

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE COUNCIL MEETING
DATE 11/08/2010**

The meeting was called to order at 7:00 p.m. by Mayor Abrams in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance to the Flag.

Councilmembers Present: Abrams, Binder, Hicks, Hurt, Krueger, Shumaker.

Councilmembers Absent: Porath.

Staff Present: City Manager Paul Bueche, Deputy City Clerk Mary Jo Clark, DPS Director Tom Svrcek, City Engineer Lou Fleury.

Others Present: Boots Abrams, Sharon Shumaker, Tommy Butler, Steve Shumaker, Joe Graves, Denise Graves, Ron Schultz, Shirley Oliver, Brent Cole, Pam Hill, Chrystal Simpson.

Resolution No. 101108-01

(Carried)

Motion by Councilmember Krueger
Second by Councilmember Hicks

I Move the Swartz Creek City Council excuse the absence of Mayor Pro-Tem Porath for the November 8th and November 9th, 2010 meetings due to work obligations.

YES: Binder, Hicks, Hurt, Krueger, Shumaker, Abrams.
NO: None. Motion Declared Carried.

Adopt Mayoral & Pro-Tem Election Process

Resolution No. 101108-02

(Carried)

Motion by Councilmember Abrams
Second by Councilmember Hurt

I Move the Swartz Creek City Council adopt the following selection procedure for the Offices of Mayor and Mayor Pro-Tem:

1. The City Clerk will accept verbal nominations for all candidates of the respective post. Support for the nominee is not required.
2. A roll call vote of each Councilmember will be conducted by the Clerk. Councilmembers will name a single choice for the respective post.
3. Four votes shall be required of a nominee to be selected as Mayor and Mayor Pro-Tem.

4. If four votes are not cast for a candidate, the process will be repeated.
YES: Hicks, Hurt, Krueger, Shumaker, Abrams, Binder.
NO: None. Motion Declared Carried.

Election Mayor

Resolution No. 101108-03

(Carried)

Nomination of Councilmember Abrams by Councilmember Hurt for the office of Mayor, term expiring November 8, 2012.

No other nominations.

Vote to elect Mayor:

YES: Hurt, Krueger, Shumaker, Abrams, Binder, Hicks.
NO: None. Motion Declared Carried.

Councilmember Abrams declared Mayor, with the term expiring November 8, 2012.

Resolution No. 101108-04a

(Failed)

Nomination of Councilmember Krueger by Councilmember Hurt for the Office of Mayor Pro-Tem.

Nomination of Councilmember Hicks by Councilmember Binder for the Office of Mayor Pro-Tem.

Nomination of Councilmember Shumaker by Councilmember Shumaker for the Office of Mayor Pro-Tem.

Vote to elect Mayor Pro-Tem:

Krueger: Krueger, Hurt, Abrams.
Hicks: Hicks, Binder.
Shumaker: Shumaker.

Motion Failed. Four votes were not cast for one Councilmember.

Resolution No. 101108-04b

(Carried)

Nomination of Councilmember Krueger by Councilmember Hurt for the Office of Mayor Pro-Tem.

Nomination of Councilmember Hicks by Councilmember Binder for the Office of Mayor Pro-Tem.

Nomination of Councilmember Shumaker by Councilmember Shumaker for the Office of Mayor Pro-Tem.

Second vote for Mayor Pro-Tem:

Krueger: Krueger, Hurt, Binder, Abrams, Shumaker.
Hicks: Hicks.
Shumaker: None.

Councilmember Krueger declared Mayor Pro-Tem, with the term expiring November 8, 2012.

APPROVAL OF MINUTES

Resolution No. 101108-05

(Carried)

Motion by Councilmember Krueger
Second by Councilmember Hurt

I Move the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting, held October 25, 2010, to be circulated and placed on file.

YES: Krueger, Shumaker, Abrams, Binder, Hicks, Hurt.
NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 101108-06

(Carried)

Motion by Councilmember Shumaker
Second by Councilmember Hurt

I Move the Swartz Creek City Council approve the Agenda, as printed, for the Regular Council Meeting of November 8, 2010 to be circulated and placed on file.

YES: Shumaker, Abrams, Binder, Hicks, Hurt, Krueger.
NO: None. Motion Declared Carried.

REPORTS AND COMMUNICATIONS:

City Manager's Report

Resolution No. 101108-07

(Carried)

Motion by Councilmember Hicks
Second by Councilmember Hurt

I Move the Swartz Creek City Council approve the City Manager's Report of November 8, 2010, to be circulated and placed on file.

YES: Shumaker, Abrams, Binder, Hicks, Hurt, Krueger.
NO: None. Motion Declared Carried.

All other reports and communications were accepted and placed on file.

MEETING OPENED TO THE PUBLIC:

City Manager Bueche introduced the new Flint Journal reporter, Roberto Acosta.

Tommy Butler, 40 Somerset, questioned if there was a law in the City that prohibits jaywalking. City Manager Bueche stated that there was.

COUNCIL ORGANIZATIONAL ACTIVITIES

Designation of Depository, Investment Policy

Resolution No. 101108-08

(Carried)

Motion by Councilmember Binder
Second by Mayor Pro-Tem Krueger

I Move the Swartz Creek City Council adopt the Investment Policy and Designation of Depository for City Funds, as follows:

**CITY OF SWARTZ CREEK
INVESTMENT & CASH MANAGEMENT POLICY
November 8, 2010**

I. POLICY

It is the policy of the City of Swartz Creek to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City of Swartz Creek and conforming to all State statutes and local ordinances governing the investment of public funds.

II. SCOPE

Swartz Creek and any new fund created by the local unit, unless specifically exempted by the City Council. These assets are accounted for in the City of Swartz Creek's annual financial report.

III. INVESTMENT OBJECTIVES

The following investment objectives, in priority order, will be applied in the management of the City of Swartz Creek's funds.

Safety

The primary objective of the City of Swartz Creek's investment activities is the preservation of capital in the overall portfolio and the protection of investment principal.

The authorized investment staff will employ mechanisms to control risks and diversify investments regarding specific security types or individual financial institutions.

Liquidity

The investment portfolio will remain sufficiently liquid to enable the City of Swartz Creek to meet operating requirements, which might be reasonably anticipated.

Return on Investment

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio. Return on investments shall be of secondary importance compared to the safety and liquidity objectives above.

IV. PRUDENCE

In managing its investment portfolio, City of Swartz Creek officials shall avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the overall portfolio. Investment officers of the City of Swartz Creek, acting in accordance with State statute, this Investment policy, written procedures as may be established, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

V. DELEGATION OF AUTHORITY

Authority to manage the City of Swartz Creek's investment program is derived from State statutes.

Responsibility for the investment program is hereby delegated to the City Manager, or his designated representative hereinafter referred to as investment officer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. The Investment Officer shall be responsible for all transactions undertaken, and

shall establish a system of controls to regulate the activities of subordinate officials.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair--or create the appearance of an impairment on--their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the unit, and they shall further disclose any large personal financial investment positions that could be related to the performance of the City of Swartz Creek's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City of Swartz Creek, particularly with regard to the time of purchases and sales.

VII. SAFEKEEPING AND CUSTODY

1. Authorized Financial Dealers and Institutions - The Investment Officer will maintain a list of financial institutions. In addition, a list will also be maintained of approved security broker/dealers selected by credit-worthiness, who maintain an office in the State of Michigan or who are "primary" dealers or regional dealers that qualify under Securities and Exchange Commission rule 15C3-1 (uniform net capital rule.) No public deposit shall be made except in a qualified public depository as established by State law.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements for the most recent fiscal year; certification of having read and agreeing to abide by the City of Swartz Creek's investment policy and the pertinent State statutes; proof of National Association of Security Dealers certification; and proof of State registration, where applicable.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Finance Director. Information indicating a loss or prospective loss of capital on existing investments must be shared with the City Manager of the City of Swartz Creek immediately upon notification.

2. Internal Controls - The Investment Officer shall establish a system of internal controls, documented in writing, which is designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. The internal control structure shall be designed to provide reasonable assurance that these objectives are

met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

All securities purchased by the City of Swartz Creek under this section shall be properly designated as an asset of the City and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Investment Officer as authorized herein, or by respective designees.

Internal controls will also encompass at a minimum the additional issues:

separation of functions including transaction authority from accounting and record-keeping, delegation of authority to subordinate staff members written confirmation of telephone transactions, specific guidelines regarding securities losses and remedial action, documentation of decisions made at the committee level and avoidance of physical delivery securities. Further all confirming written transactions shall be signed by the Investment Officer or Finance Director.

3. Delivery vs. Payment – all trades will be executed by delivery vs. payment to ensure that securities are deposited in an eligible financial institution prior to release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

The City of Swartz Creek will execute third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements will include letters of authority from the City of Swartz Creek, details as to responsibilities of each party, notification of security purchases, sales, delivery, repurchase agreements and wire transfers, safekeeping and transactions costs, procedures in case of wire failure or other unforeseen mishaps including liability of each party.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

1. The City of Swartz Creek is empowered by State statute (1988 Public Act 239, M.C.L. 129.91) to invest in the following types of securities:

- a. Bond, securities, and other obligations of the United States, or an agency or instrumentality of the United States including securities issued or guaranteed by the Government National Mortgage Association;
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration, but only if the bank, savings and loan or credit

union is eligible to be a depository of surplus funds belonging to the state under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended;

- c. In United States government of federal agency obligation repurchase agreements.
- d. In banker's acceptances of United States banks;
- e. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by the City. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.
- f. Investment pools through an interlocal agreement under the urban cooperation act of 1967, 1967 (Excess) PA 7, MCL 124.501 to 124.512. All of the pools are limited to investments described in Sections a-f.
- g. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118. All of the pools are limited to investments described in Sections a-f.

2. The Investment Officer is restricted to investments which meet the statutory restrictions above and limitations on security issues and issuers as detailed below:

- a. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the City has negotiated a Master Repurchase Agreement or with the City of Swartz Creek's primary bank. Repurchase Agreements must be signed with the bank or dealer and must continue provisions similar to those outlined in the Public Security Association's model Master Repurchase Agreement.
- b. Certificates of Deposit shall be purchased only from financial institutions, which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982).
- c. To the extent possible, the investing officer will attempt to match investments with anticipated cash flow requirements. Specific City Council approval is necessary for investments exceeding eighteen months. Unless matched to a specific cash flow requirement, the City of Swartz Creek will not directly invest in securities maturing more than 10 years from the date of purchase. No more than 25 percent of the City of Swartz Creek's total investment portfolio shall be placed in securities maturing in more than 10 years. No more than 50 percent of investment vehicles maturing in any given

month shall be of non-liquid nature (non-negotiable CD's, commercial paper, etc.)

- d. No more than 50 percent of any one fund's surplus operating cash may be invested in commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase; Commercial Paper held in the portfolio which subsequently receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized.
- e. Investments will be diversified by security type and institutions. With the exception of U.S. treasury securities and authorized investment pools (as a long term investment program), no more than 50 percent of the total investment portfolio will be invested in a single security type or with a single financial institution. With the exception of using affiliates of the major Banking Institute and upon receipt of written confirmation that funds are fully insured when held by the affiliates.

Excluding the Property Tax Bank Account, with 100 percent of funds being deposited with the City of Swartz Creek's major Banking Institute with monies in the checking and Municipal Governmental Cash Investment Fund to be liquid and transferable to the respective taxing agencies on a biweekly basis during the tax collection period.

Excluding amounts pooled in the Commercial Sweep Account and held for less than 91 days which will remain liquid and transferable to meet financial obligations associated with daily operations.

IX. CASH MANAGEMENT

The City of Swartz Creek's Policy regarding cash management is based upon the realization that there is a time-value to money. Temporarily idle cash may be invested for a period of one day to an excess of one year depending upon when the money is needed. Accordingly, the Finance Director shall prepare a written cash management procedure which shall include, but not be limited to, the following:

Cash Forecast: At least annually, a cash forecast shall be prepared using expected revenue sources and items of expenditure to project cash requirements over the fiscal year. The forecast shall be updated from time to time to identify the probable investment balances that will be available.

Pooled Cash: Except for cash in certain restricted and special accounts, the investment officer may pool cash of various funds to maximize investment earnings. Investment income shall be allocated to the various funds based upon their respective participation.

X. INVESTMENT PERFORMANCE AND REPORTING

All investment transactions shall be recorded in the various funds of the City of Swartz Creek in accordance with Generally Accepted Accounting Principles as declared by the Government Accounting Standards Board.

The Investment Officer shall submit a semi-annual investment report to the City Manager that provides the principal and type of investment, annualized yield, earnings for the period, market price and a summary report of cash and investments maintained in each financial institution.

Performance of the portfolio shall be reported periodically and submitted to the City Manager. Reports shall include details of the characteristics of the portfolio as well as its performance for that period. Reports shall be submitted at a minimum on an annual basis. Material deviations from projected investment strategies shall be reported immediately to the city manager.

XI. INVESTMENT POLICY ADOPTION

The City of Swartz Creek investment policy shall be adopted by resolution of the City of Swartz Creek legislative authority. Modifications made at any time or when necessitated by State statutory revision must be approved by the legislative authority of the City of Swartz Creek. Investments conforming to the investment policy guidelines prior to any amendatory act are hereby validated.

XII. DESIGNATION OF DEPOSITORY

The Swartz Creek City Council designates the following banking-financial institutions and their affiliates as depositories for City funds:

Ann Arbor Commerce Bank
Bank of America
Bank of Holland (Michigan)
Bank of Northern Michigan
Blissfield State Bank
Byron Center State Bank, Michigan
Chelsea State Bank
Chemical Bank
Citizens Bank
Comerica Bank
Community Shores Bank – Muskegon
Dart Bank
Fifth Third Bank
Federated Investors
Financial Plus Federal Credit Union
Flagstar Bank – Troy
Founders Bank & Trust

H & R Block Financial Services
Hillsdale County National Bank
JP Morgan Chase
MBIA “Class” Client Services
Mercantile Bank
Merrill Lynch
Michigan Commerce Bank
Multi-Bank Securities
PNC Bank
Sagelink Credit Union
Smith Barney Citigroup
Sterling Bank & Trust Co.
Tri-County Bank
West Michigan National Bank & Trust
Wolverine Bank

Discussion Ensued.

YES: Abrams, Binder, Hicks, Hurt, Krueger, Shumaker.
NO: None. Motion Declared Carried.

Council Organizational Activities: General Operating Procedures

Resolution No. 101108-09

(Carried)

Motion by Councilmember Hurt
Second by Councilmember Shumaker

I Move the Swartz Creek City Council adopt the Designation of Publication and the General Council Operating Procedures, as follows:

DESIGNATION OF PLACE OF PUBLICATION

The Swartz Creek City Council designates The Flint Journal, The Swartz Creek-Flint Township News and the Swartz Creek View as newspapers of general circulation for publication of legal notices for the City of Swartz Creek. Additionally, the City designates the City website at www.cityofswartzcreek.org as electronic posting locations for City Publications.

GENERAL COUNCIL OPERATING PROCEDURES

MEETING OPENED TO THE PUBLIC

All Council meetings except otherwise allowed by law shall be open to the public and shall be subject to the provisions of Act 267 of the Public Acts of the State of Michigan of 1976, as amended.

REGULAR MEETINGS

The Council shall hold regular meetings at least two times per month. A twelve-month schedule of meetings preceding each fiscal year shall be adopted by the Council, on or before the last meeting in June.

SPECIAL MEETINGS

- A. Special meetings may be called by the City Clerk on the written request of the Mayor, City Manager, or any two (2) Councilmembers, by providing each Councilmember and the City Manager with eighteen (18) hours written notice served personally or left at his usual place of residence, or as applicable by The Open Meetings Act or other such statute.
- B. The written notice shall include the date, hour, meeting place, and the purpose for which the Special Meeting was called, and shall include related material where possible.
- C. Any special meeting at which all members of the Council are present or have waived notice thereof in writing shall be a legal meeting for all purposes.
- D. Business transacted at any special meeting shall be limited to subjects recited in the notice of such meetings.

QUORUM OF COUNCIL

Four members of the Council shall be a quorum for the transaction of business at all Council meetings. In the absence of a quorum, any number of members less than a quorum may adjourn any regular or special meeting to a later date or may compel the attendance of absent members (ref City Charter, Chapter 5, Section 5.5(c))

A majority of the full Council, or a $\frac{2}{3}$ "super" majority, where required, shall be necessary for the passage of any question before it (i.e. four (4) votes being a majority, or five (5) votes being a "super" majority where required. Ref City Charter Chapter 5, Section 5.12(c)).

MAINTAINING ORDER

Councilmembers shall preserve order and shall do nothing to interrupt or delay the proceedings of Council.

COUNCILMEMBER'S RIGHT TO SPEAK

- A. Right to Speak - The Mayor, or in his/her absence, the Mayor Pro-Tem, will have the responsibility to recognize a Councilmember's right to speak before the body.
- B. Discussion - A Councilmember may discuss any one subject in its order on the agenda for a maximum of five (5) minutes. After all Councilmembers who wish to speak have exercised their right to speak on the subject, a Councilmember may be heard a second time for a maximum of five (5) minutes. With the consent of a majority of Council, a Councilmember may be permitted to speak for a longer period of time.

- C. Privilege of Closing Discussion - The Councilmember moving the adoption of an Ordinance or Resolution shall have the privilege of closing the discussion after all Members wishing to speak on the subject have had the opportunity.
- D. The City Manager may speak on any subject before Council. He may answer questions about the administration of the municipality or he may ask another administrative officer to answer for him. All questions about internal operation of the municipal corporation shall be directed to the City Manager.
- E. Right to Appeal - Councilmember shall have the right to appeal from a decision of the Chair. A majority of Council will determine the matter.

RIGHT TO SPEAK UNINTERRUPTED

A Member duly recognized shall be allowed to speak on the topic under discussion for the prescribed time and may be interrupted if a point of order is raised. If the Councilmember is judged to be out of order, he must change his remarks or surrender his right to continue speaking.

ORDER OF BUSINESS

The order of business at regular council meetings is as follows. Deviation is permissible when special circumstances warrant so.

- 1. Call to Order:
- 2. Invocation and Pledge of Allegiance to the Flag:
- 3. Roll Call:
- 4. Approve Minutes, Previous Meeting:
- 5. Approve Agenda:
- 6. Reports & Communications To Council:
- 7. Meeting Opened to the Public:
- 8. Business:
- 9. Meeting Opened to the Public:
- 10. Remarks by Councilmembers:
- 11. Adjournment:

Note: Each Report on the Agenda, where necessary, will have an abstract after the title.

PREPARATION OF AGENDA

- A. The Agenda will be prepared by the City Manager with the assistance of the City Clerk.
- B. Material for the Agenda will be submitted to the City Clerk by Wednesday prior to the regular meeting.
- C. The finished Agenda for a regularly scheduled meeting, with associated material, shall be delivered to each Councilmember no less than forty-eight (48) hours prior to the meeting.

MOTIONS & RESOLUTIONS

A. All Motions and Resolutions, whenever possible, shall be pre-written and in the positive, meaning yes is approved and no is defeated. All motions shall require support. The Mayor will assign, by rotation, the reading of motions & resolutions. A Councilmember whom reads/moves for a motion may oppose, argue against or vote no on the motion.

B. To Adjourn

A Motion to adjourn is out of order under the following conditions:

1. When a vote is being taken.
2. If a person is speaking.
3. If the previous questions are ordered.
4. If repeated without the intervention of additional business.
5. Prior to midnight if all items on the agenda have not been completed.

An unqualified motion to adjourn shall not be debatable.

C. To Lay Question on the Table

A motion to lay on the table is not debatable and precludes amendments or debate on the subject under consideration. A motion to lay on the table cannot be reconsidered. A motion to take a subject from the table is not debatable.

D. Motion Calling for Previous Question

This motion is not debatable. When the previous question is called for there shall be no further amendments or debate and pending amendments shall be taken in their order before the main questions. A $\frac{2}{3}$ vote is required.

E. To Postpone To Another Time

This motion is debatable and may be amended as to time. All debate must be confined to its merit only and cannot go into the main question except for debate of the immediately pending question.

F. To Refer to Committee or Individual

This is debatable.

G. Amendments

1. Ordinance

An Ordinance may be amended when not in the hands of a City Board or Commission. If any section of an ordinance is amended after reading, the amended section will be read again.

2. Amendments

An amendment may be amended, but further amendments are out of order. Any amendment must be germane to original motion.

H. Motion to be Stated by the Chair.

When a motion is made and seconded, it shall be stated by the Chair before debate. All main motions shall be in written form if requested by a Member of the Council.

I. Withdrawal of Motion

1. A motion may be withdrawn by the person making the motion with the consent of the person seconding the motion if debate has not begun.
2. A motion may be withdrawn after debate with consent of the majority of Council.

PUBLIC ADDRESS OF COUNCIL

The public shall be allowed to address the Council under the following conditions:

1. Each person who wishes to address the Council will be first recognized by the Mayor and requested to state his / her name and address.
2. Individuals shall be allowed five (5) minutes to address the Council, unless special permission is otherwise requested and granted by the Mayor.
3. There shall be no questioning of speakers by the audience; however, the Council, upon recognition of the Mayor, may question the speaker.
- 4. No one shall be allowed to address the Council more than once unless special permission is requested, and granted by the Mayor.**
5. One spokesperson for a group attending together will be allowed five (5) minutes to address the Council unless special permission has been requested, and granted by the Mayor.
6. Those addressing the Council shall refrain from being repetitive of information already presented.
7. All comments and / or questions shall be directed to and through the Mayor.
8. Public Hearings. The Mayor may invoke the circulation and posting of the following rules for public hearings when, at his / her discretion, time or attendance numbers warrant its use:

PUBLIC HEARINGS

Public Hearings are held for the purpose of allowing community input on a specific piece of City legislation being considered for adoption by the City Council and/or Planning Commission. Citizen's comments will be considered by the Council/Commission in their deliberations following the closure of the public hearing. Procedure shall be as per the following:

1. Public remarks shall be limited to 5 minutes. An extra minute may be allowed by the chair for that person to conclude their statement.
2. No person may delegate his or her time or the balance of his or her time to another individual.
3. Remarks shall be restricted to the topic of the hearing.
4. No person may speak again until all others wishing to speak have had their turn.
5. Remarks must be directed to the Council/Commission and not to the public body.
6. Speakers need not to be a resident of the City of Swartz Creek.

7. Questions asked of the Council/Commission are not usually answered at this time, as it is the public's occasion to speak. However, the chair may rule that either a member of the Council/Commission or a member of City Staff may make a response, following the query.
8. Decorum shall be maintained.
9. Crude, lewd and/or profane speech is not permitted. Removal of an individual using this type of language shall be immediate.

MAYOR

The Council, at its first regular meeting following a regular city election, shall elect one of its members mayor for a term of two (2) years. The mayor shall preside at meetings of the Council, shall be the chief executive officer of the City insofar as required by law, and for all ceremonial purposes and shall have a vote on all matters, but no administrative duties or veto power. The Mayor shall sign ordinances, deeds, bonds, contracts and other such instruments as may require authentication under the provision of law and when authorized by the Council to do so. The Mayor shall perform only such duties as shall be specifically conferred or required by law.

MAYOR PRO-TEM

The Council shall choose one of its members Mayor Pro-Tem who shall act in the temporary absence or disability of the Mayor.

The Mayor Pro-Tem shall succeed to the office of Mayor in the case of a vacancy in the office of Mayor. The senior member of the Council from the standpoint of continuous service shall then act as Mayor Pro-Tem. As between persons of equal seniority, the person who received the highest number of votes at the time of his last election shall sit.

COMMITTEES

- A. The Mayor, with the advice and consent of Council, may appoint temporary committees whose membership may include persons not on Council.
- B. Committees will be appointed to study specific matters and a time limit shall be placed on the length of the study. The committee will make a report to the Council at the predetermined time. All committee reports upon which action is expected shall be in written form and copies shall be available to each member of Council.

VOTING RECORD OF COUNCIL

A vote upon all proposed ordinances and resolutions shall be taken by "YES" and "NO" vote and the vote of each Councilmember entered upon the journal, except that where the vote is unanimous it shall be necessary only to so state.

VOTING REQUIREMENTS

A Councilmember shall not vote on any question in which the Councilmember shall have a direct personal financial interest, other than as a citizen of the community,

but on all other questions the Councilmember shall vote, unless excused there from by a vote of at least six (6) of the members of Council.

MEETING MINUTES

A record shall be kept of all meetings and the actions taken at these meetings. The names of members present and those absent shall be part of the minutes. There shall be a journal of proceedings of all Council meetings, signed by the Mayor and City Clerk and to which the Public shall have access at all reasonable times.

SERGEANT-AT-ARMS

The Chief of Police shall act as Sergeant-at-Arms at Council meetings if so requested to by the Council or City Manager.

AMENDMENTS TO RULE OF COUNCIL

The rules of Council may be amended by a two-thirds vote of the entire membership of Council. Amending action will become final at the meeting following introduction of the amendment if voted on favorably.

TRAVEL & REIMBURSEMENT POLICY

A. General Provisions

1. A representative of the City is expected to use good judgment regarding the nature and extent of expenses incurred while traveling. Expenses for members of one's family or guests who may accompany, are not reimbursable.
2. The provisions of this policy shall apply for travel expenditures of all individuals traveling on behalf of the City.
3. Approved travel for all City Employees shall be at the discretion of the City Manager; provided, funds in the appropriate budget category are available for such purpose. Travel expenses shall be subject to the City's Purchasing Ordinance.
4. Travel of Councilmembers and Members of City Boards or Committees may be approved by the City Manager; provided, funds in the appropriate budget category are available and budgeted for such purpose. Travel expenses shall be subject to the City's Purchasing Ordinance.
5. Travel of the City Manager, more than one day or more than 250 miles, shall be approved by the City Council.
6. One engaged in travel for benefit of City has a responsibility to keep accurate, substantiated cost records and to submit requests for reimbursement promptly upon return.

B. Expenses Approved for Reimbursement

The following expenses are authorized for reimbursement when an expense report has been submitted which itemizes the actual and necessary expenses related to the travel:

1. Use of personal car shall be reimbursed at the current rate of mileage for the miles driven; except in the instance of the City Manager whose car allowance shall be the remuneration for use of personal vehicle.

2. Use of City car - Expenses incurred such as gas, oil, and repairs.
3. Lodging - Hotel accommodations shall be reimbursed when receipts for all lodging costs are secured. If family members or guests accompany, the reimbursable lodging cost shall be that of a single room.
4. Meals - Reasonable expenses for meals will be reimbursed at actual cost. Receipts for meals are not required, but should be secured when available. Alcoholic beverages are specifically excluded from reimbursable expenses.
5. Local Transportation - Local transportation costs, such as taxi fare (including tips) shall be reimbursed. Parking expense for a personal or City car shall also be included.
6. Registration Fee - Fees for registration at any meeting or convention attended are allowed for reimbursement. A receipt for the registration fee is required.
7. Gratuities - Reasonable expenses for tips are reimbursable and should be reported by day.

Discussion Took Place.

YES: Binder, Hicks, Hurt, Krueger, Shumaker, Abrams.

NO: None. Motion Declared Carried.

Boards & Commissions, Extend Appointments

Resolution No. 101108-10

(Carried)

Motion by Mayor Pro-Tem Krueger
Second by Councilmember Hurt

WHEREAS, the City maintains a variety of Boards & Commissions as part of its governmental functions and services; and

WHEREAS, the City's Charter, Ordinances and State Statutes defines the authority of all such boards and commissions, including the term of service, conditions and appointments; and

WHEREAS, many of the appointments are concurrent with the election of the City's Mayor and/or biennial Council at-large or district seats; and

WHEREAS, many of the appointed Board & Commission positions will expire with the seating and oath of office of a new Mayor and Council, as is the case of the meeting of November 8, 2010, subsequent to the elections of November 2, 2010; and

WHEREAS, the Council finds that appointments immediately following the seating of a newly elect Council and Mayor may need review and consideration, and in the best interest of the City, its residents and elector's, desires a postponement of all such appointments until the Council's next regular Council Meeting.

NOW, THEREFORE, I Move the City Council postpone the appointments of all expiring positions for the various Boards & Commissions, until the regular Council

Meeting of November 22, 2010, and further, appoint and continue all such terms for an additional two weeks, the terms expiring on November 22, 2010 at 11:59 PM.

Discussion Took Place.

YES: Hicks, Hurt, Krueger, Shumaker, Abrams, Binder.
NO: None. Motion Declared Carried.

2009-2010 FY Audit

Representatives of Plante-Moran, Pam Hill and Chrystal Simpson presented the FY 2009-2010 audit results to the City Council.

Resolution No. 101108-11 **(Carried)**

Motion by Councilmember Shumaker
Second by Councilmember Hurt

I Move the City of Swartz Creek accept the 2009-2010 Fiscal Audit Report prepared by Plante-Moran, a copy of which is attached hereto, and further, direct such to be published, distributed, circulated and placed on file in a manner prescribed by law.

Discussion Ensued

YES: Hurt, Krueger, Shumaker, Abrams, Binder, Hicks.
NO: None. Motion Declared Carried.

Street Usage Permit, Annual Fire Christmas Parade

Resolution No. 101108-12 **(Carried)**

Motion by Councilmember Hicks
Second by Councilmember Hurt

I Move the City of Swartz Creek accept the Chief of Police's recommendation and approve the Swartz Creek Area Fire Department's Street Usage Application to hold an annual Christmas Parade on Saturday, December 4, 2010 from 6:00 PM to 7:00 PM, route, stipulations and conditions as set forth in the application packet, a copy of which is attached hereto, under the direction and control of the office of the Chief of Police

YES: Krueger, Shumaker, Abrams, Binder, Hicks, Hurt.
NO: None. Motion Declared Carried.

Appropriation, Morrish Road Guardrail

Resolution No. 101108-13 **(Carried)**

Motion by Councilmember Binder

Second by Councilmember Hurt

WHEREAS, the City performed maintenance work on a section of Morrish Road including Morrish south of Wade Street, such work consisting of the mill and resurface, funded by the American Recovery and Reinvestment Act of 2009 (ARRA); and

WHEREAS, design included the removal of an existing guardrail on the west side of Morrish Road south of Wade Street, the guardrail being out of specification, deteriorated and un-warranted, and further, ARRA funding prohibited the replacement as the guardrail did not meet the standards warrants; and

WHEREAS, the City, upon the recommendation of its staff, finds that special circumstances exist that make the location unique, and that the installation of a guardrail would provide additional safety to pedestrians and houses located nearby; and

WHEREAS, the site presents installation problems due to buried utilities, overhead utilities, sidewalk proximity and limited right of way, all of which would require their relocation; and

WHEREAS, the City staff and engineer have designed a custom guardrail that would work around the obstacles, however, such a design has presented problems in finding contractor's willing to perform such work, the City being successful in locating only two such contractor's, quotes being \$5,720 and \$7,975; and

WHEREAS, the City's purchasing ordinance provides for competitive and cooperative bids, but also allows for exceptions in certain circumstances, text as follows: *Chapter 2, Article VI, Division 3, Sec 2-402(a), 2, i & ii "...The city council may, at the request of the city manager, authorize the city manager to negotiate a contract for the purchase of any product, material or service with a provider of such product, material or service without regard to the requirements of this section relative to purchases where the city council finds:*

- i. Due to circumstances beyond the control of the city, the market for such product, material or service is not competitive even though such product, material or service is normally competitive in nature; and*
- ii. The economic interests of the city are best served by negotiating a contract with a provider of the product, material or service without requesting sealed bids."*; and

WHEREAS, the City Council finds that in addition to approaching winter conditions, unique circumstances exist and that the best interest of the City is served by negotiated pricing and deviation of the City's purchasing ordinance sealed bid process.

NOW, THEREFORE, I Move that the City of Swartz Creek accept the proposal of J & J Contracting of Ithaca Michigan, in the amount of \$4,950, plus site conditions of \$770, plus 15% contingency, totaling \$6,578, for the purchase and installation of a guardrail on the west side of Morrish Road south of Wade Street, in accordance

with the specifications as set forth by the City's Staff and Engineer, funds to be taken from Fund 202, Major Streets.

Discussion Ensued.

YES: Shumaker, Abrams, Binder, Hicks, Hurt, Krueger.
NO: None. Motion Declared Carried.

Water-Sewer Rates

(Discussion Topic)

City Manager Bueche gave a brief presentation on the current water/sewer rates and the proposed changes to those rates.

MEETING OPENED TO THE PUBLIC

Boots Abrams commented on the great Council that the City has. Mrs. Abrams commended each of them for bringing their own personalities and thoughts and discussions to the table.

REMARKS BY COUNCILMEMBERS:

Councilmember Shumaker commented on a letter in the council packet extending the Cape Seal project. Mr. Shumaker questioned whether the matter of bonds had been taken care of. City Manager Bueche stated that the contracts were signed, but the rest of the process was lost in the transition with Assistant City Manager Zettel leaving at the same time. Mr. Shumaker commented that he believes the same as Mrs. Abrams, that this Council is a good one and operates well together.

Councilmember Binder reminded everyone that Veteran's Day is Thursday and there will be a ceremony at the Veteran's Memorial at 11:00 am on November 11, 2010, put on by the AMVETS and VFW. Ms. Binder stated that there would be a luncheon at the American Legion after the ceremony.

Mayor Pro-Tem Krueger congratulated everyone on their re-election. Mr. Krueger also commented on the high regard the Council seems to have for each other.

Mayor Abrams ran through the Mayoral Council appointments. Mr. Abrams spoke of the Genesee County Metropolitan Planning Commission Planning Forum that he attended. Mr. Abrams also spoke about a meeting that he attended referencing the Michigan Medical Marijuana Act.

Adjournment

Resolution No. 101108-14

(Carried)

Motion by Councilmember Hurt
Second by Councilmember Shumaker

I Move the City of Swartz Creek adjourn the Regular Session of the City Council meeting at 9:13 p.m.

YES: Unanimous Voice Vote.

NO: None. Motion Declared Carried.

Richard Abrams, Mayor

Mary Jo Clark, Deputy City Clerk