

**HAYES TOWNSHIP BOARD  
SPECIAL MEETING MINUTES  
May 7, 2018**

The special meeting of the Hayes Township Board was called to order by Supervisor Ron VanZee at 7:30 p.m. at the Hayes Township Hall, 09195 Old US 31 N., Charlevoix

Board members present were Marlene Golovich, Paul Hoadley, Matt Cunningham, Ron VanZee and Robbin Kraft. Audience members signed in were Shirlene Tripp, Jim & Diane McMahon, Kyle Dycio, Warren Bogan, Bill & Betty Henne, Dan Berg, Dee Hoadley, Gerald Mills, Cheri Bogan, Dee Janz, Jerry & Janet Simpson, Connie Foster, Jeff Willard, Sandra & Carl VanWagner, Doug Kuebler, Larry Holecheck, Marilyn Morehead, Scott Pugh, Robin Pugh, Dave Zipp, Ed Bajos, Julie Collard, Doug McComb, Carl Harmon, Laurie Abi-Saab, Rebecca Berg, Chris Reinford, Bob Jess, Rex Greenslade, Anne Kantola.

**REVIEWED AGENDA** – Ron VanZee made a motion, supported by Matt Cunningham to approve the agenda as amended. Motion carried.

**PUBLIC COMMENT** was taken on borrowing money, project management, supervisor statutory duties, bid for trees, review of contracts, stop boat launch project, community support, recall signatures, democracy, propaganda, limited parking, vote of the people, lack of handicapped access, overview of handicap accessibility, bankruptcy, cost of park, moving, financial burden, lack of services, cafeteria building, pitt toilets, rising costs, costs locked in by contract.

**SIGNATURES** – Paul Hoadley made a motion, support by Marlene Golovich to strike “Supervisor” from the paragraph “IN WITNESS WHEREOF, the Township, by its Board, has caused this note to be signed in its name with the [manual/facsimile] signatures of its Supervisor and its Township Clerk and [a facsimile of] its corporate seal to be [affixed/printed] hereon, all as of the Date of Original Issue.” and replace “Supervisor” with “Township Treasurer”

Yays: Matt Cunningham, Paul Hoadley, Ron VanZee, Robbin Kraft, Marlene Golovich

Nays:

Motion carried

**GRANT ANTICIPATION NOTE-** Marlene Golovich made a motion, supported by Paul Hoadley to adopt the following resolution as amended by the Board

WHEREAS, the Township of Hayes, County of Charlevoix, State of Michigan (the “Township”), has determined that it is necessary to acquire, construct, furnish and equip a boat launch and fishing pier on Lake Charlevoix, together with all necessary interests in land, appurtenances and attachments thereto (the “Project”); and

WHEREAS, the cost of the Project is estimated to be not less than One Million Five Hundred Twenty-Three Thousand Dollars (\$1,523,000); and

WHEREAS, the Township has been awarded multiple grants which collectively total more than Nine Hundred Thousand Dollars, including a Michigan Department of Natural Resources (“MDNR”) Land and Water Conservation Fund Grant in the amount of One Hundred Fifty Thousand Dollars (\$150,000) and a MDNR Waterways Grant in the amount of Four Hundred Eighty-Three Thousand Dollars (\$483,000) (together, the “Grants”); and

WHEREAS, Section 415 of Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), permits a municipality to issue a short-term security in anticipation of receipt of grants from the state and permits a municipality to pledge the taxes or other revenues of the municipality and the proceeds of the grants for the payment of the principal of and interest on such note; and

WHEREAS, the Township Board (the “Board”), deems it necessary to borrow the principal amount of not to exceed Two Hundred Fifty Thousand Dollars (\$250,000), and issue its General Obligation Limited Tax Note, Series 2018 (the “Note”) pursuant to Act 34, in anticipation of the receipt of the Grants to pay certain costs of the Project coming due prior to the receipt of the Grant proceeds; and

WHEREAS, the Township has received an offer from Charlevoix State Bank, Charlevoix, Michigan (the “Purchaser”), to purchase the Note pursuant to a negotiated sale and the Township Board desires to authorize the Supervisor, Township Clerk or Township Treasurer (each, an “Authorized Officer”) to effectuate the sale of the Note to the Purchaser.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Necessity for Note; Authorization of Note; Note Terms. The Township Board declares that it is necessary for the Township to issue its Note in anticipation of the receipt of the Grants in order to pay certain costs of the Project and to reimburse the Township for expenditures made with respect to the Project prior to the receipt of the Grants.

A note of the Township designated GENERAL OBLIGATION LIMITED TAX NOTE, SERIES 2018 (the “Note” or the “Note”), is authorized to be issued in the principal amount of Two Hundred Fifty Thousand Dollars (\$250,000) in anticipation of the receipt of the Grants. The Note shall be issued in fully-registered form in the denomination of \$250,000 or such lesser amount as provided hereafter and shall be dated as of the date of delivery thereof. The Note shall not be convertible or exchangeable into more than one fully-registered note.

The Note shall be payable on March 1, 2019 (the “Payment Date”). The Note shall bear interest from the date of delivery at an interest rate of 2.75% per annum. Interest on the Note shall be payable on the Payment Date to the registered owners of record as of the fifteenth (15th) day prior to the Payment Date. The principal of the Note shall be payable on the Payment Date upon presentation and surrender to the Paying Agent (as hereafter defined).

The Note shall be subject to redemption prior to maturity, at the option of the Township, in whole or from time to time in part, in multiples of \$1,000, on any date at a redemption price equal to par plus accrued interest to the date fixed for redemption

2. Execution of Note. The Note shall be executed in the name of the Township with the manual or facsimile signatures of any two of the Authorized Officers and shall have the seal of the Township, or a facsimile thereof, impressed or printed on the Note. If a Paying Agent is appointed, the Note shall be delivered to the Paying Agent for authentication, if necessary, and be delivered by the Paying Agent to the purchaser or other person in accordance with instructions from the Township Supervisor or the Township Treasurer upon payment of the purchase price for the Note. If a Paying Agent is not appointed, the Note shall be delivered to the Purchaser as provided in this resolution.

3. Payment of Note; Paying Agent; Transfer of Note. Principal of and interest on the Note shall be payable in lawful money of the United States of America by check, draft or electronic transfer by the Township Treasurer (the "Paying Agent") to the registered owner of the Note at the address shown on the registration books of the Township kept by the Paying Agent. The Township may designate a new Paying Agent by notice mailed to the registered owner of the Note at such time outstanding not less than sixty (60) days prior to an interest payment date. Each Authorized Officer is hereby authorized to execute an agreement with the Paying Agent on behalf of the Township.

The Paying Agent shall keep the books of registration for this issue on behalf of the Township. Any Note may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Note for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Note shall be surrendered for transfer, the Township shall execute and the Paying Agent shall authenticate and deliver a new Note for like aggregate principal amount. The Paying Agent shall require the payment by the noteholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer

4. Security for the Note; Limited Tax Pledge; Debt Retirement Fund. The Township hereby pledges the proceeds of the Grants for prompt payment of the principal of and interest on the Note. As additional security for the Note, principal and interest, the Township hereby pledges its limited tax full faith and credit for the prompt payment of the Note, and the Township shall budget each year the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Note and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the Township in the amount necessary to pay such debt service in said fiscal year, subject to applicable constitutional and statutory tax rate limitations.

The Township Treasurer or designee is hereby authorized and directed to open a depository account with a Michigan bank or trust company or to create an account on the books of the Township to be designated 2018 GOLT NOTE DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Note on the Payment Date.

5. Construction Fund; Proceeds of Note Sale. The Township Treasurer or designee is hereby authorized and directed to open a separate depository account with a Michigan bank or trust company or to create an account on the books of the Township to be designated 2018 CAMP SEAGULL CONSTRUCTION ACCOUNT (the “Construction Account”) and deposit into the Construction Account the proceeds of the Note, less the premium, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Account shall be used solely to pay the costs of the Project and the costs of issuance of the Note.

6. Note Form. The Note shall be in substantially the following form:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MICHIGAN UNIFORM SECURITIES ACT, AS AMENDED, IN RELIANCE UPON EXEMPTIONS THEREUNDER. ANY RESALE OR OTHER TRANSFER OF THIS NOTE MAY BE MADE ONLY UPON REGISTRATION UNDER SUCH ACTS OR IN AN EXEMPT TRANSACTION UNDER SUCH ACTS AND UPON COMPLIANCE WITH THE CONDITIONS SET FORTH HEREIN AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THOSE ACTS OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE.]

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF CHARLEVOIX

TOWNSHIP OF HAYES

GENERAL OBLIGATION LIMITED TAX NOTE, SERIES 2018

<u>Interest Rate</u> <u>Original Issue</u>	<u>Maturity Date</u>	<u>Date of</u>
2.75% 2018	March 1, 2019	[June __],

Registered Owner: Charlevoix State Bank

Principal Amount: Two Hundred Fifty Thousand Dollars

The TOWNSHIP OF HAYES, County of Charlevoix, State of Michigan (the “Township”), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assign, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, with interest thereon from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, payable on March 1, 2019. Principal of this note is payable at the corporate trust office of Charlevoix State Bank, Charlevoix, Michigan, or such other paying agent as the

Township may hereafter designate by notice mailed to the Registered Owner not less than sixty (60) days prior to the interest payment date (the "Paying Agent"). Interest on this note is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the Township kept by the Paying Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this note, both principal and interest, the full faith, credit and resources of the Township are hereby irrevocably pledged.

This note is issued in the principal amount of \$250,000, for the purpose of paying part of the cost to acquire, construct, furnish and equip a boat launch and fishing pier on Lake Charlevoix, together with all necessary interests in land, appurtenances and attachments thereto (the "Project"). This note is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and a duly adopted resolution of the Township.

This note shall be subject to redemption prior to maturity, at the option of the Township, in whole or from time to time in part, in multiples of \$1,000, on any date at a redemption price equal to par plus accrued interest to the date fixed for redemption.

Unless waived by the registered owner of record, notice of redemption of this note shall be given at least ten (10) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Paying Agent. The note or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Paying Agent to redeem said note or portion thereof.

In case less than the full amount of the outstanding note is called for redemption, the Paying Agent, upon presentation of the note called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new note in the principal amount of the portion of the original note not called for redemption.

This note is transferable only upon the registration books of the Township kept by the Paying Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this note together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered note in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this note and upon the payment of the charges, if any, therein prescribed.

This note, including the interest hereon, is payable from the proceeds of grants to be received by the Township to pay the costs of the Project and to retire the note. This note, including the interest hereon, is also payable as a first budget obligation from the general funds of the Township, including, if necessary, the levy of ad valorem taxes on all taxable property in the Township for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this note exist and have been done and

performed in regular and due form and time as required by law, and that the total indebtedness of the Township, including this note, does not exceed any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the Township, by its Board, has caused this note to be signed in its name with the [manual/facsimile] signatures of its Township Treasurer and its Township Clerk and [a facsimile of] its corporate seal to be [affixed/printed] hereon, all as of the Date of Original Issue.

#### TOWNSHIP OF HAYES

Yays: Paul Hoadley, Robbin Kraft, Marlene Golovich

Nays: Ron VanZee

Recused: Matt Cunningham

**NOTICE OF AWARD**- Supervisor VanZee asked Engineer Jim Malewitz to give an overview of the current project. Jim addressed the rising construction costs stating the prices are locked in by the contract. Jim stated the entrance is being moved to the east side of the property as required by the Road Commission, the road to the overflow parking will be gravel, the design calls for retaining walls to reduce the number of trees being removed, the wetlands are being avoided, days use parking at the lower level is ADA compliant as well as the fishing pier and restrooms. One railing on the hill has been removed and if finances allow should be put back in or the walkway barricaded until they can be installed. The railings cost is \$14,000. A skid dock that can be moved in and out to accommodate water levels is being used. Clean, handicapped accessible vault toilets will be installed. Three rain gardens are being used to filter runoff water before entering the lake. The road and parking lots are graded towards the rain gardens. Grading will be done so kayak launch can be used in the future and will allow for grass day parking. There are 12 paved day parking places (2 handicap). The parking was reduced to provide more open space and reduce the amount of asphalt at the lake. The wall along the beach will have a railing. There will not be a retaining wall at the back so no railing will be needed. The area is to be sloped. No conduit will be provided for future use. There will be electricity at the launch. All items removed from the project could be added back in if finances become available. A winter barrier could also be provided in two areas for a cost of \$2000. Each. All overflow parking at the top will be grass and the excavated areas will be seeded and mulched. All removed items are designed so they can be put back in if it is financially possible.

Paul Hoadley made a motion, supported by Robbin Kraft to approve the Notice of Award to MDC Contracting LLC for the Hayes Township Park Camp Sea-Gull Infrastructure Construction Phase I contract No. 10-4130 and to authorize the Township Treasurer and the Township Clerk to sign the contract on behalf of the Township after MDC Contracting LLC has met the requirements of the Notice of Award.

Yays: Paul Hoadley, Robbin Kraft, Marlene Golovich

Nays: Ron VanZee

Recused: Matt Cunningham

Marlene Golovich made a motion, supported by Robbin Kraft to adjourn at 8:53 p.m. Motion carried.

Respectively submitted

Marlene Golovich  
Hayes Township Clerk

Minutes approved as written June 11, 2018