

March 2, 2016

The Board of County Road Commissioners of Montcalm County held a regular meeting at its office located in Stanton, Michigan at 8:00 a.m. on March 2, 2016.

Present: Commissioners Dale Linton, Robert Brundage (Arrived at 9:22 a.m.) and Michael Scott; also present: Mark Christensen, Managing Director, and Kim Alexander, Finance Director-Clerk.

The Pledge of Allegiance and a prayer were given.

Moved by Scott, seconded by Linton, to approve the agenda as presented. Motion carried.

Moved by Scott, seconded by Linton, to approve the minutes of the March 2, 2016 meeting as presented. Motion carried.

Moved by Scott, seconded by Linton to approve the following township chloride contracts: Motion carried.

Belvidere Township

- Three applications of chloride on local roads @ 1,650 gpm - \$23,287

Day Township

- Three applications of chloride on local roads @ 1,650 gpm - \$22,723

Home Township

- Four applications of chloride on local roads @ 1,650 gpm - \$30,519

Pine Township

- Three applications of chloride on local roads @ 2,000 gpm - \$21,836

Richland Township

- Three applications of chloride on local roads @ 1,650 gpm - \$21,349

Winfield Township

- Three applications of chloride on local roads @ 2,000 gpm - \$35,535

Moved by Scott, seconded by Linton, to approve the Township Bid Policy as presented. Roll call: Yes-Scott, Linton. Absent: Brundage. Motion carried.

Policy No. 2016-01
BOARD OF COUNTY ROAD COMMISSIONERS
ROAD COMMISSION FOR MONTCALM COUNTY
SUBJECT: POLICY FOR REQUEST OF COMPETITIVE BIDS BY TOWNSHIPS

Public Act 281, as amended, November 10, 2015, states that a township may, by resolution, require a Road Commission to competitively bid projects that they contribute fifty (50) percent or more of the cost of a road project. A project on a gravel road must exceed \$25,000 and a project on a paved road must exceed \$50,000, if a township in Montcalm County requests this process from the Road Commission. The Road Commission for Montcalm County will follow the process listed below in accordance with Public Act 283, as amended, November 10, 2015.

The township requesting competitive bids will be responsible for the following costs:

1. All design and engineering costs for the project.
2. Advertising costs
3. Permits
4. Material testing
5. Purchase of necessary right-of-way
6. 7.4% overhead

If the Road Commission for Montcalm County chooses to bid the project, all labor and equipment charges will be included in the bid price.

Moved by Scott, seconded by Brundage to approve the tentative contract extension offered by

AFSCME Union Local 1071.07 as presented. Roll call: Yes-Brundage, Scott, Linton. Motion carried.

The following preamble and resolution was offered by Brundage and seconded by Scott:

WHEREAS, the Board is in immediate need of funds in the amount of Three Million Eight Hundred Thousand Dollars (\$3,800,000) for the purpose of purpose of construction and improvement of County highways; including the roads listed on Exhibit A attached hereto (the "Project"); and

WHEREAS, the Board is authorized and proposes to borrow such sum and issue its notes therefor, under the terms of Act No. 143, Michigan Public Acts of 1943, as amended, ("Act 143") in anticipation of future revenues derived from state-collected taxes (*i.e.*, the Michigan Transportation Fund of the State of Michigan) returned to the County of Montcalm (the "County") for county road purposes, and to pledge such revenues for the payment of the principal of and the interest on said notes; and

WHEREAS, the revenues derived from state-collected taxes returned to the County for county road purposes pursuant to law for the five calendar years next preceding the contemplated borrowing and for the five immediately succeeding years are more than sufficient to comply with all requirements of section 2 of Act 143 and Section 18c of Act No. 51, Public Acts of Michigan, 1951, as amended.

THEREFORE, BE IT RESOLVED by the Board of County Road Commissioners of Montcalm County, State of Michigan, that:

AUTHORIZATION OF NOTES - PURPOSE. The Board, acting under and pursuant to Act 143, shall borrow the sum of not to exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000) and issue its notes therefor, for the purpose of construction and improvement of the Project.

NOTE DETAILS. The notes shall be issued as one fully registered note in the principal amount to \$3,800,000; shall be designated "2016 Michigan Transportation Fund Note" (the "note") shall be dated the date of delivery, or such other date as determined by the Finance Director/Clerk; shall bear interest at the rate of 2.39% per annum, payable on September 29, 2016, and semiannually thereafter on March 29 and September 29 in each year; and shall mature on March 29 in the years and in the principal amounts as follows:

<u>YEAR</u>	<u>PRINCIPAL MATURITY</u>
2017	\$190,000.00
2018	401,111.11
2019	401,111.11
2020	401,111.11
2021	401,111.11
2022	401,111.11
2023	401,111.11
2024	401,111.11
2025	401,111.11
2026	401,111.12

METHOD OF SALE. The note shall be sold to Chemical Bank (the "Purchaser") pursuant a negotiated sale. The note shall be delivered to the Purchaser in its own name or other name designated by it upon receipt of the purchase price for the note in an amount equal to Three Million Eight Hundred Thousand Dollars (\$3,800,000), which is the par value of the note. It is hereby determined that this method of sale is in the best interests of the Board and is calculated to provide the Board with the lowest issuance costs and other costs of borrowing money through the issuance of the note. The actions by the Finance Director/Clerk in connection with the negotiation of the sale of the note with the Purchaser are ratified and confirmed.

PAYMENT OF PRINCIPAL AND INTEREST. The note shall be payable as to both principal and interest in lawful money of the United States. The final principal payment shall be payable upon presentation and surrender of the note to the note registrar and paying agent and all other principal installments shall be paid as they severally mature to the registered owner of the note as shown on the registration books for the note at the close of business on the 15th day of the calendar month in which the principal payment is due. Interest shall be paid to the registered owner of the note as shown on the registration books at the close of business on the 15th day of the calendar month in which the interest payment is due. Principal and interest shall be paid when due by check or draft drawn upon and mailed by the note registrar and paying agent to the registered owner at the registered address or as otherwise determined by order of the Finance Director/Clerk.

PRIOR REDEMPTION. Principal installments of the note shall be subject to redemption prior to maturity upon such terms and conditions set forth in the note form contained in Section 11 hereof.

NOTE REGISTRAR AND PAYING AGENT. The County Treasurer shall act as note registrar and paying agent for the note.

EXCHANGE AND TRANSFER OF NOTE. The note, upon surrender thereof to the note registrar and paying agent with a written instrument of transfer satisfactory to the note

registrar and paying agent, duly executed by the registered owner or his or her duly authorized attorney, at the option of the registered owner thereof, may be exchanged for a new note of the same principal installments and maturity dates and bearing the same rate of interest as the surrendered note.

The note shall be transferable only upon the books of the Board, which shall be kept for that purpose by the note registrar and paying agent upon surrender of such note together with a written instrument of transfer satisfactory to the note registrar and paying agent duly executed by the registered owner or his or her duly authorized attorney.

Upon the transfer of the note, the note registrar and paying agent on behalf of the Board shall cancel the surrendered note and shall authenticate and deliver to the transferee a new note of same principal installments and maturity dates and bearing the same rate of interest as the surrendered note. If, at the time the note registrar and paying agent authenticates and delivers a new note pursuant to this section, payment of interest on the note is in default, the note registrar and paying agent shall endorse upon the new note the following: "Payment of interest on this note is in default. The last date to which interest has been paid is _____, _____."

The Board and the note registrar and paying agent may deem and treat the person in whose name any note shall be registered upon the books of the Board as the absolute owner of such note, whether such note shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such note and for all other purposes, and all payments made to any such registered owner or upon his or her order, in accordance with the provisions of paragraph 3 of this resolution, shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid, and neither the Board nor the note registrar and paying agent shall be affected by any notice to the contrary. The Board agrees to indemnify and save the note registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every such exchange or transfer of a note, the Board or the note registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

EXECUTION, AUTHENTICATION AND DELIVERY OF NOTE. The note shall be executed in the name of the Board by the actual or facsimile signature of its Chairman,

authenticated by the manual signature of the note registrar and paying agent or an authorized representative of the note registrar and paying agent, and the seal of the Board (or a facsimile thereof) shall be impressed or imprinted on the note. After the note has been so executed and authenticated for delivery, it shall be delivered to the original purchaser thereof, upon receipt of the purchase price therefor by the Finance Director/Clerk or the County Treasurer on behalf of the Board. Additional notes bearing the actual or facsimile signature of the Chairman and upon which the seal of the Board (or facsimile thereof) is impressed or imprinted may be delivered to the note registrar for authentication and delivery in connection with the exchange or transfer of the note. The note registrar shall indicate on each note the date of its authentication.

APPROPRIATION OF STATE-COLLECTED TAXES. There are hereby irrevocably appropriated, from the moneys to be derived from state-collected taxes returned to the County for county road purposes pursuant to law that have not been heretofore specifically allocated for other purposes, amounts sufficient to pay the principal of and the interest on the note when due.

PLEDGE OF REVENUES. The note shall not be a general obligation of the County but shall be payable, as to both principal and interest, from the aforementioned future revenues derived from state-collected taxes returned to the County for county road purposes, pursuant to law, and for the prompt payment of such principal and interest when due, there are hereby pledged such future revenues in amounts sufficient for such purposes. The foregoing pledge of state-collected taxes made for the security of the herein authorized note shall be of equal standing and on a parity with the pledge of such future revenues heretofore made by the County for payment of the principal of and the interest on its outstanding bonds and notes above-mentioned and with any pledges of such future revenues from state-collected taxes that may hereafter be made, within statutory limitations, for payment of bonds, notes or contractual obligations.

FORM OF NOTE. The note shall be in substantially the following form:

(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MONTCALM
BOARD OF COUNTY ROAD COMMISSIONERS
OF THE COUNTY OF MONTCALM

2016 MICHIGAN TRANSPORTATION FUND NOTE

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>
2.39%	See Attached Exhibit A	March 29, 2016

Registered Owner: Chemical Bank

Principal Amount: *****\$3,800,000*****

The Board of County Road Commissioners of the County of Montcalm, State of Michigan, a public body corporate (the "Board"), hereby acknowledges itself indebted to and for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above, on the maturity dates and in the amounts set forth on Exhibit A attached hereto, unless redeemed prior thereto, the final payment to be made upon presentation and surrender of this note at the office of the Treasurer of the County of Montcalm, Stanton, Michigan, the note registrar and paying agent, or at such successor note registrar and paying agent as may be designated pursuant to the Resolution, and to pay to the registered owner at the close of business on the 15th day of the month in which an interest payment is due, by check or draft drawn upon and mailed by the note registrar and paying agent by first class mail, postage prepaid, to the registered owner at the registered address, interest on such Principal Amount from the Date of Original Issue specified above, or such later date through which interest has been paid until the Board's obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on September 29, 2016, and thereafter semiannually on the March 29 and September 29 in each year, which principal and interest are payable solely out of the revenues hereinafter specified. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360 day year of twelve 30-day months.

This note is a single obligation in the principal sum of Three Million Eight Hundred Thousand Dollars (\$3,800,000) issued under and pursuant to and in full conformity with the Constitution and statutes of the State of Michigan (especially Act No. 143, Michigan Public Acts of 1943, as amended), and a note authorizing resolution adopted by the Board (the "Resolution") for the purpose of defraying all or part of the cost of the construction, improvement, maintenance and repair of county roads.

This note is not a general obligation of the County of Montcalm (the "County") but is payable, as to both principal and interest, from future revenues derived from state-collected taxes and returned to the County for county road purposes, pursuant to law. For the prompt payment of such principal and interest when due, the said future revenues have been and are hereby pledged, which pledges of state-collected taxes for payment of the principal of and interest on this note are on a parity with (1) the pledges of such revenues from state-collected taxes heretofore made by the County or the Board for payment of the principal of and interest on bonds and notes heretofore issued for county road purposes and (2) any pledges of such revenues from state-collected taxes that may be so made for payment of bonds, notes and contractual obligations hereafter issued within the limits prescribed by law.

This note is transferable, as provided in the Resolution, only upon the books of the Board kept for that purpose by the note registrar and paying agent, upon the surrender of this note together with a written instrument of transfer satisfactory to the note registrar and paying agent duly executed by the Registered Owner or his or her attorney duly authorized in writing. Upon the exchange or transfer of this note, a new note in the same aggregate principal amount

and of the same interest rate and principal installment maturities, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided.

The note registrar and paying agent shall not be required to transfer or exchange notes or portions of notes that have been selected for redemption.

The principal installments of this note are subject to redemption prior to maturity at the option of the Board, in such order as shall be determined by the Board, on any date and in any amount. The redemption price shall be the par value of the principal installments of the note called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty days' notice of redemption shall be given to the Registered Owner by mail to the Registered Owner at the registered address. Principal installments or portions thereof called for redemption shall not bear interest on and after the date fixed for redemption, provided funds are on hand with the note registrar and paying agent to redeem the same.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note, existed, have happened and have been performed in due time, form, and manner as required by law, and that the principal amount of said note together with all other obligations pledging future revenues derived from state-collected taxes returned to the County for county road purposes, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Board of County Road Commissioners of the County of Montcalm, State of Michigan, has caused this note to be signed in its name by the actual or facsimile signature of its Chairman and its corporate seal (or facsimile thereof) to be impressed or imprinted hereon. This note shall not be valid unless the Certificate of Authentication has been manually executed by an authorized officer or representative of the note registrar and paying agent.

BOARD OF COUNTY ROAD COMMISSIONERS
OF THE COUNTY OF MONTCALM
STATE OF MICHIGAN

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

This note is the note described in the within mentioned Resolution.

By: _____
Treasurer, County of Montcalm
Note Registrar and Paying Agent

AUTHENTICATION DATE:

EXHIBIT A

The principal amounts and maturity dates for the note to which this Exhibit A is attached are as follows:

<u>MATURITY DATE</u>	<u>PRINCIPAL MATURITY</u>
03/29/17	\$190,000.00
03/29/18	401,111.11
03/29/19	401,111.11
03/29/20	401,111.11
03/29/21	401,111.11
03/29/22	401,111.11
03/29/23	401,111.11
03/29/24	401,111.11
03/29/25	401,111.11
03/29/26	401,111.12

SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF NOTE. The Superintendent/Manager, the Finance Director/Clerk, the Chairman of the Board and other appropriate officials of the Board and the Montcalm County Road Commission are hereby authorized to do all things necessary to effectuate the sale, delivery, transfer and exchange of the note in accordance with the provisions of this Resolution.

ARBITRAGE COVENANT. Notwithstanding any other provision of this Resolution or any resolutions adopted heretofore, the Board hereby covenants that it will not make any use of the proceeds of the note, nor will it take any action or fail to take any action that may be required that will cause the note to be an "arbitrage bond," as defined in Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and regulations promulgated thereunder. The Finance Director/Clerk is hereby authorized to establish a Rebate Fund to be used for segregating moneys required to be rebated to the United States in accordance with Section 148(f) of the Code, if a rebate obligation exists and if the Finance Director/Clerk deems such a fund to be desirable for that purpose.

ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimate period of usefulness of the Project is hereby determined to be not less than ten (10) years and the estimated cost of the Project of not less than \$3,800,000 is hereby approved and adopted.

QUALIFIED TAX EXEMPT OBLIGATIONS. The note is hereby designated as a Qualified Tax Exempt Obligations as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. If the issuance and sale of the note shall be subject to permission being granted therefor by the Department of Treasury of the State of Michigan pursuant to Act 34, Public Acts of Michigan, 2001, as amended, the Finance Director/Clerk is authorized and directed to make application to the Department of Treasury for permission to issue and sell the note as provided by the terms of this Resolution and to pay such fees related thereto.

CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions, insofar as the same may be in conflict herewith, are hereby rescinded.

After discussion the vote was:

YEAS: Brundage, Scott, Linton

NAYS: None

ABSENT: None

A sufficient majority having voted therefor, the Note Resolution of Board of County Road Commissioners was adopted.

Moved by Scott, seconded by Brundage, to approve the year ending 9/30/15 audit as presented. Roll call: Yes-Brundage, Scott, Linton. Motion carried.

Moved by Brundage, seconded by Scott to approve and sign the title sheet for the PM Work on Bridges Project. Roll call: Yes-Brundage, Scott, Linton. Motion carried.

Commissioner Brundage offered the following resolution and moved for its adoption:

WHEREAS, the Road Commission for Montcalm County supports the Department of Natural Resources' (DNR) submission of an application titled, "FY 17 Natural Resource Fund Grant" to the Michigan Natural Resources Trust Fund for the development of the White Pine Trail; and,

WHEREAS, the location of the proposed project is within the jurisdiction of Montcalm County; and,

WHEREAS, with this resolution of support it is acknowledged that the Road Commission for Montcalm County is not committing to any obligations; financial or otherwise.

NOW THEREFORE, BE IT RESOLVED that the Board of Montcalm County Road Commissioners hereby supports submission of a Michigan Natural Resources Trust Fund Application titled "FY 17 Natural Resource Fund Grant" by the DNR.

Supported by Commissioner Scott. Roll call: Yes-Brundage, Scott, Linton. Motion carried.

Manager's Report

- Last week's snow was a challenge but the guys did a great job.
- We've been working on tree cutting and brush near Fenwick Road and Church Road
- Attended the Superintendent meeting last week with Chad at Clinton County.
- Howard City will not be using Federal Aid dollars to complete their Shaw Street project this summer so we will be adding three chip seal projects to our list
- Township contracts were emailed out on the 29th. There are a handful of estimates to finish up in the next week or so.
- Pat Denton and Pat Moeggenberg are attending concrete testing training this week.
- The Federal Road guardrail project is finished. Things look good and the contractor will return in the spring for restoration.

Moved by Brundage, seconded by Scott, to approve the March 2, 2016 bills totaling \$401,228.40, Payroll #4 totaling \$84,286.23 and Payroll #5 totaling \$92,676.00. Roll call: Yes-Brundage, Scott, Linton. Motion carried.

There being no further business the meeting adjourned at 10:45 a.m.

Chairman

Clerk