required to be capitalized in accordance with generally accepted accounting principles or by the Internal Revenue Code, interest, depreciation, amortization, income taxes, extraordinary items and expenses related to non-operating investments.
- 1.7 Annual Operating Budget. An annual projection of Gross Receipts and Operating Expenses provided by the Manager and approved by the Owner.
- 1.8 Trades. The term “Trades” shall mean goods and services received at or for the benefit of the MMSC from suppliers and purveyors in exchange for ice time, goods and services furnished to suppliers and purveyors. Trades shall be valued at their market value for the purpose of determining Gross Receipts and Operating Expenses. Fair market value of an item shall be the amount, which such item would have cost if received from a vendor not furnishing an exchange item.
- 1.9 Operating Income. The term “Operating Income” shall mean Gross Receipts less Operating Expenses.
- 1.10 Operating Net Income. The term “operating net income” shall mean “operating income” minus the management fee.
- 1.11 Management Account. The term “Management account” shall mean a bank account maintained for the general operation of the MMSC.
- 1.12 Management Fee. The payments provided for in Section 4.1(a) and 4.1(b) of this agreement.
- 2.0 Appointment of Manager.
- 2.1 Appointment of Manager. Manager hereby contracts with the Owner upon the terms and conditions provided to maintain, manage, and supervise the MMSC on the Owner’s behalf. The performance of all activities by the Manager shall be as an independent contractor and not as an employee, agent, or joint venturer, of the Owner.
- 2.2 Delegation of Authority. Except as otherwise provided, the operations of the MMSC during the management term, shall be under the supervision, direction, and control of the Manager.

2.3 General Responsibilities of Manager.

(A) Manager is charged with the sole and exclusive management of the MMSC, which duties shall be exercised in the discretion of the Manager as an independent contractor. The Manager shall have all authority necessary to fulfill obligations related to management of the MMSC. Manager shall provide Owner with experienced staff customarily provided for in such operations consistent with the customary business practices of Manager. It shall be the Manager's duty at all times during the management term to:

- (i) operate the ice rink at the MMSC for use by the public;
- (ii) provide daily supervision and direction of such operation;
- (iii) establish policies, procedures and organization designed to make the ice rink a profitable enterprise;
- (iv) undertake efforts to increase the public usage of the rink;
- (v) undertake reasonable efforts to increase gross receipts and decrease unproductive expenditure where feasible; and
- (vi) install business practices designed to enhance the public perception of the MMSC in accord with their experience as an ice rink operator.
- (vii) Submit an annual operating budget to the Owner for review and approval. Such approval shall not be unreasonably withheld by the Owner. The annual operating budget will include all revenue and expense of the MMSC and any proposed changes in fees charged. The Manager will also submit an annual operating budget covering the Owner's fiscal year of July 1 to June 30 for the Owner's budgeting process.

All of the above responsibilities will be performed in accordance with standards consistent with those applicable for similar complexes managed (or owned) by Manager. Manager shall perform other acts, in its discretion, which Manager determines are reasonably necessary and proper in the discharge of its duties under this Agreement. This includes the authority to enter into contracts in the normal course of business.

- (B) Manager shall not have the authority to mortgage, pledge, or otherwise encumber the MMSC, nor shall Manager enter into contracts extending beyond the initial term or any extension of this agreement without the approval of Owner.
- (C) Manager shall not have the authority to make capital expenditures with respect to the MMSC for capital improvements, tenant improvements, renovations, and replacement of capitalized equipment without the Owner's written approval. Expenditures for capital improvements shall be paid by Owner and shall not be considered in determining operating income,

notwithstanding any provisions to the contrary. Manager may make or incur any Capital Expenditure which is (a) provided for in a budget approved by Owner, either as a specific appropriation or which can be paid out of an annual allocation for capital improvements, or (b) which is required pursuant to a Contract approved by the Owner, prior to the date of this Agreement, or (c) otherwise approved in writing by Owner.

- (D) Manager shall have the authority to hire, train, supervise, direct the work of, and discharge all personnel required for the operation of the MMSC. Salaries, wages, and other compensation of Manager's employees, who work full time at the MMSC, including social security, taxes, and workers compensation insurance, shall be an operating expense of the MMSC. However, all salaries and other expenses shall be within the approved budget unless otherwise approved by Owner in writing.
- (E) Manager shall have the authority, in Manager's discretion and subject to inclusion in the annual operating budget of the MMSC, to pay all overhead and direct expenses for the operation, maintenance and repair of the MMSC, including but not limited to, communication costs, computer rentals, supplies, business forms, forms of governmental reports, printing, equipment rentals, insurance and fidelity bonds with respect to home office personnel located at the MMSC. All these items shall be considered Operating Expenses and shall be paid from the Management Account.
- (F) Manager shall, in Manager's discretion, have the right to use the name and logo of "Monroe MultiSports Complex, a Rink Management Services Corporation Managed Facility" in all advertising, promotions and signage in or around the MMSC. Owner shall have the right to use the name "Monroe MultiSports Complex, a Rink Management Services Corporation Managed Facility" in its advertising promotion and signage for the MMSC, but such right shall automatically terminate at the end of this Agreement.
- (G) Manager shall have the right to make presentations at Owner's City Council meetings in which the business of the MMSC is being discussed or acted upon, and shall have the duty to attend any meetings where Manager's presence is requested by the Owner's City Council. Manager shall not be required to personally attend more than one (1) meeting per any two-month period.
- (H) Accounting records will be maintained in accordance with generally accepted accounting principles. Within 15 days following the end of each month, and 30 days following the fiscal year-end, Manager shall supply, as an operating expense, a profit and loss statement for each such month, a comparison to budget and such additional financial information as may be reasonably requested by the Owner. Financial and operating records will be available at the MMSC. Manager shall open financial books and records of the MMSC to

inspection and audit by Owner or its delegated representative during all business hours.

- (I) Manager shall submit for approval by the City of Monroe City Council any changes in fees charged for ice rental and dry floor rental at the MMSC.
- (J) Any approval required of Owner shall not be unreasonably withheld.
- (K) Manager shall indemnify and hold harmless the Owner and its elected and appointed officers and employees from and against any and all claims, costs, expenses, and attorneys fees incurred on account of the acts and/or omissions of the Manager and/or any of Manager's agents or employees.

2.4 General Responsibilities of Owner.

- (A) Owner shall be responsible for all costs (including taxes, permits and other requirements) necessary for equipping the facility, including all capital expenditures and expenses of completion, equipping (including any freight or insurance expenses), testing, renovation and opening.
- (B) Owner shall be responsible for timely funding of all necessary operating expenses and any extraordinary expense (not covered by payment received of insurance proceeds necessary for the reasonable operation of the MMSC.)
- (C) Owner shall be responsible for all contracts, suits, demands or other claims of any nature arising out of any act or failure to act occurring in whole or in part prior to the effective date of this Agreement. Owner shall also be responsible for any claims arising out of the ownership or operation of the MMSC prior to this Agreement. Further, the Owner shall be responsible for any claims which may arise after the termination of this Agreement, which were unrelated to the Manager's management of the MMSC.
- (D) The Owner shall reasonably supply access to all documentation, information or other material regarding the ownership or operation of the MMSC prior to the date of this Agreement which may be reasonably needed by Manager in the operation of the MMSC. In addition, Owner shall reasonably assist and provide such information, and any signatures or authority as may be required in the normal operation of the MMSC under the terms of this Agreement.
- (E) Owner shall be responsible for the payment of taxes, assessments, permits, or fees required for the operation of the MMSC.

- (F) Owner and Manager shall each have the right to protest or otherwise contest the assessment of taxes or assessments upon the MMSC.
- (G) Any approval required of Owner shall not be unreasonably withheld.

3.0 Management Term.

- (a) The term of this Agreement shall commence on January 1, 2011, or such earlier date as the parties may agree, and continue until December 31, 2015, unless otherwise terminated pursuant to the terms in this Agreement.

4.0 Management Fee, Incentive Fees and Manager Expense.

- 4.1 Manager shall be paid an annual management fee for work performed pursuant to this Agreement of \$34,800 per year for the management and operation of the MMSC. Such management fee shall be divided over twelve months and be paid at the beginning of each month. The payment will be paid from the MMSC Management Account. It will be included in the annual operating budget of the MMSC.
- 4.2 Incentive Payments. In addition to the fixed fees set forth in section 4.1, as incentive performance payments, Owner shall additionally pay to Manager a fee equal to 20% of the annual net operating income that exceeds the prior year's net operating income of the MMSC. The payments shall be calculated on an annual basis, in accordance with the annual year of the contract. Incentive Payments will be effective for calendar years beginning January 1, 2011. Incentive Payments will only be paid where the net operating income exceeds zero.

Manager shall be paid the above incentive payments in full, within thirty (30) days of presentation of the year end financial statements. The incentive payments will be made from the Management Account of the MMSC. In the event the contract is terminated early pursuant to section 11.0, the incentive will be prorated by comparing the net operating income at the time of termination of the contract to the same time the previous year.

- 4.3 Expenses of Manager. Following commencement of this Agreement, a budget shall be agreed upon between Owner and Manager within the annual operating budget of the MMSC, for the purpose of covering out-of-pocket expenses for Manager support personnel visiting the MMSC. The maximum amount allowable for this budget shall be \$5,000 per year.

5.0 Insurance. The parties agree to maintain the following insurance with respect to the MMSC during the term of this Agreement:

(a) Manager shall obtain, maintain, and keep current, at all times during the term of this Agreement and as an expense of the MMSC, all of the following insurance policies for the MMSC or such other insurance policies or coverage as the MMSC shall require or be required by law to maintain, to the extent such insurance, in the opinion of the Owner, is economically and reasonably available. The insurance coverage will be:

Workers Compensation.....As required
Comprehensive General and Umbrella Liability.....\$5,000,000
Comprehensive Dishonesty, Disappearance and Destruction-Vari-
ous Limitations.....\$250,000

Items of Insurance may be purchased by the Owner if the parties hereto conclude that it would be less expensive for some of the policies to be purchased in that fashion

(b) Owner shall obtain, maintain, and keep current, at all times during the term of this Agreement and as an expense of the Owner, all of the following insurance policies for the MMSC. The insurance coverage will be:

Property Insurance \$6,000,000
Equipment \$1,800,000
Boiler and Machinery _____

(c) The Owner and Manager shall provide each other with a certificate or certificates of insurance evidencing the coverage required hereunder, and the remaining party shall be named as an additional insured or shall include a waiver of subrogation provision in favor of the remaining party.

(d) No coverage may be decreased without the written approval of the Owner and Manager.

All insurance policies and certificates required of the Manager under this Section 5.0 shall be reviewed and approved by Owner's Attorney and Finance Director.

6.0 Assignment. Management of the MMSC may not be assigned, delegated or subcontracted by Manager, except to a subsidiary of affiliated entity. The Owner

will be notified of any assignment in writing. Manager may contract with third parties for the performance of tasks at the MMSC, which Manager believes are necessary or prudent in order to allow it to expeditiously and economically perform its duties or otherwise perform under this Agreement. However, despite any such agreement, Manager shall remain solely obligated with respect to any contracted task.

- 7.0 Duty not to Interfere. During the term of this Agreement, the Owner shall not take any action, by its City Council or otherwise, which would unduly interfere with the carrying out of duties by the Manager, including without limitation, the hiring of any other party having any rights or responsibilities with respect to the management or operation of the MMSC, or to impose any other duty upon Manager which is inconsistent with the terms of this Agreement.
- 8.0 Self-Dealing. Unless directed otherwise by Owner, Manager may obtain services or goods for the MMSC from direct or indirect affiliates of Manager, provided that the consideration for such goods or services does not exceed market rates, the value/quality is at least equal to that which is otherwise available for the prices paid, and purchase terms are comparable, in all material respects, with those then obtainable from other unrelated sources. Upon Owner's written request Manager shall provide Owner with reasonable evidence of competitive pricing supporting such belief. All expenses with respect to such purchases from affiliates shall be itemized or noted in the monthly financial reports from Manager.
- 9.0 Default and Remedies. The parties agree as follows:
- 9.1 Each of the following events shall constitute an "event of default" by the respective party noted below:
- (a) the making of any general assignment for the benefit of creditors by a party;
 - (b) the filing of a voluntary petition in bankruptcy or a voluntary petition for an arrangement or reorganization with respect to a party;
 - (c) the appointment of a receiver or trustee for all or substantially all of the party's property or assets, if not removed within sixty (60) days;
 - (d) the filing against a party, in a court of competent jurisdiction, of a petition seeking adjudication of the party as bankrupt which petition is not contested by such party or which is not dismissed within sixty (60) days;
 - (e) any default by a party under this Agreement, which is not timely cured; or
 - (f) the Manager shall be in default if the Manager persistently fails to perform its duties and discharge its obligations under this Agreement with the result that the benefits accruing to the Owner

are materially and adversely prejudiced and the Manager does not, within a period of fifteen (15) days from the date of receipt of notice from the Owner alleging such failure and providing particulars, either cure such default or diligently commence curing and continue to cure with reasonable diligence and expedition.

- 10.0 Remedies. In the event of a default, the defaulting party shall have seven (7) days after written notice is provided to the defaulting party to cure. The party not in default shall have the right at its option and election to: (a) declare the contract terminated, and (b) pursue any such other remedy as may be permitted by law or equity. In the event that the default cannot be reasonably cured within three (3) days, but the defaulting party commences the cure within three (3) days and diligently proceeds to cure the default to conclusion, then the act shall not constitute a default under this Agreement. The rights and remedies of the parties shall be communicative and not exclusive, and the parties shall have the right to resort to any one or more of the above remedies in the event of any default. Section 11.0 does not apply in the event of a default.
- 11.0 Termination. Either party to this agreement may terminate it by providing the other party one hundred and eighty (180) days written notice. Upon termination of this Agreement the parties shall have no further obligations or rights under this Agreement except the following. The Manager will cooperate with the Owner in working out the management transition during the 180 day period and will provide all financial information requested by the Owner to close the accounts with the Manager related to budget and audit requirements and determination of incentive provisions of Section 4.2 of this Agreement.
- 12.0 Independent Contractor. Nothing contained in this Agreement shall be construed or held to make either party a partner, joint venturer, or associate of the other in the conduct of its business. The relationship with Manager to Owner shall be that of an independent contractor, except in circumstances where Owner requests and Manager agrees in writing to act as an agent for Owner. No reservation by or grant to Owner of rights, approvals or restrictions with respect to the MMSC, or the exercise thereof by Owner, shall alter the status or relationship of Manager as solely that of an independent contractor.
- 13.0 Arbitration. In the event of any controversy between the parties arising out of or relating to this Agreement, the dispute shall be determined by arbitration in the City of Monroe, Michigan, in accordance with the rules then in force of The American Arbitration Association, and judgment on the award rendered may be entered in any court having jurisdiction over the parties.
- 14.0 Notice Any notice shall be given in writing and either hand-delivered, facsimile transmitted, telexed or made with proper postage prepaid, certified, return-receipt requested. If hand-delivered, facsimile transmitted or telexed, any such notice shall be effective upon delivery. If mailed, such notice shall be



CITY COUNCIL AGENDA FACT SHEET

RELATING TO: Wastewater Treatment Plant Improvements – Phase II Financing

DISCUSSION: The Capital Improvement Program (CIP) for fiscal year 2011 approved the Wastewater Treatment Plant Improvements – Phase II project. The project was to be funded with bond financing through a low interest option. The City of Monroe has been awarded financing under the State Revolving Fund (SRF) which offers an interest rate of 2.5%. The purpose of the proposed project is to construct electrical reliability improvements, install a supervisory control and data acquisition (SCADA) system, and implement security and lighting improvements. Project construction will involve construction of a new electrical building, replacement or addition of switchgear and motor control centers, installation of a SCADA system for plant monitoring and control, site fencing, access gate modifications, building security measures and enhanced site lighting. Impacts of the project include improved reliability of treatment, reduced energy consumption, and a safer work environment. The electrical upgrades are being required by the MDEQ to meet reliability guidelines.

The bonds are requested to be issued in a not to exceed amount of \$9.5 million. The final bond amount to be issued is ultimately determined by the cost of the project when financing is through the SRF program. We will only receive funding from the State equal to our costs incurred. A portion of the \$9.5 million will end up being a grant. \$423,000 was awarded through the Green Project Reserve program related to the LED lighting and the SCADA system. This means that whatever the final bond issue ends up being, we will have to pay back \$423,000 less than that amount.

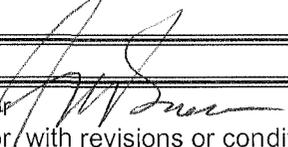
The cost of the bond payments will be paid for through the rates charged by the Wastewater system. As a part of phase I of the plant improvements, a rate study/model was completed by Plante & Moran. That rate model continues to be used today for the establishment of the Wastewater System's service rates. The rate model was used to estimate the rate increase percentage over the next six years with this debt issue and other contingencies included. The rate model is attached. It estimates annual rate increases of 7.6% each year and annual read charge increases of 2.8% each year. The two increases average to an approximate 7.0% increase each year.

The master agreement for the Monroe Metropolitan Water Pollution Control System that has been entered into between the City of Monroe, Frenchtown Charter Township, and Monroe Charter Township requires that if bonds are to be sold for the funding of improvements, the bonds must be sold through the County Agency pursuant to Act 342, Michigan Public Acts of 1939, as amended. This essentially means that the county will be selling the bonds and the city and the two townships will agree to fund the payments to be made on the bonds. The resolutions and contracts that need to be approved are discussed further in the attached letter from the City's bond counsel. It also describes the financing process. The documents to be approved are as follows:

1. Preliminary Resolution Requesting County Assistance
2. Act 342 Financing Contract
3. Resolution Approving Contract and Notice

It is recommended that the Mayor and City Council approve the resolutions and contract referenced for the financing of the phase II improvements at the Wastewater Treatment Plant.

CITY MANAGER RECOMMENDATION:

- For 
- For with revisions or conditions
- Against
- No Action Taken/Recommended

APPROVAL DEADLINE: December 6, 2010

REASON FOR DEADLINE: County approval of contract and bond authorizing resolution in December

STAFF RECOMMENDATION: For Against

REASON AGAINST: N/A

INITIATED BY: Edward Sell, Finance Director

PROGRAMS, DEPARTMENTS, OR GROUPS AFFECTED: Wastewater

FINANCES

COST AND REVENUE PROJECTIONS:

Cost of Total Project	\$ 9.5 million
Cost of This Project Approval	\$ N/A
Related Annual Operating Cost	\$ **
Increased Revenue Expected/Year	\$ N/A

** - An annual operating cost savings is expected, but it cannot be fully estimated at this time

SOURCE OF FUNDS:	<u>City</u>	Account Number	Amount
			\$ N/A
	<u>Other Funds</u>		\$ N/A
			\$ N/A
			\$ N/A
			\$ N/A

Budget Approval: 

FACT SHEET PREPARED BY: Edward Sell, Finance Director 

DATE: 11/10/2010

REVIEWED BY: 

DATE: 11-15-10

COUNCIL MEETING DATE: November 15, 2010

Summary								
	TAB	Projected	Requested	Forecast	Forecast	Forecast	Forecast	Forecast
	KEY	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Beginning Working Capital		\$ 3,651,216	\$ 3,286,178	\$ 2,782,886	\$ 3,289,687	\$ 3,549,062	\$ 3,621,892	\$ 4,028,411
Less Expenses								
521 Administrative		1,701,349	1,715,222	1,775,357	1,849,310	1,904,417	1,958,824	1,987,001
527 Treatment		2,730,601	2,835,871	2,950,738	3,076,428	3,165,121	3,258,268	3,356,198
529 Collection		352,744	367,818	384,498	403,002	414,139	425,840	438,148
530 Pump Station		452,523	469,710	488,575	509,342	522,878	537,083	552,009
Operating Costs		5,237,216	5,388,620	5,599,168	5,838,082	6,006,556	6,180,015	6,333,355
Annual Debt Service Costs		759,188	949,875	990,188	1,583,313	1,636,625	2,093,563	2,098,938
Operating Costs & Debt		5,996,404	6,338,495	6,589,355	7,421,395	7,643,181	8,273,578	8,432,293
Capital Improvement		1,815,100	815,080	200,000	615,000	600,000	600,000	800,000
Total Expenses		(7,811,504)	(7,153,575)	(6,789,355)	(8,036,395)	(8,243,181)	(8,873,578)	(9,232,293)
Beginning Working Capital Less Total Expenses		(4,160,288)	(3,867,398)	(4,006,469)	(4,746,708)	(4,694,119)	(5,251,686)	(5,203,881)
Desired Working Capital & Reserves		\$ 3,286,178	\$ 2,782,886	\$ 3,289,687	\$ 3,549,062	\$ 3,621,892	\$ 4,028,411	\$ 4,081,800
Required Total Revenue		\$ 7,446,465	\$ 6,650,284	\$ 7,296,156	\$ 8,295,770	\$ 8,316,010	\$ 9,280,097	\$ 9,285,682
Revenue Breakdown								
Required Revenue		7,446,465	6,650,284	7,296,156	8,295,770	8,316,010	9,280,097	9,285,682
Dumping Fees		(223,440)	(227,430)	(227,430)	(227,430)	(231,420)	(231,420)	(231,420)
Penalties		(49,794)	(51,288)	(52,827)	(54,411)	(56,044)	(57,725)	(59,457)
Transfer In-Grant Fund		-	-	-	-	-	-	1
Miscellaneous Revenue		(20,577)	(21,194)	(21,830)	(22,485)	(23,160)	(23,854)	(24,570)
Investment Earnings		(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Industrial Sales		(412,140)	(441,665)	(472,662)	(506,604)	(542,018)	(580,377)	(584,787)
Meter Charges		(968,649)	(995,734)	(1,023,532)	(1,052,043)	(1,081,266)	(1,111,202)	(1,111,202)
Fee Revenue Required		\$5,731,865	\$4,872,973	\$5,457,875	\$6,392,797	\$6,342,102	\$7,235,519	\$7,234,246
Actual Fee Revenue Generated under Smoothed Rate		\$5,104,991	\$5,502,266	\$5,919,406	\$6,376,272	\$6,853,003	\$7,369,461	\$7,429,053
Cumulative Over (Short) of desired Reserves at Year End		(\$1,905,247)	(\$1,275,953)	(\$814,422)	(\$830,947)	(\$320,046)	(\$186,104)	\$8,703
Units to be sold (100s of CF)		1,986,378	1,986,378	1,986,378	1,986,378	1,986,378	1,986,378	1,986,378
Resulting Usage Fee per Unit								
Operating Component		\$ 2.19	\$ 2.29	\$ 2.48	\$ 2.41	\$ 2.63	\$ 2.66	\$ 2.68
Debt Component		\$ 0.38	\$ 0.48	\$ 0.50	\$ 0.80	\$ 0.82	\$ 1.05	\$ 1.06
Total Rate		\$ 2.57	\$ 2.77	\$ 2.98	\$ 3.21	\$ 3.45	\$ 3.71	\$ 3.74
Annual Rate Increase		7.6%						0.9%
Read Charge		\$ 13.59	\$ 13.97	\$ 14.36	\$ 14.76	\$ 15.17	\$ 15.59	\$ 15.59
Annual Read Charge Increase		2.8%						0.0%
Avg Qtrly Bill		\$ 72.70	\$ 77.68	\$ 82.90	\$ 88.59	\$ 94.52	\$ 100.92	\$ 101.61
Annual Bill		\$ 290.80	\$ 310.72	\$ 331.60	\$ 354.36	\$ 378.08	\$ 403.68	\$ 406.44
% Increase		7.3%	6.9%	6.7%	6.9%	6.7%	6.8%	0.7%
Total Revenue		\$6,819,591	\$7,279,577	\$7,757,687	\$8,279,245	\$8,826,911	\$9,414,040	\$9,480,488

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

PATRICK F. MCGOW
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November 9, 2010

Mr. Edward J. Sell, Jr.
Finance Director
City of Monroe
120 East First Street
Monroe, MI 48161-2169

Re: Financing Documents for Monroe Metropolitan Area Wastewater Treatment Plant 2011 Improvements

Dear Ed:

I have enclosed a series of documents to be considered for approval by the Monroe City Council at its November 15th meeting in connection with the proposed financing of the Phase 2 improvements to the Monroe Metropolitan Area Wastewater Treatment Plant (the "Plant"). As was discussed with the Control Board at its meeting last month, the Phase 2 improvements include electrical upgrades and improvements, supervisory control and data acquisition improvements, security and safety improvements, together with all related site improvements, appurtenances and attachments.

As you are aware, the Master Agreement of 2001 which governs the Monroe Metropolitan Water Pollution Control System (the "Master Agreement") states that the financing of improvements to the Plant will be carried out by the County of Monroe (the "County") through the Monroe County Drain Commissioner, as County Agency, pursuant to Act 342, Public Acts of Michigan, 1939, as amended ("Act 342"). This is the same process that was used for past construction project financings at the Plant, most recently in 2008. The bonds are expected to be sold to the Michigan Finance Authority (successor to the Michigan Municipal Bond Authority) as part of the State Revolving Fund loan program scheduled to close in June 2011. The bonds will be issued for approximately 22 years at an interest rate of 2.5% per annum.

We have drafted the documents and proceedings to enable the local units to complete all the necessary authorizations for the financing in one meeting. We are sending a similar set of documents to each of the three local units: the City of Monroe, Frenchtown Charter Township and Monroe Charter Township. The enclosed documents are briefly described below:

- ***Preliminary Resolution Requesting County Assistance:*** This resolution represents the first step in the financing process. It declares the City's intent to go forward with the project and the financing, and it requests that the County Drain Commissioner exercise its authority to issue bonds to finance the project under Act 342.
- ***Act 342 Financing Contract:*** This is the agreement between the County and the three local units setting forth the parties' various obligations over the life of the financing. In essence, the Contract states that the County will issue bonds in an amount not to exceed \$9,500,000 to finance the project and the local units will make payments to the County to cover the debt service on the bonds. Each local unit is responsible for its share of debt service as determined by its usage of the project. The local unit shares of debt service are designed to track the cost coverage obligations set forth in the 2001 Master Agreement governing ownership and operation of the Plant. Each local unit pledges its limited tax full faith and credit as security for its payments under the contract.
- The Contract is similar in form to other Act 342 Contracts that the County has for other bond financed projects. The bonds are intended to be paid from the rates and charges generated by the users of the System. Act 342 and the Contract require the County and local units to each pledge their limited tax full faith and credit as security for the bonds. The Contract allocates the debt service to each local unit based on the provisions of the 2001 Master Agreement which allocates the share of any costs of upgrades and improvements based on the local units' percentage share of currently existing usage. Since the County is pledging its full faith and credit, the Contract authorizes the Drain Commissioner to oversee the establishment of rates and charges sufficient to cover the operations and debt service on the bonds. The Contract also contains the standard provisions in all Monroe County Act 342 financings which indicate that the local units will indemnify the County in the event of any litigation relating to the Plant or issuance of the bonds.
- ***Resolution Approving Contract and Notice:*** Act 342 requires that the governing body of each participating local unit approve the Contract with the County. Moreover, before the Contract can become effective, each local unit must publish notice in a newspaper of general local circulation describing the project and the Contract, stating the total debt to be issued under the Contract, informing the local unit's taxpayers of the limited tax full faith and credit pledge and notifying them that there is a forty-five-day referendum period during which the Contract may become subject to voter approval if a petition is signed by at least ten percent of the local unit's registered electors and submitted to the Clerk. This resolution both approves the Contract and directs the Clerk to publish the notice. Although the Contract may be executed by each local unit immediately upon local unit approval, it is not effective until the last local unit's referendum period has expired.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. Ed Sell

-3-

November 9, 2010

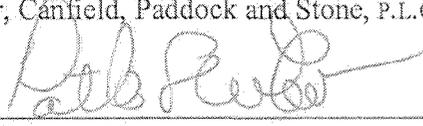
After the resolutions are adopted, the form of notice in the Resolution Approving Contract and Notice should be duplicated and published by the Clerk in the *Monroe Evening News* as a $\frac{1}{4}$ page display advertisement. The size requirement is statutory, so it might be a good idea to get confirmation of the size from the newspaper before the notice is actually published. Please ask the paper for five (5) publisher's affidavits with "tear sheets" and forward them to me once you have received them. In the meantime, please forward the certified resolutions to me once adopted, along with the executed Contract (again, the contract may be executed immediately, even before the referendum period has expired).

After approval of the Contract by each of the local units, the Contract will be submitted to the County Board of Commissioners for approval of the Contract and a Bond Authorizing Resolution.

Should you have any questions, please give me a call.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: 

Patrick F. McGow

Enclosures

Cc: (with Enclosures)
George Brown, City Manager
Daniel Stefanski, Drain Commissioner
Barry LaRoy, Utilities Director
Kari Blanchett
Thomas Ready, Esq.
Jeff Aronoff, Esq.

DISCLOSURE UNDER TREASURY CIRCULAR 230: The United States Federal tax advice contained in this document and its attachments, if any, may not be used or referred to in the promoting, marketing or recommending of any entity, investment plan or arrangement, nor is such advice intended or written to be used, and may not be used, by a taxpayer for the purpose of avoiding Federal tax penalties. Advice that complies with Treasury Circular 230's "covered opinion" requirements (and thus, may be relied on to avoid tax penalties) may be obtained by contacting the author of this document.

18,547,687.1\061970-00084

PRELIMINARY RESOLUTION REQUESTING
MONROE METROPOLITAN WATER POLLUTION CONTROL SYSTEM
IMPROVEMENTS

City of Monroe
County of Monroe, Michigan

Minutes of a regular meeting of the City Council of the City of Monroe, County of Monroe, Michigan (the "City") held in the City Hall in the City on the 15th day of November, 2010, at 7:30 p.m., Eastern Standard Time.

PRESENT: Members _____

ABSENT: Members _____

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

WHEREAS, the City of Monroe, County of Monroe, Michigan (the "City") has determined that it is necessary for the public health, safety and welfare of the City to acquire and construct improvements to the Monroe County Sewage Disposal System (Monroe Metropolitan Water Pollution Control System) (the "System"), consisting of acquiring, constructing, furnishing and equipping improvements to the Monroe Metropolitan Area Wastewater Treatment Plant, including electrical upgrades and improvements, supervisory control and data acquisition improvements, security and safety improvements, together with all related site improvements, appurtenances and attachments (the "Improvements"); and

WHEREAS, after extensive study it has been determined that it is not desirable for the City to finance the Improvements alone; and

WHEREAS, pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended (the "Act"), the Monroe County Board of Commissioners has designated the Monroe County Drain Commissioner (the "County Agency") to act as the County Agency under the Act; and

WHEREAS, the Act authorizes a county to establish a system or systems of water, sewer and/or sewage disposal improvements and services within or between cities, villages and townships and to improve, enlarge, extend and operate such systems and to enter into a contract for the acquisition, improvement, enlargement or extension of such systems and the payment of the cost thereof by a local unit of government such as the City, with interest, over a period of not exceeding forty (40) years, and the County is then authorized pursuant to appropriate action of its Board of Commissioners, to issue bonds of the County to provide the funds therefor, secured by the contractual obligations of the local unit of government; and

WHEREAS, the Act provides the only practicable method and means for acquiring and financing the Improvements which are vitally necessary for the public health and welfare of the residents of the County residing in the City.

NOW THEREFORE, BE IT RESOLVED THAT:

1. Determination of Need. It is hereby determined that it is impractical and financially undesirable for the City to undertake the Improvements alone.

2. Request for County Assistance. The City hereby requests the assistance of the County and the County Agency in the acquisition and financing of the Improvements under the terms of the Act.

3. Consultants. The City hereby recommends that the County and the County Agency employ the following consultants already working with the City in connection with the Improvements:

As bond counsel: Miller, Canfield, Paddock and Stone, P.L.C.
Detroit, Michigan

As financial advisor: Public Financial Management, Inc.
Ann Arbor, Michigan

As engineers: URS Corporation
Southfield, Michigan

4. Cooperation. The City and all agents and employees shall cooperate with the County and the County Agency to the end that there may be issued as promptly as possible County of Monroe bonds in an amount not to exceed \$9,500,000, in one or more series, which amount, together with other available funds, will be sufficient to pay the presently estimated total cost of the Improvements. Said bonds shall be retired out of payments made by the City and the other local units in the System to the County of Monroe in amounts fully sufficient to meet all principal and interest requirements thereon. The full faith and credit of the County is requested as secondary security for the Bonds.

5. Reimbursement for Expenses to County Agency. The City hereby agrees to reimburse the County and the County Agency for its share of all expenses incurred in connection with the Improvements, should the financing and construction of the Improvements not be completed for any reason whatsoever.

[Remainder of page left blank intentionally]

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

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

Charles Evans
City Clerk

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Monroe, County of Monroe, Michigan, at a regular meeting held on November 15, 2010, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Charles Evans
City Clerk

MONROE COUNTY SEWAGE DISPOSAL SYSTEM
(MONROE METROPOLITAN WATER POLLUTION CONTROL SYSTEM)
2011 IMPROVEMENTS CONTRACT

THIS CONTRACT, made and entered into as of the ___ day of ___, 2011, by and among the COUNTY OF MONROE, a county corporation in the State of Michigan (the "County"), its Drain Commissioner, as County Agency under Act No. 342, Public Acts of Michigan, 1939, as amended, and the CITY OF MONROE, CHARTER TOWNSHIP OF FRENCHTOWN and CHARTER TOWNSHIP OF MONROE, each municipal corporations located within the County (each a "Local Unit" and together, the "Local Units"; the City of Monroe sometimes referred to herein as the "City").

W I T N E S S E T H:

WHEREAS, by resolution previously adopted by the Board of Commissioners of the County, the Monroe County Drain Commissioner (the "County Agency") was authorized to be established as County Agency pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended ("Act 342"); and

WHEREAS, the duly qualified and acting County Agency has been established with all the rights, powers and duties as specified in Act 342; and

WHEREAS, pursuant to Act 342 and the MASTER AGREEMENT OF 2001 AD FOR THE MONROE METROPOLITAN WATER POLLUTION CONTROL SYSTEM, among the County and the Local Units (said agreement referred to as the "Master Agreement"), the Local Units have acquired and constructed, and the City is now operating, the Monroe Metropolitan Water Pollution Control System (the "System") to provide wastewater treatment and sewage disposal service to the Local Units; and

WHEREAS, it is immediately necessary for the public health and welfare of the present and future residents of the Local Units that the County undertake improvements to the System consisting of acquiring, constructing, furnishing and equipping improvements to the Monroe Metropolitan Area Wastewater Treatment Plant, including electrical upgrades and improvements, supervisory control and data acquisition improvements, security and safety improvements, together with all related site improvements, appurtenances and attachments (the "Improvements") to serve the Local Units; and

WHEREAS, Act 342 authorizes a county to acquire sewage disposal systems and to improve, enlarge, extend and operate such systems; and

WHEREAS, by the terms of Act 342, the County and the Local Units are authorized to enter into a contract for the acquisition, improvement, enlargement or extension of the System and the payment of the cost thereof by the Local Units, with interest, over a period of not exceeding forty (40) years, and the County is then authorized, pursuant to appropriate action of its Board of Commissioners, to issue bonds of the County to provide the funds therefor, secured by the contractual obligations of the Local Units as set forth herein; and

WHEREAS, Act 342 provides the only practicable method and means for acquiring and financing the Improvements so vitally necessary for the public health and welfare of the residents of the County residing in the Local Units to be served, and will result in the lowest cost for the money necessary to be borrowed for such purpose; and

WHEREAS, plans and an estimate of cost of the Improvements have been prepared by URS Corporation, consulting engineers of Southfield, Michigan (the “engineers”), which said estimate of cost totals \$9,500,000; and

WHEREAS, it is proposed that a portion of the cost of the Improvements be financed by the issuance of County bonds in one or more series; and

WHEREAS, each or any series of bonds herein referred to may be sold at a competitive or negotiated sale to a private underwriter or purchaser, or may be purchased by the Michigan Finance Authority (the “MFA”) in the State Revolving Fund Loan program (“SRF”); and

WHEREAS, in order to provide for the acquisition and construction of the Improvements by the County and the financing of the cost thereof by the issuance of County bonds, and for other related matters, it is necessary for the parties to enter into this Contract; and

WHEREAS, each Local Unit has or will shortly publish the requisite notice informing its citizens and taxpayers of their referendum rights with respect to this Contract.

THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE COVENANTS OF EACH OTHER, THE PARTIES AGREE AS FOLLOWS:

1. Approval of Acquisition, Construction and Financing of Improvements. The parties approve and agree to the acquisition, construction and financing of the Improvements under and pursuant to Act 342.

2. Approval of Plans. The Improvements shall consist of various improvements to the System, as are more particularly set forth in the preliminary plans which have been prepared and submitted by the consulting engineers, which plans are on file with the County Agency and are hereby approved and adopted.

3. Local Unit Consent to Establishment and Location of Improvements. Each Local Unit by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, hereby consents and agrees to the establishment and location of the Improvements within their corporate boundaries and to the use by the County of their streets, highways, alleys, lands, rights-of-way or other public places for the purpose of constructing, operating and maintaining the Improvements as part of the System, and any improvements, enlargements and extensions thereto.

4. Local Unit Consent to Service. The Improvements are designed to service those areas in and around the Local Units in need of wastewater treatment service and is immediately necessary to protect and preserve the public health, and each Local Unit does hereby consent to such service being furnished by the Improvements as a part of the System to the individual users in these areas.

5. Approval of Plans and Cost. The County Agency and the Local Units hereby approve and confirm the preliminary plans for the Improvements prepared by the engineers and the estimated costs thereof in the amount of \$9,500,000. Said estimated costs includes all surveys, plans, specifications, acquisition of property for rights-of-way, physical construction necessary to acquire and construct the Improvements, the acquisition of all materials, machinery and necessary equipment, contingency allowance, and engineering, engineering supervision, capitalized interest, administrative, legal and financing expenses necessary in connection with the acquisition and construction of the Improvements and the financing thereof.

6. County Agency Acquisition, Construction and Bidding Responsibilities; Requirements for Increased Costs. The County Agency will acquire and construct the Improvements and for that purpose will take bids for the acquisition and construction thereof prior to the time that any bonds are issued for the purpose of financing costs of the Improvements. The County Agency shall in no event enter into any final contract or contracts for the acquisition and construction of the Improvements if such contract price or prices will be such as to cause the actual cost of the Improvements to the Local Units to exceed the estimated total cost of the Improvements as approved in this Contract, unless the Local Units, by resolutions of their legislative bodies, (a) approve said increased cost and (b) agree to pay the excess over the estimated cost, either in cash or by specifically authorizing the maximum principal amount of bonds to be issued, as provided in Sections 9 and 10 of this Contract, to be increased to an amount which will provide sufficient funds to meet said increased cost and a similar increase to the installment obligations of the Local Units pledged under the terms of this Contract to the payment of such bonds.

7. Acquisition and Construction in Accordance with Plans and Specifications. The Improvements shall be acquired and constructed by the County Agency in accordance with the plans and specifications therefor based upon plans approved by this Contract, except that minor variations from said plans and specifications may be made without the approval of the Local Units if such variations shall not materially affect such plans and specifications. All matters relating to engineering plans and specifications, together with the making and letting of final construction contracts for the Improvements, the approval of work and materials thereunder, and construction supervision, shall be in the exclusive control of the County Agency.

8. Incorporation of Master Agreement Provisions; Adjustments for Increased Costs. The provisions of the Master Agreement relating to the Board of Control of the System, operation of the System, establishment of rates and charges and use of revenues of the System, allocation of capacity, and ownership of the System, as set forth in the Master Agreement, are incorporated herein and shall continue in effect, except as provided herein. Each Local Unit covenants that should it appear that additional funds will be needed to pay the expenses of operation, maintenance and administration of the System and/or debt service on the bonds when due, the Local Unit will cooperate with the County Agency and cause to be increased rates and charges for the use of all System facilities of the Local Unit, or take such other actions, so that sufficient revenues will be available for such purposes. The County Agency shall have the right to examine the books and records of any Local Unit relative to the System and, after conferring with the Local Unit and the Board of Control established pursuant to the Master Agreement, shall have the authority to increase or cause to be increased such rates and charges should it appear to the County Agency that additional funds will be needed for such purposes.

The parties hereto agree that the Improvements shall be acquired, constructed, operated, administered and maintained for the sole use and benefit of the Local Units and their System users, and the Local Units shall pay all costs in connection therewith. The Local Units shall have the exclusive right and discretion to determine policy for the use, expansion and improvement of the System in accordance with the Master Agreement, subject only to review by the County Agency on the basis of sound public utility operational procedure

If during the term of this Contract there is a conflict between the terms of the Master Agreement and the terms of this Contract, the terms of this Contract shall prevail.

9. County Agency Actions. To provide for the construction and financing of the Improvements in accordance with the provisions of Act 342 the County Agency shall take the following steps:

(a) The County Agency will submit to the Board of Commissioners of the County a resolution or resolutions providing for the issuance of bonds in the aggregate principal amount of not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000) (except as authorized pursuant to Section 6 of this Contract), in one or more series, to finance costs of the Improvements. Said bonds shall mature serially as hereinafter provided and shall be secured primarily by the contractual obligations of each Local Unit to pay its installments due, plus interest, as hereinafter provided in this Contract, and secondarily, if approved by a majority of the members-elect of the Board of Commissioners, by the full faith and credit of the County. After due adoption of any such resolution, the County Agency will take all necessary legal procedures and steps necessary to effectuate the sale and delivery of said bonds.

(b) The County Agency shall take all steps necessary to take bids for and enter into and execute final construction contracts for the acquisition and construction of the Improvements as specified and approved earlier in this Contract, in accordance with the plans and specifications therefor based on the plans as approved by this Contract. Said contracts shall specify a completion date agreeable to the Local Units and the County Agency.

(c) The County Agency will require and procure from the contractor or contractors undertaking the actual construction and acquisition of the Improvements all necessary and proper bonds to guarantee the performance of the contract or contracts, and such labor and material bonds as may be required by law, in such amount and such forms as may be approved by the County Agency.

(d) The County Agency, upon receipt of the proceeds of sale of any bonds referred to in this Contract, will comply with all provisions and requirements provided for in the resolution authorizing the issuance of such bonds and this Contract relative to the disposition and use of the proceeds of sale of such bonds.

(e) The County may temporarily invest any bond proceeds or other funds held by it for the benefit of the Local Units as permitted by law, and investment income shall accrue to and following the fund producing such income. Neither the County nor the Local Units shall invest,

reinvest, or accumulate any moneys deemed to be proceeds of the bonds pursuant to applicable federal law and regulations, in such a manner as to cause the bonds to be “arbitrage bonds” within the meaning of said law and regulations, nor shall either take or fail to take any actions which would cause the interest on the bonds to be included in gross income for federal income taxation purposes.

10. Payments by Local Units. The cost of the Improvements to be financed by the issuance of the aforesaid bonds shall be charged to and paid by the Local Units to the County in the manner and at the times herein set forth. The principal amount of the bonds shall be paid to the County in annual principal installments, plus interest and other expenses as hereinafter provided, on October 1st of each year, as set forth in the schedule attached hereto as Exhibit A.

Pursuant to the Master Agreement, the percentage share of payments under this Contract allocated to each Local Unit (each Local Unit’s “Local Unit Share”) shall be based on Currently Existing Usage (as defined in the Master Agreement). Initially, the Local Unit Shares shall be as follows:

City of Monroe	43.893%
Charter Township of Frenchtown	32.096%
<u>Charter Township of Monroe</u>	<u>24.011%</u>
	100.000%

The County and the Local Units hereby acknowledge and agree that the Local Unit Shares may adjust annually to reflect changes in Current Existing Usage. Each Local Unit shall pay its then-current Local Unit Share of each payment required to be made by the Local Units to the County Agency pursuant to this Contract.

It is understood and agreed that the bonds of the County previously referred to will be issued in anticipation of the above contractual obligation, with principal maturities on October 1 of each year, corresponding to the principal amount of the above-described installments, and the Local Units shall also pay to the County in addition to said principal installments, on April 1st and October 1st of each year, commencing October 1, 2011, or such other date as required to meet the debt service on the bonds, as accrued interest on the principal amount remaining unpaid, an amount sufficient to pay all interest due on the succeeding interest payment dates (April 1st and October 1st) on the County bonds from time to time outstanding. From time to time as the County Agency is billed by the paying agent for the bonds to be issued for its services as paying agent/transfer agent/registrar for the bonds, and as other costs and expenses accrue to the County Agency from handling of the payments made by the Local Units, or from other actions taken in connection with the Improvements, the County Agency shall promptly notify the Local Units of the amount of such paying agent fees and other costs and expenses, and the Local Units shall promptly remit to the County Agency sufficient funds to meet such fees and other costs and expenses.

It is understood and agreed that the payments described in the previous paragraph are required to be made for the purpose of paying principal and interest on the bonds to be issued by

the County for the Local Units and for costs related to the issuance and servicing of the bonds and therefore the Local Units will make the payments to the County not less than three (3) business days prior to the payment date.

Should cash payments be required from the Local Units in addition to the amounts specified in the preceding paragraphs of this Section 10 to meet costs of constructing the Improvements, the Local Units shall, upon written request by the County Agency, furnish to the County Agency satisfactory written evidence of their agreement and ability to make such additional cash payments, and the County Agency may elect not to proceed with the acquisition or financing of the Improvements until the County Agency receives such written evidence. The Local Units shall pay to the County Agency such additional cash payments within thirty (30) days after written request for such payment has been delivered by the County Agency to the Local Units.

It is further understood that in the event that principal amount of the bonds is reduced as provided in Section 16 of the Contract, then the annual principal installments shall be adjusted by the County acting through the County Agency and the County Agency shall notify the Local Units of such adjustments as provided in the following paragraph.

The County Agency shall, within thirty (30) days after the delivery of any bonds of the County previously referred to (including delivery to MFA as provided in the SRF program, if applicable), furnish the Local Units with a complete schedule of maturities of principal and interest thereon, and the Board shall also, at least thirty (30) days prior to each principal and/or interest installment due date, advise the Local Units, in writing, of the exact amount of principal and/or interest due on the County bonds on the next succeeding bond principal and/or interest due date, and payable by the Local Units on the first day of the month immediately preceding, as previously provided. Failure of the Board to notify the Local Units of any such payment shall not relieve the Local Units of the obligation to make such payment.

If any principal installment or interest is not paid when due, the amount not so paid shall be subject to a penalty, in addition to interest, of one percent (1%) thereof for each month or fraction thereof that the same remains unpaid after the due date.

11. Limited Tax Full Faith and Credit Pledge of Each Local Unit. Each the Local Unit, pursuant to specific authorization of Section 5a of Act 342, hereby irrevocably pledges its full faith and credit for the prompt and timely payment of its obligations pledged for bond payments as expressed in this Contract. Pursuant to such pledge, if other funds are not available, the Local Units shall be required to pay such amounts from any of its general funds as a first budget obligation, and shall each year, commencing with the year 2011, levy an ad valorem tax on all the taxable property in the Local Units in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay such obligations under this Contract becoming due before the time of the following year's tax collections, such annual levy, however, to be subject to applicable constitutional, statutory and charter tax limitations, unless this Contract is approved by vote of the electors of the Local Units. The foregoing commitments of the Local Units are expressly recognized as being for the purpose of providing funds to meet its contractual obligations in anticipation of which the County bonds previously referred to are issued. Nothing herein contained shall be construed to prevent the Local Units from using any,

or any combination of, the means and methods provided in Act 342, for the purpose of providing funds to meet its obligations under this Contract, and if at the time of making the annual tax levy there shall be other funds on hand earmarked and set aside for the payment of the contractual obligations due prior to the next tax collection period, then such annual tax levy may be reduced by such amount. It is the intent of each Local Unit to generate sufficient revenue from the rates and charges from users of the System to meet its debt service obligations under this Contract, and such funds may be taken into account when determining a Local Unit's obligation to levy taxes to the extent such moneys are available to pay the obligations incurred by the Local Unit pursuant to this Contract.

12. Prepayment. Each Local Unit may pay in advance any of its payments required to be made by this Contract, in which event the County Agency shall credit the Local Unit with such advance payment on future-due payments to the extent of such advance payment.

13. Additional Payments Applied to Call of Refunding Bonds. If any bonds referred to in this Contract are callable, each Local Unit may pay additional moneys over and above any of the payments specified in this Contract, with the written request that said additional funds be used to call bonds for redemption prior to maturity, in which event the County Agency shall be obligated to apply and use said moneys for such purpose to the fullest extent possible. Such moneys shall not then be credited as advance payments under the provisions of Section 12 of this Contract.

14. Default by Local Unit. In the event that a Local Unit shall fail for any reason to pay to the County Agency at the times specified the amounts required to be paid by the provisions of this Contract, the County Agency shall immediately give notice of such default and the amount thereof, in writing, to the Local Unit's Treasurer, the County Treasurer, the Treasurer of the State of Michigan and such other official charged with the disbursement to the Local Unit of funds returned by the State and now or hereafter under Act 342 available for pledge, as provided in this Section, and if such default is not corrected within ten (10) days after such notification, such official charged with disbursement to the Local Unit of the aforesaid funds, is by these presents, specifically authorized by each Local Unit to withhold from the aforesaid funds the maximum amount permitted by law necessary to cure said deficiency, and to pay said sums so withheld to the County Agency, to apply on the obligations of the Local Unit as herein set forth. Any such moneys so withheld and paid shall be considered to have been paid to the Local Unit within the meaning of the Michigan Constitution of 1963, the purpose of this provision being solely to voluntarily authorize and pledge the use of said funds in such amounts as may be permitted by law owing to the Local Unit to meet any past-due obligations of the Local Unit due under the provisions of this Contract. In addition to the foregoing, the County Agency shall have all other rights and remedies provided by law to enforce the obligations of the Local Units to make its payment in the manner and at the times required by this Contract, including the right of the County to direct the Local Units to make a tax levy or rate increase to reimburse the County for any funds advanced. The Local Units will not take any action to reduce the right of the County to receive the aforesaid state-returned moneys in the event of default.

15. Payments to be Pledged for Debt Service on Bonds. It is specifically recognized by each Local Unit that the debt service payments required to be made by it pursuant to the terms

of Section 10 of this Contract are to be pledged for and used to pay the principal of and interest on the bonds to be issued by the County, as provided by this Contract and authorized by law, and each Local Unit covenants and agrees that it will make all required payments to the County Agency promptly and at the times herein specified without regard to whether the Improvements are actually completed or placed in operation.

16. Reduction in Amount of Bonds Issued; Insufficiency of Bond Proceeds. If after construction bids are received it is determined that the estimated cost of the Improvements shall be less than approved in Section 5 of this Contract and that the amount of bonds of the County authorized in this Contract may be reduced, then the County Agency shall be automatically authorized to reduce the amount of bonds sold and the annual principal installments specified in Section 10 of this Contract and Exhibit A to this Contract (including Exhibit A as amended pursuant to Section 10 of this Contract) shall be automatically revised according to the new debt service schedule for the bonds, without the necessity of publication of notice of such revision.

If, after construction bids for the Improvements are let, the proceeds of the sale of the bonds to be issued by the County are for any reason insufficient to complete any component of the Improvements, the County shall be automatically authorized to issue additional bonds in an aggregate principal amount sufficient to complete such portions of the Improvements, and the annual payments required to be made hereunder by the Local Units shall also be increased in an amount so that the total payments required to be made as increased will be sufficient to meet the annual principal and interest requirements on the bonds herein authorized, plus the additional bonds to be issued. It is expressly agreed between the parties hereto that the County shall issue pursuant to this Contract and the Local Units shall be committed to retire such amount of bonds as may be necessary to pay all costs of the Improvements, whether or not in excess of those presently estimated herein. Any such additional bonds shall comply with the requirements of Act 342, and any increase in the annual payments shall be made in the manner and at the times specified in this Contract. In lieu of said additional bonds, the Local Units may pay over to the County in cash sufficient moneys to complete the Improvements.

17. Additional Bonds. After completion of the Improvements and payment of all costs thereof, any surplus remaining from the proceeds of sale of bonds shall be used by the County Agency for either of the following purposes, at the option of and upon request made by resolution of each of the Local Units, to wit: (a) for additional System improvements, subject to approval of the County Agency, or (b) for credit by the County Agency toward the next payments due the County Agency by the Local Units hereunder.

18. Connection Contracts. All contracts for connection to the Improvements made during construction of the Improvements shall be made by the County Agency with the cooperation of the Local Units. The actual costs of such connections shall be paid by those premises in the Local Units connecting to the Improvements except to the extent that the costs of such connections are included in the cost of the Improvements.

19. Obligations and Undertakings Conditioned Upon Issuance of Bonds. The obligations and undertakings of each of the parties to this Contract shall be conditioned on the successful issuance and sale of bonds pursuant to Act 342, and if for any reason whatsoever said bonds are not issued and sold within three (3) years from the date of this Contract, then this

Contract, except for payment of preliminary expenses and ownership of engineering data, shall be considered void and of no force and effect. In the event that said bonds are not issued and sold, all preliminary legal and engineering costs shall be paid by the Local Units, and the Local Units shall have ownership, possession and use of all plans and specifications, surveys and other engineering data and materials prepared.

20. Rights of Bondholders. The County Agency and the Local Units each recognize that the holders from time to time of the bonds issued by the County under the provisions of Act 342 to finance costs of the Improvements will have contractual rights in this Contract, and it is therefore covenanted and agreed by each of them that so long as any of said bonds shall remain outstanding and unpaid, the provisions of this Contract shall not be subject to any alteration or revision which would in any manner materially affect either the security of the bonds or the prompt payment of principal or interest thereon. The Local Units and the County Agency further covenant and agree that they will each comply with their respective duties and obligations under the terms of this Contract promptly at the times and in the manner herein set forth, and will not suffer to be done any act which would in any way impair the said bonds, the security therefor, or the prompt payment of principal and interest thereon. It is hereby declared that the terms of this Contract, insofar as they pertain to the security of any such bonds, shall be deemed to be for the benefit of the holders of said bonds.

21. Term. This Contract shall remain in full force and effect for a period of forty (40) years from the date hereof; provided that, at such time within said forty-year term as all of said bonds are paid, this Contract shall be terminated, and full right, title and interest in the Improvements shall be transferred to the Local Units, with such right, title and interest to be allocated among the Local Units in accordance with the Master Agreement, or the parties' interests in the Improvements may be governed by any then existing or new agreements between the Local Units and the County. In any event, the obligation of the Local Units to make debt service payments required by Section 10 of this Contract shall be terminated at such time as all of its debt service installments are paid in full, together with any deficiency or penalty thereon.

22. Local Unit Payment of Costs; Indemnification. In accordance with the established policy of the County of Monroe, as promulgated by the Board of Commissioners and its predecessor, the Board of Supervisors, all Act 342 contracts (including this contract) provide that the total cost (less funds, if any, which may become available from other sources) of each project shall be paid by the contracting local unit or units of government, in this instance the Local Units.

The parties hereto hereby expressly agree that the County shall not be liable for and the Local Units shall pay, indemnify and save the County harmless of, from and against all liability of any nature whatever regardless of the nature in which such liability may arise, for any and all claims, actions, demands, expenses, damages and losses of every conceivable kind whatsoever (including, but not limited to, liability for injuries to or death of persons and damages to or loss of property) asserted by or on behalf of any person, firm, corporation or governmental authority arising out of, resulting from, or in any way connected with the ownership, acquisition, construction, operation, maintenance and repair of the Improvements, the System, this Contract, or the issuance, sale and delivery of the bonds herein described. It is the intent of the parties that the County be held harmless by the Local Units from liability for such claim, actions, demands,

expenses, damages and losses, however caused or however arising, including, but not limited to, to the extent not prohibited by law, such claims, actions, demands, expenses, legal and expert witness fees, damages and losses even though caused, occasioned or contributed to by the negligence, sole or concurrent, of the County or by negligence for which the County may be held liable. In any action or proceeding brought about by reason of any such claim or demand, the Local Units will also pay, indemnify and save the County harmless from and against all costs, attorneys' fees and disbursements of any kind or nature incidental to or incurred in said defense, and will likewise pay all sums required to be paid by reason of said claims, demands, or any of them, in the event it is determined that there is any liability on the part of the County. Upon the entry of any final judgment by a court of competent jurisdiction or a final award by an arbitration panel against the County on any claim, action, demand, expense, damage or loss contemplated by this section and notwithstanding that the County has not paid the same, the Local Units shall be obligated to pay to the County, upon written demand therefor, the amount thereof not more than sixty (60) days after such demand is made. In the event that any action or proceeding is brought against the County by reason of any such claims or demands, whether said claims or demands are groundless or not, the Local Units shall, upon written notice and demand from the County, resist and defend such action or proceeding in behalf of the County, but will not settle any such action in the proceeding without written consent of the County.

In the event of such litigation, mediation or arbitration, the County Agency shall consult with each Local Unit and shall retain legal counsel agreeable to both the County and the Local Units to represent the County; provided that if the County and the Local Units cannot agree as to such representation within a reasonable time, the County Agency shall exercise his discretion as to the retention of such counsel.

Notwithstanding the foregoing, nothing contained in this Section 22 shall be construed to indemnify or release the County against or from any liability which it would otherwise have arising from the wrongful or negligent actions or failure to act on the part of the County's employees, agents or representatives with respect to matters not related to the ownership, acquisition, construction, operation, maintenance or repair of the Improvements, the System, this Contract or the issuance, sale or delivery of the bonds herein described.

As used in this Section the term "County" shall include the County Agency.

The County will require or procure from the contractor or contractors undertaking the actual construction of the Improvements insurance protecting both the Local Units and the County (including the County Agency) from liability in connection with such construction. The cost of such insurance shall be considered to be a part of the cost of the Improvements.

23. Sale of Bonds to MFA; Bond Terms; Additional Requirements. In the event that all or any of the bonds referred to herein are sold to the MFA through the SRF, such bonds shall bear an original issue date, be payable in the amounts and on the dates and at such place, bear interest at the rates, be subject to redemption and otherwise have such terms and provisions as shall be determined in the County's agreements with the MFA, and all County, Agency and Local Unit officials, agents and employees are hereby directed to take all actions necessary or desirable to implement such a method of sale. The County is hereby authorized to make such changes in this Contract, except as to description of the Improvements or increased cost, as may

be required to properly reflect a sale to the MFA, and if such changes are made, the County shall promptly notify each Local Unit thereof.

Notwithstanding any other provision of this Contract, if and so long as the MFA is the owner of all or any of the bonds described in this Contract (such bonds being "MFA Bonds"), each Local Unit shall make its debt service payments hereunder allocable to MFA Bonds directly to such place as shall be designated in writing to the County and/or the Local Unit by the MFA (the "MFA's Depository") for the account of the County to be applied by the MFA's Depository to the payment of the MFA Bonds. Each Local Unit covenants and agrees that if any of the bonds described in this Contract are issued as MFA Bonds, the Local Unit's obligations to make such payments hereunder and to certify, levy and collect appropriate taxes as required hereunder, as obligations incurred with the MFA under Section 17a of Act 140 Public Acts of Michigan 1971, as amended (the "State Revenue Sharing Act"), may be enforced by the MFA as provided in the Act and all applicable Michigan law. Each Local Unit covenants and agrees that if any of the bonds described in this Contract are issued as MFA Bonds, the Local Unit will, if required, enter into a Revenue Sharing Pledge Agreement with the MFA pursuant to Section 17a of the State Revenue Sharing Act, authorizing the State Treasurer to transmit the revenue sharing moneys assigned and pledged therein directly to the MFA or its designee, if payments on the MFA Bonds as required by the MFA are not made by the Local Unit prior to their due date. Each Local Unit further covenants and agrees to take or abstain from taking such other action and/or execute and supply such other documents or certifications or information as may be required by the MFA, including specifically the Supplemental Agreement, Issuer's Certificate and Purchase Contract provided by the MFA. The County is further authorized to make such changes in the terms of this Contract and the financing plan for the Improvements as may be required by the MFA and do not materially affect the obligations of the Local Units hereunder, upon notification to each Local Unit.

The Local Units and the County have received no assurance from the MFA that sale of any of the bonds through the SRF can be accomplished, and therefore nothing herein shall constitute a commitment to such a sale. Should such method of sale of any of the bonds be available, the County agrees to use its best efforts to accomplish such a sale, and each Local Unit hereby agrees to execute such documents or take such action as the County, MFA, the Michigan Department of Environmental Quality ("MDEQ") or other parties involved may reasonably require to accomplish such sale of bonds.

The parties hereto hereby authorize their respective chief executive officers, clerks, treasurers, other officers, employees and/or agents to execute any documents necessary to implement this Contract, including but not limited to MFA or MDEQ documents or other required documents.

24. Successors and Assigns. This Contract shall inure to the benefit of and be binding upon respective parties hereto, their successors and assigns.

25. Effectiveness and Execution of Contract. This Contract shall become effective upon the latest of the following: (a) approval of this Contract by the legislative bodies of each of the Local Units, by the County Agency and by the Board of Commissioners of the County; (b) execution by the Supervisor or Mayor and Clerk of each of the Local Units, by the Drain

Commissioner as the County Agency, and by the Chairman of the Board of Commissioners of the County and the County Clerk for and on behalf of the County; and (c) the expiration of 45 days after the date of publication by each of the Local Units of a notice of entry into this contract as provided in Section 5b of Act 342 unless the effectiveness of this Contract is stayed by reason of the filing of a petition for referendum thereon, in which case upon approval by a majority of the electors of such Local Unit voting thereupon at an election called and held for that purpose. This Contract may be executed in several counterparts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered by the undersigned, being duly authorized by the respective governing bodies of such parties, all as of the day and year first above written.

COUNTY OF MONROE

CITY OF MONROE

By: _____
Chairman of the Board
of Commissioners

By: _____
Mayor

By: _____
County Clerk

By: _____
City Clerk

By: _____
County Drain Commissioner
County Agency

CHARTER TOWNSHIP OF FRENCHTOWN

CHARTER TOWNSHIP OF MONROE

By: _____
Supervisor

By: _____
Supervisor

By: _____
Township Clerk

By: _____
Township Clerk

EXHIBIT A

Installments due the County on October 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
2013	\$370,000
2014	380,000
2015	390,000
2016	400,000
2017	410,000
2018	420,000
2019	430,000
2020	440,000
2021	455,000
2022	465,000
2023	475,000
2024	490,000
2025	500,000
2026	515,000
2027	525,000
2028	540,000
2029	555,000
2030	565,000
2031	580,000
2032	595,000

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RESOLUTION APPROVING ACT 342 CONTRACT
AND PUBLICATION OF NOTICE

City of Monroe
County of Monroe, Michigan

Minutes of a regular meeting of the City Council of the City of Monroe, County of Monroe, Michigan (the "City") held in the City Hall in the City on the 15th day of November, 2010, at 7:30 p.m., Eastern Standard Time.

PRESENT: Members _____

ABSENT: Members _____

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

WHEREAS, the City has previously determined that it is necessary for the public health, safety and welfare of the City to acquire and construct improvements to the Monroe County Sewage Disposal System (Monroe Metropolitan Area Wastewater System) (the "System"), consisting of acquiring, constructing, furnishing and equipping improvements to the Monroe Metropolitan Area Wastewater Treatment Plant, including electrical upgrades and improvements, supervisory control and data acquisition improvements, security and safety improvements, together with all related site improvements, appurtenances and attachments (the "Project") to service the City, the Charter Township of Frenchtown and the Charter Township of Monroe (together, the "Local Units"); and

WHEREAS, the City has previously requested the Drain Commissioner of the County of Monroe, as the county agency (the "County Agency"), to take the necessary steps under the provisions of Act 342, Public Acts of Michigan, 1939, as amended (the "Act"), to construct and finance the Project; and

WHEREAS, Sections 5a, 5b and 5c of the Act authorize the execution of contracts between municipal units and the designated county agency providing for the acquisition, construction, financing and operation of water system improvements; and

WHEREAS, the County Agency and the Local Units have negotiated a contract (the "Contract") providing for the acquisition, operation and financing of the Project, by the terms of which Contract the Local Units are obligated to pay the cost of the Project to be financed to the County in installments as therein provided, a copy of which Contract is attached to this resolution and incorporated herein by reference.

NOW THEREFORE, BE IT RESOLVED THAT:

1. Approval of Contract. The Contract between the County, the County Agency, and the Local Units providing for the acquisition, operation and financing of the Project is hereby approved, and

the Mayor and Clerk of the City are authorized and directed to execute and deliver the Contract for and on behalf of the City.

2. Approval of Plans, Cost and Local Unit Share. The plans, as submitted by the engineers, and the total estimated cost of the Project to be financed by the issuance of bonds in the aggregate amount of not to exceed \$9,500,000, of which an amount not to exceed the City's Local Unit Share (as defined in the Contract and currently 43.893%, or \$4,169,835, but subject to increase or decrease) is the City's share, is hereby approved.

3. Approval of Covenant to Levy Ad Valorem Property Taxes. The City does hereby ratify and confirm its covenant in the Contract to levy ad valorem taxes against all taxable property in the City to the extent necessary to meet the obligations of the City thereunder and does further indicate its purpose and intent to make such a levy as necessary to meet such obligations; provided, however, that such levy, if necessary, shall be within constitutional, statutory and charter limitations.

4. Approval of Notice; Authorization to Publish. Notice of the adoption of this resolution approving the Contract shall be published in the Monroe Evening News, a newspaper of general circulation in the City, in substantially the form attached hereto promptly after the adoption of this resolution, **as a display advertisement at least one quarter page in size.** The City Council hereby determines that the designated newspaper is the newspaper circulating in the City which reaches the largest number of persons to whom the aforesaid notice is directed and that publication of the aforesaid notice in the designated newspaper represents the most practical and feasible means of informing the taxpayers and electors of the City of the Project and the financing thereof. A copy of the Contract shall be placed on file in the office of the Clerk of the City and shall be available for public examination.

5. Effectiveness of Contract. The Contract shall become binding and effective upon the expiration of forty five (45) days following the date of publication of the aforesaid notice unless under the provisions of Section 5b of the Act the effectiveness of the Contract is stayed by reason of the filing of a petition for referendum thereon, in which instance the Contract shall become binding and effective upon approval by a majority of the electors of the City voting thereupon at an election called and held for that purpose.

6. Delegation of Certain Actions to City Officers. The Mayor, City Manager, Finance Director and City Clerk are each hereby authorized to notify the Michigan Department of Treasury of the City's intent to enter into a full faith and credit contract for payment of the bonds, to pay the related fee from funds to be received from the City, and to request an order providing an exception for the bonds from prior approval by the Department of Treasury or an order of approval from the Department of Treasury and to do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the bonds.

7. Continuing Disclosure. The City hereby covenants to provide or cause to be provided a continuing disclosure undertaking in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission to provide or cause to be provided certain information to each nationally recognized municipal securities information repository and to the appropriate state information depository for the State of Michigan. The Finance Director is authorized to execute and deliver a Continuing Disclosure Undertaking satisfying the requirements of Rule 15c2-12 in connection with the delivery of the bonds.

8. Tax Covenant. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the bonds from adjusted gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds.

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

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

Charles Evans
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Monroe, County of Monroe, Michigan, at a regular meeting held on November 15, 2010, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Charles Evans
City Clerk

NOTICE OF INTENT TO ENTER INTO TAX-SUPPORTED
CONTRACT AND OF RIGHT TO PETITION FOR
REFERENDUM THEREON

TO THE TAXPAYERS AND ELECTORS OF THE
CITY OF MONROE, COUNTY OF MONROE
STATE OF MICHIGAN

PLEASE TAKE NOTICE that the City of Monroe (the "City"), has adopted a resolution authorizing the execution of a contract with the County of Monroe, the Charter Township of Frenchtown and the Charter Township of Monroe (together, the "Local Units") pursuant to Act 342, Public Acts of Michigan, 1939, as amended, which contract will provide among other things that said County will acquire and construct sewage disposal system improvements for the Monroe County Sewage Disposal System (Monroe Metropolitan Water Pollution Control System) and will issue its bonds, in one or more series, to finance the cost of the same for the Local Units, and the Local Units will pay to said County all sums necessary to retire the principal of and interest on said bonds. The sewage disposal system improvements will consist of acquiring, constructing, furnishing and equipping improvements to the Monroe Metropolitan Area Wastewater Treatment Plant, including electrical upgrades and improvements, supervisory control and data acquisition improvements, security and safety improvements, together with all related site improvements, appurtenances and attachments.

CITY'S CONTRACT OBLIGATION

It is presently contemplated that said bonds will be in the principal amount of not to exceed \$9,500,000, of which an amount not to exceed the City's "Local Unit Share" (as that term is defined in said contract based on the City's usage of the sewage disposal system) is the City's share (initially 43.893% and subject to increase or decrease based on actual usage), will mature in not more than twenty-five years, and will bear interest not exceeding 8% per annum on the outstanding principal balance, subject to revision in accordance with terms of the above contract. By virtue of said contract, the City will be obligated to pay to the County all sums required to meet debt service payments for the City's share of the bonds in accordance with the above or any revised schedule as such payments fall due, and will pledge as security for such contractual obligation its full faith and credit. PURSUANT TO SUCH PLEDGE, THE CITY WILL BE REQUIRED TO PAY THE REQUIRED SUMS FROM ITS GENERAL FUNDS OR IF NECESSARY TO LEVY AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN ITS BOUNDARIES, SUBJECT TO APPLICABLE CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS, TO THE EXTENT NECESSARY TO MAKE THE REQUIRED PAYMENTS TO THE COUNTY IF OTHER FUNDS FOR SUCH PURPOSE ARE NOT AVAILABLE.

RIGHT OF REFERENDUM

The aforesaid Contract will be executed by the City and WILL BE EFFECTIVE WITHOUT VOTE OF THE ELECTORS, AS PERMITTED BY LAW, UNLESS A PETITION REQUESTING AN ELECTION ON THE EFFECTIVENESS THEREOF, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such petition is so filed, the contract

cannot be effective without an approving vote by a majority of electors of the City voting on the question.

THIS NOTICE is given pursuant to the requirements of Section 5b of Act No. 342, Public Acts of Michigan, 1939, as amended. Further information concerning the details of said contract and the matters set out in this notice may be secured from the City Clerk's office.

Charles Evans
Clerk, City of Monroe

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