

**Lake Linden Village Council
Regular Meeting
March 14th, 2006**

The Lake Linden Village Council met on the

supported by Trustee Heide to accept the bid from the Pinis for the Lot. Poll vote: Yes; Fisher, Heide, Frohmader, Hoffman, Friendewey, Pummill and Aittama. No; None. Motion was carried.

Clerk Poirier introduced the Act 51 map from the state with the roads and mileage for determining Act 51 payments from the State. After a brief review two additions were discussed. The extension of Garden Street in the Sibilsky Acres II plat, which had been constructed last summer and fall, and the block of Hecla Street from D Street to E Street were to be added. A motion was then made by Trustee Friendewey and supported by Trustee Fisher to approve the map with the addition of Hecla Street from D Street to E Street and the extension of Garden Street in the Sibilsky II plat. All were in favor. Motion was carried.

Clerk Poirier introduced a proposal from Keweenaw Scrap Metal to conduct a scrap-metal pick-up as soon as it could be scheduled in the village. After a brief discussion it was found that they would even pick up refrigerant items. A motion was made by Trustee Pummill and supported by Trustee Fisher to accept KSM offer and schedule a pick-up in the village as soon as possible.

Clerk Poirier introduced a sample resolution from MetLife. He said that it was a mandatory amendment to the Village's 457b retirement plan that would allow automatic rollovers into existing IRAs for employees. This amendment is required by law and is not included in the current agreement. A motion was made by Trustee Fisher and supported by Trustee Friendewey to approve the resolution as presented in the sample. All were in favor. Motion was carried.

Clerk Poirier introduced a proposal from Range Bank to get the village accounts back from Superior National Bank. The numbers had not yet been reviewed but the executive committee was directed to review them. A motion was made by Trustee Pummill and supported by Trustee Heide to give the executive committee authority to approve the change if it was determined the change was beneficial. All were in favor. Motion was carried.

Clerk Poirier read a letter from the State Historic Preservation Office regarding the streetscape impact on the historical aspect of the downtown. It found no significant impact. No further action was necessary.

Clerk Poirier read an email from Kim Hoaklund regarding the pursuit of the Lake Linden downtown seeking National Historic designation. Trustee Fisher said she had been working on that possibility but that no action was required at this point and was only included to inform the Council that the possibilities were being investigated.

Clerk Poirier also said that the Coastal management program was soliciting a new round of grant applications for 2007. It was referred to the recreation committee for review.

Committee Reports:

Finance (Chair: Trustee Friendewey):

Trustee Friendewey informed the council that there was a meeting with the Clerk to discuss cash flow issues during the spring. He said items were identified as necessary to watch but no drastic action was being considered at this time.

The following preamble and resolution were offered by Member Friendewey and supported by Member Heide:

WHEREAS, the Village Council (the "Village Council") of the Village of Lake Linden, County of Houghton, State of Michigan (the "Village") caused a notice of intent (the "Notice of Intent") to issue bonds in an amount not to exceed One Hundred Twenty-Five Thousand Dollars (\$125,000) for the purpose of paying part or all of certain public improvements within the downtown area including generally street lighting, sidewalks, crosswalks, roadway improvements, curb, gutter, landscaping, a pavilion, and related attachments and appurtenances (the "Project") to be published in the *Daily Mining Gazette*; and

WHEREAS, the Notice of Intent was in due form and the manner of the publication of the Notice of Intent was the method best calculated to give notice to the Village's taxpayers and electors of the Village Council's intent to issue the bonds described therein, the purpose of said bonds, the security for said bonds, and the right of referendum relating thereto; and

WHEREAS, at least 45 days have elapsed since the date of publication of the Notice of Intent without the filing of a petition for referendum on the question of the sale and issuance of the bonds described in the Notice of Intent; and

WHEREAS, pursuant to Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), the Village is authorized to issue and sell not to exceed \$125,000 principal amount of bonds to finance the Project in one or more series; and

WHEREAS, the Board has determined that a series of bonds of the Village in the principal amount of not to exceed One Hundred Twenty-Five Thousand Dollars (\$125,000) should be issued to pay for part of the cost of the Project; and

WHEREAS, the aggregate outstanding balance of municipal securities issued under Section 517 of Act 34 by a Village shall not exceed 5% of the state equalized valuation of the property assessed in that Village, and the outstanding balance of all municipal securities issued under Section 517 of Act 34 by the Village will not exceed this limit after the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the Village designated 2006 GENERAL OBLIGATION STREETScape BONDS (LIMITED TAX) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed One Hundred Twenty-Five Thousand Dollars (\$125,000) for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$1,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of date of delivery, or such other date as determined upon the sale of the Bonds. The Bonds shall mature, be subject to redemption and be payable at the times and in the manner as set forth in Exhibit A hereof. The Bonds shall bear interest as provided in the sale order adopted at the time the Bonds are sold (the "Sale Order").

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Village to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at Range Bank Copper Country, Lake Linden, Michigan, which is hereby selected to act as the transfer agent for the bonds (the "Transfer Agent").

2. Execution of Bonds. The Bonds shall be executed in the name of the Village with the facsimile signatures of the President and Clerk and shall have the seal of the Village, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the President and Village Clerk upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the Village. Any Bond 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 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Village shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Village. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The Village hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The Village anticipates that it shall pay a portion of principal of and interest on the Bonds from tax increment revenues received from the Lake Linden Downtown Development Authority (the "DDA"). The Village shall, each year budget an amount which when combined with the tax increment revenues received from the DDA will be sufficient to pay the debt service coming due in the next fiscal year on the principal of and interest on the Bonds 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 Village subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer of the Village (the "Treasurer") is authorized and directed to open a depository account with a bank or trust company, to be designated 2006 GENERAL OBLIGATION STREETScape BONDS (LIMITED TAX) 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 Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of and interest on the Bonds, shall be deposited in trust, this Resolution shall be defeased and the owners of the Bonds

shall have no further rights under this Resolution except to receive payment of the principal of and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Project Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company, to be designated 2006 GENERAL OBLIGATION STREETSCAPE BONDS (LIMITED TAX) PROJECT FUND (the "Project Fund") and deposit into said Project Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Project Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:
(*NOTE: Bond and bond forms will be inserted here as attachment following issue.)

7. Negotiated Sale. The Village hereby declares that it shall pursue a negotiated sale because of the opportunities provided by a negotiated sale to select and adjust terms for the Bonds and to price and sell the Bonds at the times that may be expected to best achieve the most advantageous interest rates, lowest issuance costs and the opportunity to prepay the principal of the Bonds without premium. The President and the Village Clerk are each hereby authorized to accept an offer to purchase the Bonds from a financial institution within the parameters set forth in this Resolution and to execute a Sale Order authorizing the sale of the Bonds.

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than fifteen (15) years.

9. Tax Covenant; Qualified Tax Exempt Obligations. The Village shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds. The Village hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

10. Retention of Bond Counsel. The Village hereby reaffirms its retention of Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield") as Bond Counsel with respect to the Bonds and directs Miller Canfield to prepare all appropriate documents as shall be necessary or appropriate in connection with the issuance of such Bonds. The legal fees of Miller Canfield shall be paid from the proceeds of the sale of such Bonds.

11. Authorization of Other Actions. The President and the Village Clerk are each hereby authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, to enable the sale and delivery of the Bonds as contemplated herein, including but not limited to (a) obtaining ratings on the Bonds; (b) taking all other actions necessary or advisable, and to make such other filings with the Michigan Department of Treasury or with other parties, to enable the sale and delivery of the Bonds as contemplated herein; and (c) adjusting the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing each is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this

Resolution, the interest rate per annum on the Bonds shall not exceed five percent (5%), and the Bonds shall be payable in not more than fifteen (15) principal installments.

12. Severability. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such paragraph, section, clause or provision shall not affect any of the other provisions of this Resolution. Section headings are inserted for convenience of reference only and shall not be considered to be a part of this Resolution.

13. Conflicting Actions. All resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

AYES: Members: Friendewey, Heide, Fisher, Hoffman, Frohmader, Pummill, Aittama.

NAYS: None

RESOLUTION DECLARED ADOPTED.

Robert Poirier
Village Clerk

Trustee Fisher also said that he had contacted Hitch Engineering to finalize the second grant application to the Americana Foundation for work on the north and south faces of the village hall. He said the application would be submitted before the April 10th deadline.

Public Safety(Chair: Trustee Hoffman):

Trustee Hoffman introduced the police report. A motion was made by Trustee Fisher and supported by Trustee Pummill to accept the police report as read. All were in favor. Motion was carried.

Downtown Development Authority:

A vacancy still existed on the DDA Board and DDA Chairperson Steve Pummill said the search was continuing to fill that spot.

Torch Lake Area Sewage Authority

President Aittama informed the Council that the cost for televising the system was \$75,000. The purpose was to find the inflow problems and to determine the course of action necessary to address those problems.

Lake Linden Housing Commission

President Aittama stated that he had been approached by Robert Lange to fill a seat on the Housing Commission Board. After a brief discussion President Aittama recommended Mr. Lange for the appointment. A motion was made by Trustee Friendewey and supported by Trustee Fisher to appoint Mr. Lange to the LLV Housing Commission to replace Edward Fisher, who had been appointed to the Board in an interim capacity, following the March 15th meeting. All were in favor. Motion was carried.

Houghton County Historical Museum:

No report.

Torch Lake Area Fire Protection Authority:

Trustee Heide said the Authority was meeting on March 16th to pay bills.

Late Agenda Items:

None.

New Business:

None.

Old Business:

None.

Announcements:

None.

Adjournment:

Trustee Hoffman supported by Trustee Friendewey made a motion to adjourn the meeting at 7:13 pm. All were in favor. Meeting adjourned.

There were 7 members of the public in attendance.

James M. Aittama, President

Robert A. Poirier, Village Clerk