



# **Agenda**

## **Regular Meeting of the City Commission**

City of Kalamazoo

**Monday, March 2, 2015**

**7:00 p.m.**

**City Commission Chambers – 241 West South Street**

**A. CALL TO ORDER/ROLL CALL**

**B. OPENING CEREMONY**

1. Invocation: **Pastor Ken Smeader, Kalamazoo Missionary Church**
2. Pledge of Allegiance
3. Introduction of Guests
4. Proclamations

**C. ADOPTION OF FORMAL AGENDA**

**D. COMMUNICATIONS**

1. [Calendar of Upcoming Meetings](#)
2. Update on Group Violence Intervention (Chief Jeff Hadley)

**E. PUBLIC HEARINGS**

**F. CONSENT AGENDA**

**(Action: Motion to approve items “1-5” and authorize the City Manager to sign all documents on behalf of the City)**

1. [Approval of a contract in the amount of \\$124,710.00 with Peerless-Midwest, Inc. to perform well rehabilitations for Production Wells 1-1, 1-3, and 1-6 at Water Pumping Station \(WPS\) 1 \(Central\), Production Well 8-3 at WPS 8 \(West Kilgore\), and Production Well 24-18A at WPS 24 \(Al Sabo\).](#)
2. [Approval of a contract with Fedewa, Inc. to paint the Gull Road Water Storage Facility in the amount of \\$444,900.](#)
3. [Approval of an agreement with the Kalamazoo County Road Commission through which the City of Kalamazoo will provide maintenance and utility locating services for all traffic signals under the jurisdiction of the Road Commission.](#)

4. Approval of a Service Agreement between the Kalamazoo County Transportation Authority, the Kalamazoo Transit Authority Board and the City of Kalamazoo for calendar year 2015.
5. Adoption of a RESOLUTION designating the polling facility location for Precinct 15 to be used during the State of Michigan Special election on May 5, 2015 and for each election thereafter.

#### **G. REGULAR AGENDA**

1. Adoption of the following bond authorizing resolutions and ordinances:
  - a. a Resolution authorizing the issuance of Capital Improvement Bonds in the amount of \$5,150,000;
  - b. adoption of a Notice of Intent Resolution for Water Supply System Revenue Bonds, Series 2015;
  - c. adoption of an Ordinance Authorizing Water Supply System Revenue Bonds, Series 2015 in the amount of \$3,035,000.

**(Action: Motion to adopt)**

2. Approval of the release of the 2015 Draft Action Plan for a 30-day public comment period to begin on March 2, 2015, as required by U.S. Department of Housing and Urban Development. **(Action: Motion to approve)**

#### **H. REPORTS AND LEGISLATION**

1. City Manager's Report

#### **I. UNFINISHED BUSINESS**

#### **J. POLICY ITEMS**

#### **K. NEW BUSINESS**

#### **L. CITIZEN COMMENTS**

The "Citizen Comments" portion of the meeting is a time for citizens to make comments; it is not intended to be a forum for debate or a time for question-answer dialogues with the City Commission or staff. In general, Commissioners do not directly respond to speakers during citizen comment periods. At the conclusion of a speaker's remarks, the Mayor or individual Commissioners may refer a question to City staff, if appropriate. Also, individual Commissioners may choose to respond to speakers during "Commissioner Comments."

**M. COMMISSIONER COMMENTS**

**N. CLOSED SESSION**

**O. ADJOURNMENT**

**ADDITIONAL INFORMATION**

Questions regarding agenda items may be answered prior to the meeting by contacting the City Manager's Office at 269.337.8047.

Persons with disabilities who need accommodations to effectively participate in City Commission meetings should contact the City Clerk's Office at 337-8792 a week in advance to request mobility, visual, hearing or other assistance.

Agendas for the regular meetings of the Kalamazoo City Commission are available on the Internet at: **[www.kalamazoocity.org](http://www.kalamazoocity.org)**

The Kalamazoo City Commission meetings are held on the first and third Mondays at 7:00 p.m. and are shown live on the Public Media Network (channel 190 for Charter customers, channel 99 for U-Verse customers). The meetings are rebroadcast on Tuesdays at 8:00 a.m., Wednesdays, at 1:00 a.m., and Thursdays at 3:00 p.m.

**GUIDELINES FOR PUBLIC PARTICIPATION AT CITY COMMISSION MEETINGS**

Welcome to the Kalamazoo City Commission meeting, and thank you for your participation in Kalamazoo local government. The City Commission recognizes that citizens who make the effort to attend a Commission meeting often feel passionately about an issue. The following guidelines are not meant to discourage individual expression; rather, they exist to facilitate the orderly conduct of business and to ensure that all citizens who wish to address the City Commission are able to do so in an atmosphere of civility and respect, without fear or intimidation.

1. Out of respect for business being conducted during the meeting, please turn off all cell phones and pagers prior to the start of the meeting.
2. In an effort to maintain order and to allow a respectful discussion, please do not make comments from the audience area. Audience members should also refrain from applause or other audible noise at times not formally recognized as appropriate by the meeting chair.
3. Citizens have opportunities to address the Commission at the following times during a meeting:
  - a. Consideration of Regular Agenda items. Citizens are permitted to speak to the Commission on Regular Agenda and Unfinished Business prior to the City Commission voting, except those votes setting a public hearing. (Note: The Consent Agenda is a list of items proposed for City Commission approval to be voted upon all at one time. This is a time-saving procedure as most Consent Agenda items are housekeeping measures. A citizen may request an item be removed from the Consent Agenda for individual consideration or discussion.) Comments must be germane to the specific item under consideration.
  - b. The Citizen Comment period near the end of the meeting is for comment on Agenda or Non-Agenda items.

4. To address the City Commission, please sign in at the podium near the Clerk's station and then proceed to the podium directly in front of the dais when invited by the meeting chair. Before beginning your comments, please clearly state your name for the record and whether you reside within the city limits. Comments are limited to four minutes.
5. Signs, placards and banners are permitted in Chambers during open meetings but only along the perimeter of the room (side and back walls) and only if they do not obstruct the vision of others.

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If you have any questions, please feel free to contact the City Clerk's Office at 269.337.8792



# **Calendar of Upcoming Meetings**

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City of Kalamazoo

## **City Commission (next 30 days)**

### ***Regular Business Meetings – 7:00 p.m. in the City Commission Chambers***

March 2<sup>nd</sup> and March 16<sup>th</sup>

### ***Regular Neighborhood Meetings – 6:00 p.m. in the Community Room at City Hall***

March 16<sup>th</sup>

## **Advisory Boards, Commissions and Committees (next two weeks)**

The **Parks and Recreation Advisory Board** will meet on Tuesday, March 3, 2015 at 5:20 p.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

The **Planning Commission** will meet on Thursday, March 5, 2015 at 7:00 p.m., in the City Commission Chambers at City Hall.

The **Kalamazoo Historic Preservation Commission** will meet on Tuesday, March 10, 2015 at 7:00 p.m., in the Community Room at City Hall.

The **Friends of Recreation Board** will meet on Thursday, March 12, 2015 at 11:30 a.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

The **Traffic Board** will meet on Thursday, March 12, 2015 at 2:00 p.m., in the Public Services Conference Room, located at 415 Stockbridge Avenue.

The **Community Development Act Advisory Committee** will meet on Thursday, March 12, 2015 at 6:30 p.m., in the Community Room at City Hall.

The **Zoning Board of Appeals** will meet on Thursday, March 12, 2015 at 7:00 p.m., in the City Commission Chambers at City Hall.

The **Downtown Development Authority** will meet on Wednesday, March 16, 2015 at 3:00 p.m., in the Community Room at City Hall.



# Commission Agenda Report

City of Kalamazoo

Date: **03/02/15**

Item **F1**

**TO:** Mayor Hopewell, Vice Mayor Anderson, and City Commissioners

**FROM:** James K. Ritsema, ICMA-CM, City Manager  
Reviewed By: Sue Founé, Public Services Managing Director  
Prepared By: John P. Paquin, Environmental Programs Manager

Handwritten signatures in black ink, including one that appears to be "SF" and another that is more cursive.

**DATE:** February 16, 2015

**SUBJECT:** Peerless-Midwest Well Rehabilitation Contract

## RECOMMENDATION

It is recommended that the City Commission approve a Contract in the amount of \$124,710.00 with Peerless-Midwest, Inc. of Mishawaka, Indiana to perform well rehabilitations for Production Wells 1-1, 1-3, and 1-6 at Water Pumping Station (WPS) 1 (Central), Production Well 8-3 at WPS 8 (West Kilgore), and Production Well 24-18A at WPS 24 (Al Sabo). Peerless-Midwest is a pre-qualified well and pump contractor for the City.

## BACKGROUND

In 2014, the City pre-qualified a two-year contract with four drilling companies identified by staff as being qualified to perform hydrogeological services for the City of Kalamazoo for work on an as-needed-basis (Bid Reference #955-15-004/TJ). These companies are Peerless-Midwest Company, the Ohio Drilling Company, Layne Christensen Company, and Northern Pump and Well Company.

In the spring of 2011, staff prepared a five-year well maintenance and replacement plan that proposes maximum use of internal crews and significant use of contractual services. The plan was revised in 2015, designating nine contractual well rehabilitations and two well pluggings/abandonments, and assigning City crews to rehabilitate 18 wells using a passive in-house autosurge method. Based on firm expertise, past results, proposed rehabilitation methods, well characteristics, and the attached proposal, Peerless Midwest was selected to perform five of the nine contractual well rehabilitations for 2015. Well rehabilitations will also be performed by each of the three other pre-qualified contractors.

## COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

**FISCAL IMPACT**

Funds were budgeted for this work and are available in the 2015 Water O & M Budget.

**ALTERNATIVES**

Alternatives would be to not have the well rehabilitations performed or to delay the work. Staff does not recommend these alternatives because the longer the time interval is between well cleanings, the less responsive a well is to being rehabilitated and consequently, the sooner a well will have to be replaced at a much higher cost.

**ATTACHMENTS**

None



# Commission Agenda Report

City of Kalamazoo

Date: **03/02/15**

Item **F2**

**TO:** Mayor Hopewell, Vice Mayor Anderson, and City Commissioners

**FROM:** James K. Ritsema, ICMA-CM, City Manager  
Reviewed By: Sue Foune, Public Services Managing Director  
Prepared By: Stephen Skalski, P.E., Senior Civil Engineer

**DATE:** February 17, 2015

**SUBJECT:** Gull Road Water Storage Facility Painting

## RECOMMENDATION

It is recommended that the City Commission approve a construction contract with Fedewa, Inc. for the Gull Road Water Storage Facility painting, in the amount of \$444,900.

## BACKGROUND

The Gull Road Storage Facility is an elevated storage tank located in the East Side High Pressure District of the City of Kalamazoo's water system. During an inspection, it was noted that the exterior and interior of the tank coating was in need of repainting. The repainting of water storage tanks is required for the City of Kalamazoo to maintain our Michigan Department of Environmental Quality (MDEQ) water supply permit. Engineering retained the services of Dixon Engineering, Inc. to prepare bid documents for the necessary repainting.

Bids were opened February 12, 2015 for the Gull Road Water Storage Facility Painting Project. Eleven bids were received with Fedewa, Inc. being the low responsive bidder. Fedewa, Inc. has performed well on similar projects for other communities in the past and Public Services Engineering Division recommends them for this contract.

## COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

## FISCAL IMPACT

The funding for this project is available in the City's 2015 Water Operation and Maintenance Budget. Project funding and estimated costs are as follows:

Funding:	2015 Water Operation and Maintenance Budget	<u>\$467,000.00</u>
		<b>\$467,000.00</b>

Costs:	Construction Costs	\$444,900.00
	Engineering, Testing and Contingency	<u>\$22,100.00</u>
		<b>\$467,000.00</b>

### **ALTERNATIVES**

The City could choose not to complete the improvements to the storage tank at this time, but this is not recommended as repainting of water storage tanks is required as part of our MDEQ water supply permit.

### **ATTACHMENTS**

Bid Results Summary

## BID RESULTS SUMMARY

**PROJECT:** Gull Road Water Storage  
Tank Repainting

**DATE:** February 24, 2015

**BIDDERS SOLICITED:** 123

**BIDDERS RESPONDED:** 11

**MBE/WBE BIDS SOLICITED:** 19

**MBE/WBE BIDDERS RESPONDED:** 0

**BID REFERENCE NO:** 955-10-134/TJ

**MBE/WBE AWARDED:** No

**ISSUE DATE:** January 15, 2015

**BID OPENING:** February 12, 2015

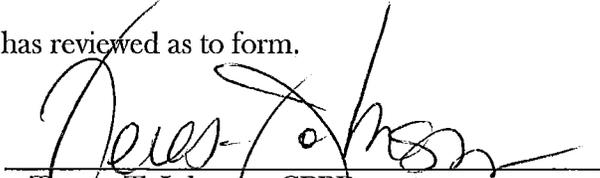
**APPROVAL REQUIRED:** City Commission

**FUNDED BY:** City

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<u>BIDDERS</u>	<u>AMOUNT BID</u>	<u>LOCATION</u>
Fedewa, Inc.	\$433,900.00	Hastings, MI
Horizon Brothers Painting	\$493,000.00	Howell, MI
Industrial Painting Contractors, Inc.	\$520,200.00	Taylor, MI
V&T Painting, LLC	\$529,750.00	Farmington Hills, MI
Seven Brothers Painting, Inc.	\$546,700.00	Shelby Township, MI
L.C. United Painting Company, Inc.	\$562,000.00	Sterling Heights, MI
Civil Coating and Construction	\$694,000.00	Valparaiso, IN
TMI Coatings, Inc.	\$796,800.00	St. Paul, MN
Utility Services Company, Inc.	\$889,000.00	Perry, GA
Classic Protective Coatings, Inc.	\$947,400.00	Menomonic, WI
Worldwide Industries Corporation	\$954,300.00	Butler, PA

Purchasing procedures have been followed and City Attorney has reviewed as to form.

  
Teresa T. Johnson, CPPB  
Purchasing Manager



# Commission Agenda Report

Date: **03/02/15**

Item **F3**

City of Kalamazoo

**TO:** Mayor Hopewell, Vice Mayor Anderson, and City Commissioners

**FROM:** James K. Ritsema, ICMA-CM, City Manager  
Reviewed by: Sue Founé, Public Services Managing Director  
Prepared by: Jim Hoekstra, P.E., Traffic Engineer

**DATE:** February 25, 2015

**SUBJECT:** Traffic Signal Maintenance Agreement

## RECOMMENDATION

It is recommended that the City Commission approve an agreement with the Kalamazoo County Road Commission (KCRC) through which the City of Kalamazoo will provide maintenance and utility locating services for all traffic signals under the jurisdiction of the Kalamazoo County Road Commission and authorize the City Manager to sign all contract documents.

## BACKGROUND

The City of Kalamazoo traffic signal system consists of seventy nine traffic signals and eleven flashing beacons. These devices require annual preventative maintenance and emergency maintenance as needed for continued operation. Currently, the City of Kalamazoo has a contractor to perform all maintenance operations. While the City is generally pleased with the performance of the contractor, staff has noted that continued contracted maintenance is expensive and continues to increase in cost.

After a joint bid for traffic signal maintenance with the KCRC in 2013, staff from both agencies identified that sharing a position for traffic signal maintenance would be of benefit to both entities. Anticipated benefits of such an agreement would include: expanded intergovernmental cooperation, reduced cost of services to both agencies, consistent quality services, and more efficient management of the traffic signal system.

The City of Kalamazoo and the KCRC have participated in discussions toward development of a contract. The current contract proposes that the City of Kalamazoo will hire a trained staff member to perform traffic signal maintenance on the KCRC traffic signal system for which the KCRC would be invoiced. Furthermore, the City of Kalamazoo would retain the services of a subcontractor in the event that specialized equipment or additional labor are required.

The proposed contract is similar to the one currently in place between the City of Battle Creek and the Calhoun County Road Department. The KCRC and the City of

Kalamazoo already has a similar contract for the services of the shared traffic engineer position which has led to increased cooperation on projects and funding opportunities. Both of these existing agreements have been instrumental in the drafting of the proposed contract.

In addition to the proposed traffic signal maintenance, this agreement would include a contract with the KCRC to provide Utility Locating Services for the traffic signal system in accordance with requirements set forth by Miss Dig. Under this contract, City staff, trained and experienced in locating water, sewer, and traffic signal infrastructure for the City of Kalamazoo would provide locating services to the KCRC traffic signal system and would invoice the KCRC for these services.

### **COMMUNITY RESOURCES CONSULTED**

There has been significant collaboration with the Kalamazoo County Road Commission on this contract. The City of Battle Creek and the City of Grand Rapids were also contacted as they currently have similar arrangements with their neighboring municipalities.

### **FISCAL IMPACT**

Funds are available within the Major Streets Traffic Signals Operating budget.

If approved, the KCRC would issue an annual purchase order to the City of Kalamazoo for the work. The current term of the contract would be from April 1, 2015 through December 31, 2016 with automatic one-year renewals which could be cancelled by either party in advance of the next calendar year.

### **ALTERNATIVES**

It is essential that the City have a means to maintain the traffic signal system so that it is functional at all times. An alternative would be to continue the use of contractors to complete maintenance operations and not to enter into any agreement with the KCRC.

### **ATTACHMENTS**

Attached is the agreement for Traffic Signal Maintenance and Utility Locating Services between the City of Kalamazoo and the Kalamazoo County Road Commission. On Tuesday, February 10, 2015, the KCRC Board of Commissioners formally approved the agreement for signature of the KCRC Managing Director.

# KALAMAZOO COUNTY ROAD COMMISSION

## Traffic Signal Maintenance and Utility Locating Services Agreement

This Contract, made between the City of Kalamazoo, a municipal corporation, whose address is 241 West South Street, Kalamazoo, MI 49007, ("Kalamazoo"), and the Kalamazoo County Road Commission, a public body corporate, whose address is 3801 East Kilgore Road, Kalamazoo, MI 49001, ("KCRC"), pursuant to the authority granted in Act 35 of Public Acts 1951, for the purpose of establishing terms and conditions for the maintenance and utility locating services by Kalamazoo of traffic signals in Kalamazoo County under the jurisdiction of KCRC.

1. **TERM:** The initial term of this contract shall be from April 1, 2015 until December 31, 2016. This contract will renew automatically for one year periods beginning January 1 of each year, unless either party notifies the other party in writing before November 1 of any year of its intent to cancel this contract effective December 31 of that year.
2. **CONSIDERATION:** KCRC agrees to pay the Kalamazoo for the services promised by this contract at the hourly rates as shown in Exhibit A and Exhibit B for Traffic Signal Maintenance and Utility Locating Services, plus materials. KCRC also agrees to pay Kalamazoo for any Major Maintenance performed on their signals pursuant to Kalamazoo's Traffic Signal Major Maintenance contract and as specified in the Exhibit D, "City of Kalamazoo Maintenance of KCRC Traffic Signals Technical Specifications". Kalamazoo shall perform traffic signal maintenance services when called upon by the KCRC in accordance with the terms outlined in Exhibit D. Kalamazoo shall perform traffic signal utility locating services for KCRC in accordance with the terms outlined in Exhibit E, "City of Kalamazoo Utility Locating Services for KCRC Traffic Signals". Hourly rates for subsequent years shall be determined by Kalamazoo with notice in writing to KCRC not later than October 1 of each year. Failure on the part of Kalamazoo to notice rate increases by October 1, or cancel the contract by November 1, leaves the hourly rates unchanged only for the next year of this contract.
3. **CONTRACT ADMINISTRATION:** The KCRC Traffic Engineer, or designated representative, shall administer the contract, the responsibilities of which shall include audit all billings, approve payments, oversee schedules and generally oversee the execution of this contract. Inspection by this person shall not be considered as direct control of the individual workers and their work. The administrator shall have the right to inspect all equipment used for this contract. All equipment must comply with local, state, and federal codes.
4. **SCOPE OF WORK:** Kalamazoo agrees to undertake both routine and major maintenance, utility locating services, and to manage and coordinate subcontracted major maintenance activities for traffic signals set forth in Exhibit C, which the parties may modify during the duration of this contract. Kalamazoo agrees that the scope of services to be performed under this contract is set forth in Exhibits D and E. Kalamazoo agrees to perform its routine and major maintenance services to the same standard as performed on Kalamazoo's own traffic signals.

5. **WARRANTY:** Kalamazoo agrees to warrant its material and workmanship for a period of 90 days and will perform warranty work without charge to KCRC.
6. **BILLING AND PAYMENT:** Kalamazoo shall submit invoices monthly to KCRC, itemizing the services and material rendered during that period, including the work order and/or purchase order number(s) supplied by KCRC accordingly. Kalamazoo shall also submit a breakdown of work and any subcontracted invoices. All documentation mentioned here will be required prior to release of payment by KCRC.
7. **WORK PROGRAM:** All routine traffic signal maintenance work shall be performed during regular business hours unless otherwise requested and approved by the KCRC Traffic Engineer or made necessary by the urgency of emergency maintenance. All utility locating work shall be performed during regular business hours unless made necessary as emergency work. KCRC will monitor performance measures such as response time, quality of work, and cost related to this contract.
8. **LIABILITY:** Kalamazoo agrees to provide Professional Liability and General Liability insurance for all work performed by Kalamazoo including work performed for KCRC, at no cost to KCRC and shall add KCRC as an additional insured on such policies for work done by Kalamazoo on behalf of KCRC. KCRC agrees to defend and hold Kalamazoo harmless from the claims arising out of allegations of defects in the traffic signals maintained; except that Kalamazoo agrees to defend and hold KCRC harmless for all claims arising out of Kalamazoo's sole gross negligence as defined at "Michigan Compiled Laws" (MCL) 691.1406 in the maintenance of the signals that are subject of this contract. This paragraph is not intended; nor, does either party to this contract waive any governmental immunity which is afforded Kalamazoo and KCRC under State statutes or at common law.
9. **QUALITY WORK:** The KCRC Traffic Engineer or Engineering Director is solely responsible for accepting the quality of work performed under this contract. At no cost to KCRC Kalamazoo shall correct any work that KCRC Traffic Engineer reasonably determines is unsatisfactory and does not meet the terms outlined in Exhibit D.
10. **ACCESS TO ADJACENT PROPERTIES:** Depending on the scope of work performed, Kalamazoo shall keep interference with vehicular access to houses, businesses, and other properties adjacent to the work a minimum. However, Kalamazoo shall provide, if practicable and reasonable, safe pedestrian access at all times to adjacent properties.
11. **SITE CLEAN UP:** Kalamazoo shall remove all rubbish and superfluous materials from the work site as soon as practicable; and upon completion of the work, leave every part of the work in a sound and satisfactory condition free from all defects to the reasonable satisfaction of the KCRC Traffic Engineer.
12. **EXAMINATION:** Kalamazoo shall report to the KCRC in writing any conditions or defects encountered on the site prior to or during the required work activities which may adversely affect the performance of such work.

Commencement of the work shall imply Kalamazoo's acceptance of surfaces and conditions as reasonably known or observed. Kalamazoo is not entitled to receive additional costs resulting from such conditions or defects after commencement of work except in cases where those conditions or defects cannot be determined prior to commencement of work.

13. **UTILITIES:** Before commencing any underground work, Kalamazoo shall contact Miss Dig to ascertain the location of existing underground lines and structures on site. Kalamazoo shall not be required to obtain a right-of-way permit or be charged fees from KCRC before commencing any work in furtherance of this contract. Kalamazoo will notify KCRC of any disturbance in the right-of-way, and will repair or have repaired any disturbance to the right-of-way to the same or better condition than existed before such disturbance.

14. **NOTICES:** All notices mentioned in this contract shall be sufficiently given and shall be deemed delivered when mailed by first class mail, postage prepaid, addressed to the respective parties as follows:

If to the City of Kalamazoo:

City Manager  
241 West South Street  
Kalamazoo, MI 49007

If to the Kalamazoo County Road Commission:

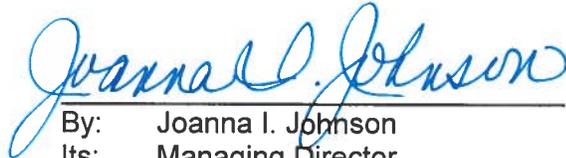
Managing Director  
3801 East Kilgore Road  
Kalamazoo, MI 49001

15. **EFFECTIVE DATE:** This contract is effective on the date when signed by both parties.

KALAMAZOO COUNTY ROAD  
COMMISSION

Dated:

2-10-15

  
By: Joanna I. Johnson  
Its: Managing Director

CITY OF KALAMAZOO

Dated:

\_\_\_\_\_

By: James K. Ritsema  
Its: City Manager

# EXHIBIT A

## City of Kalamazoo Traffic Signal Maintenance for Kalamazoo County Road Commission Traffic Signals

### Traffic Signal Maintenance Pricing Information

<u>Staff/Equipment</u>	<u>Hourly Rate</u>
<u>Regular Time Work</u>	
Traffic Signal Maintenance Technician.....	\$42.97
Bucket Truck.....	\$4.60
Traffic Technician.....	\$28.88
Traffic Technician Vehicle.....	\$3.50
Summer Intern.....	\$10.77
<u>Overtime Work</u>	
Traffic Signal Maintenance Technician.....	\$64.46
Bucket Truck.....	\$4.60
Traffic Technician.....	\$43.32
Traffic Technician Vehicle.....	\$3.50

Note: A two (2) hour minimum charge will be invoiced for overtime work. Once called in, staff will perform maintenance activities for the full two hours as workload allows.

<u>Subcontractor Work</u>	
Regular Time Rate.....	\$XX.XX
Overtime Rate.....	\$XX.XX

Notes: Emergency Service Response Time will be 2 hours  
Service fee shall be 5% as noted in Section G of Exhibit D.  
Subcontractor rates to be determined after the agreement is executed by the  
Kalamazoo County Road Commission and the City of Kalamazoo.

# EXHIBIT B

## City of Kalamazoo Utility Locating Services for Kalamazoo County Road Commission Traffic Signals

### Utility Locating Pricing Information

<u>Staff/Equipment</u>	<u>Hourly Rate</u>
<u>Regular Time Work</u>	
Engineering Technician.....	\$30.60
Locating Service Vehicle.....	\$5.00
<u>Overtime Work</u>	
Engineering Technician.....	\$45.90
Locating Service Vehicle.....	\$5.00
Note: A two (2) hour minimum charge will be invoiced for overtime work.	
<u>Annual Pricing</u>	
Ticket Management Software.....	\$13.50
Paint.....	\$48.00
Flags.....	\$78.70
Fish Tape.....	<u>\$60.55</u>
Total.....	\$200.75

Note: KCRC will be responsible for maintaining the MissDig member code and all associated fees.

## EXHIBIT C

### Kalamazoo County Road Commission

#### Traffic Signals

##### Traffic Signal Locations

1. Sprinkle Rd / Zylman Ave
2. Sprinkle Rd / Centre Ave
3. Sprinkle Rd / Bishop Ave /  
Romence Rd
4. Sprinkle Rd / Milham Ave
5. Sprinkle Rd / Meredith St
6. Sprinkle Rd / Kilgore Rd
7. Sprinkle Rd / Covington Rd
8. Sprinkle Rd / Vanrick /  
Midlink Dr
9. Sprinkle Rd / Cork St
10. Sprinkle Rd / Miller Rd
11. Sprinkle Rd / Wynn Rd
12. Sprinkle Rd / Market St
13. Sprinkle Rd / Comstock Ave /  
Lake St
14. Sprinkle Rd / E Michigan Ave
15. Sprinkle Rd / E Main St
16. Sprinkle Rd / H Ave
17. Sprinkle Rd / G Ave
18. River St / Comstock Ave
19. River St / ML Ave
20. 35<sup>th</sup> St / Miller Dr
21. 35<sup>th</sup> St / Battle Creek St
22. E Main St / Nazareth Rd
23. E Main St / Humphrey St
24. Riverview Dr / G Ave
25. Riverview Dr / Mosel Ave
26. Mosel Ave / Burdick St
27. Mosel Ave / Westnedge Ave
28. Mosel Ave / Douglas Ave
29. Stadium Dr / 11<sup>th</sup> St
30. Stadium Dr / Venture Park Dr
31. Stadium Dr / Parkview Ave
32. Stadium Dr / 9<sup>th</sup> St
33. Stadium Dr / 6<sup>th</sup> St
34. Stadium Dr / 4<sup>th</sup> St
35. 8<sup>th</sup> St / Q Ave
36. 9<sup>th</sup> St / Beatrice Dr
37. 9<sup>th</sup> St / N Ave
38. 9<sup>th</sup> St / Quail Run Dr
39. 9<sup>th</sup> St / KL Ave
40. 9<sup>th</sup> St / Seeco Dr
41. 11<sup>th</sup> St / KL Ave
42. Drake Rd / KL Ave
43. Drake Rd / Green Meadow  
Rd
44. Drake Rd / Driftwood /  
Arboretum Parkway
45. Drake Rd / Stonebrook Ave
46. Drake Rd / Grand Prairie Rd
47. Nichols / Grand Prairie Rd

### **Flasher Locations**

1. Sprinkle Rd / V Ave
2. Sprinkle Rd – S of Zylman
3. Sprinkle Rd – N of Zylman
4. Portage Rd / XY Ave
5. Portage Rd / W Ave
6. Portage Rd / VW Ave
7. Oakland Dr / U Ave
8. 8<sup>th</sup> St / U Ave
9. Almena Dr / 4<sup>th</sup> St
10. H Ave / Drake Rd
11. H Ave / 10<sup>th</sup> St
12. H Ave / 9<sup>th</sup> St
13. G Ave / 6<sup>th</sup> St
14. Ravine Rd / Nichols Rd
15. D Ave / 28<sup>th</sup> St
16. D Ave / Riverview Dr
17. D Ave / Douglas Ave
18. D Ave / 14<sup>th</sup> St
19. D Ave / 12<sup>th</sup> St
20. D Ave / Ravine Rd
21. D Ave / 6<sup>th</sup> St
22. D Ave / 2<sup>nd</sup> St
23. G Ave / 33<sup>rd</sup> St / 32<sup>nd</sup> St
24. G Ave / Mt. Olivet Rd
25. G Ave / Westnedge Ave
26. E Baseline Rd / 40<sup>th</sup> St
27. W Baseline Rd / 40<sup>th</sup> St
28. C Ave / 40<sup>th</sup> St
29. C Ave / E Gull Lake Dr
30. F Ave / 27<sup>th</sup> St
31. E Main St / 26<sup>th</sup> St
32. MN Ave / Mercury Dr
33. MN Ave / 35<sup>th</sup> St
34. W Ave / 42<sup>nd</sup> St
35. R Ave / 43<sup>rd</sup> St
36. Q Ave / 34<sup>th</sup> St
37. S Ave / 29<sup>th</sup> St
38. KL Ave / 8<sup>th</sup> St
39. KL Ave / 4<sup>th</sup> St
40. O Ave / 6<sup>th</sup> St
41. N Ave / 11<sup>th</sup> St
42. Parkview Ave / 11<sup>th</sup> St
43. Q Ave / 10<sup>th</sup> St
44. 12<sup>th</sup> St Elementary School –  
S of Pinefield Ave

# EXHIBIT D

## City of Kalamazoo Maintenance of Kalamazoo County Road Commission Traffic Signals Technical Specifications

### SCOPE OF WORK:

#### A. General

The work to be completed consists of the complete maintenance of the traffic signal system of the KCRC. Kalamazoo shall have a qualified trained person on call 24 hours a day, seven (7) days a week to respond to trouble calls within the standards for response specified. Kalamazoo shall furnish all personnel, training, tools, equipment, and materials, excluding KCRC's inventory items, necessary to maintain the signal system in first class operating condition at all times.

The signal system of the KCRC and associated material and equipment to be maintained under this contract consists of items listed in Exhibit C. This listing is subject to change during the life of the contract. Additions or deletions may be authorized at any time during the contract and shall be maintained by Kalamazoo as provided for in this contract.

#### B. Maintenance Staff

Kalamazoo shall have staff available to complete the work required. A Traffic Signal Maintenance Technician will be the primary person providing service to KCRC traffic signals. This position will be a journeyman or master electrician with experience in traffic signal construction, operations, and maintenance. This position will be International Municipal Signal Association (IMSA) certified in traffic signals and sufficiently trained to operate Siemens Controllers, Iteris Video Detection, and Sensys Vehicle Detection as well as many other components used in traffic signals.

Kalamazoo will also have the Traffic Technician available to assist with traffic signal maintenance in cases of extreme necessity and as this position's workload at Kalamazoo allows. This position may assist the Traffic Signal Maintenance Technician periodically with troubleshooting, maintenance, and repairs. This position may also assist with covering some minor responsibilities of the Traffic Signal Maintenance Technician.

A summer intern position shall also be shared for traffic signal maintenance purposes. The intern shall assist the Signal Maintenance Technician with routine preventative maintenance during the course of the summer season. While the intern shall not perform any maintenance within the cabinet or on sensitive electrical components, he/she shall

assist with basic maintenance activities such as (but not limited to) signal cleaning, repainting cabinets, verifying operations, and assisting in hand digging, or recordkeeping. All work completed by this intern shall be under the supervision of the Traffic Signal Maintenance Technician.

As part of the traffic signal maintenance, Kalamazoo will retain a subcontractor to provide major maintenance activities which may require additional personnel or equipment. Such services will be as needed and only utilized in circumstances where the Traffic Signal Maintenance Technician cannot safely complete the work (i.e. setting new poles, directional boring conduit, new signal or flasher installation, etc.)

Kalamazoo shall have sufficient staff and equipment to install and maintain all signal and associated equipment covered under this contract. Additionally, all staff shall have sufficient training to timely respond to all reports of signal system trouble. Staff shall also be familiar with operational features and repair and maintenance requirements of all current and future signal and associated system equipment covered under this contract.

**C. Existing Equipment**

The KCRC presently utilizes a variety of traffic signal equipment including Siemens EPAC, EPIC, and Econolite controllers; Iteris, Autoscope, loop, and Sensys vehicle detection; various brands of uninterruptable power supplies. Associated materials and equipment include cabinets, flashers, internally illuminated case signs, vehicular and pedestrian signals, various pushbuttons, overhead non-illuminated signs, cable wire, fiber optic cable, messenger, mounting hardware, wireless communication equipment, GPS clocks, wood and steel poles, mast arms, PTZ cameras, pedestals, conduit, handholes, and other miscellaneous materials and equipment. Additional makes and models of equipment may be used in this system in the future. Kalamazoo shall maintain an up-to-date knowledge and understanding of changes in equipment and procedures necessary to maintain this system.

If equipment cannot be fixed and requires replacement during the course of repairs, Kalamazoo will automatically replace it with a similar component which is in compliance with Kalamazoo specifications. If KCRC requires a different component or model than that supplied by Kalamazoo, KCRC shall make the request when it authorizes the major maintenance.

**D. Routine Maintenance**

Routine Maintenance is generally that maintenance activity where a major signal component (controller, signal, detection, pole, or pedestal) is not replaced. All labor and material used by Kalamazoo for routine maintenance shall be paid by the KCRC in accordance with hourly rates as shown in Exhibit A and cost of material supplied. Routine maintenance is completed annually and is preventative in nature to reduce major repairs in the future. Routine maintenance will generally be scheduled during regular working hours, although some work such as emergency bulb replacement, responding to trouble calls, and etc. may occur during overtime. Routine maintenance includes the following:

1. Annual re-lamping of all incandescent lamps in vehicular signal heads, pedestrian signal heads, case signs, and flashing beacons; and replacement of broken or burned out incandescent bulbs in vehicular and pedestrian signal heads, illuminated case signs, beacons, and cabinets as needed.

2. Complete cleaning of all lenses (including vehicular lenses, pedestrian lenses, and video detection lenses), reflectors, case signs, cabinets, and replacement of cabinets' filters.
3. Cleaning and removal of obstructions including snow and ice from video detection lenses and LED traffic and pedestrian signal lenses as needed.
4. Inspection and repair of cables, messenger, clamps, and guys, brackets, bolts, nuts, hinges, pins and clamps, and wire entrances for wear or slack and tightening as needed.
5. Checking signal or sign under clearance and adjustment of messenger to maintain proper under clearance.
6. Realignment of twisted vehicular signal heads, pedestrian signal heads, case signs, flashing beacons, and overhead signs.
7. Inspection of hardware for cracks or rust.
8. Resetting time clocks for daylight savings time, power outages, school schedules, or any other cause.
9. Investigation and repair of shorts or opens in overhead cable and in underground cable at hand holes and manholes.
10. Investigation and repair of loose or shorted wires in the harness or back panel.
11. Inspection and repair of broken wire outside the pavement, continuity checks and resealing pavement cuts for traffic counting and vehicle detection loops.
12. Respond and repair to all trouble calls where a major signal component does not need to be replaced.
13. Resetting circuit breakers as needed.
14. Replacing broken steel banding or lag bolts where damage is not attributable to an accident reported to a local law enforcement agency.
15. Sealing water leaks with silicone, caulking in beacons, case signs, signal heads, conduits, and cabinets.
16. Replacing lashing rod as needed to hold overhead cable securely to the messenger.
17. Realignment of video detection cameras to focus zones, and programming additional detection and traffic count zones as directed by the KCRC Traffic Engineer.
18. Verifying and adjustment of controller operation and system integrity including controller, conflict monitors, video detection system, GPS clocks, and pedestrian equipment operations.
19. Replacing elbow covers for conduit, steel pole hand hole access plates, and hand hole rings and covers as needed.
20. Tightening and aligning steel pole caps, pedestal caps, weather heads, and risers as needed.
21. Replacement or repair of damaged loop sealants as needed.
22. Altering the time clock or time base coordinator settings that control when dials, splits, resets are changed or when the signal enters or leaves flashing operation.
23. Verify annually the signal plans and timings of the controllers.
24. Updating signal timing as defined by the KCRC Traffic Engineer.
25. Inspect uninterruptable power supply performance.
26. Upgrade controller, video detection, and interconnect/communications firmware as needed.
27. Realign radio interconnect antennas as needed.

## **E. Major Maintenance**

Major Maintenance is generally that repair work when a major signal component is added or replaced at a location. All labor and material used by Kalamazoo for major maintenance shall be paid by the KCRC in accordance with hourly rates as shown in Exhibit A and cost of material supplied.

All major maintenance activities with the exception of that work required to return the signal to normal operation or to remove a hazard shall only be done following authorization by the KCRC Traffic Engineer. A written quote for such non-emergency major maintenance may be required. Kalamazoo shall complete emergency related major maintenance to get a signal back in operation or remove a hazard at the first response. Following authorization to proceed with other major maintenance, Kalamazoo shall complete the work within a mutually agreeable schedule.

Major maintenance includes, without limitation, the following examples:

1. Replacement of a major component, i.e., GPS units, wire entrances, LED bulbs, vehicle signal heads, pedestrian signal heads, controllers, cabinets (including cabinet's thermostat and fan), case signs, overhead signs, time base coordinators, messenger, steel pole, wood pole, pedestal, conduit, and replacing pavement loops.
2. Repair, replacement, and resetting of worn or broken controller parts, relays, flashers, time clocks, load switches, circuit boards, conflict monitors, and other components as needed to maintain controller operation.
3. Replacement of broken or worn lenses, gaskets, back plates, reflectors, and visors in vehicular, pedestrian, and flashing beacon heads.
4. Replacement of broken or worn faces and visors in internally illuminated case signs.
5. Replacement of blown power lines, case sign lines, and other fuses.
6. Temporary covering or uncovering of case signs or signal heads associated with maintenance or construction activities.
7. Installing, relocating, or removing, case signs, overhead signs or signal heads following direction by the Traffic Engineer.
8. Investigating and locating a break or short in wiring interconnect or communication lines.
9. Replacement of signal, interconnect, or communications cable following direction by the KCRC Traffic Engineer.
10. Pulling back steel poles, straightening pedestals following authorization by the KCRC Traffic Engineer.
11. Reprogramming, i.e., setting up new time/phase plans for progressions on a corridor. A corridor shall include three or more signalized intersections.
12. Downloading and providing traffic counts from the video detection cameras as requested by the KCRC Traffic Engineer.

Kalamazoo shall retain the services of a subcontractor for major maintenance which is beyond the capabilities of staff to complete in a safe and timely manner. When major maintenance requires the services of the subcontractor, Kalamazoo will make all scheduling and scope arrangements with the subcontractor as authorized by the KCRC Traffic Engineer. Any fees, material, or labor costs invoiced by the subcontractor for work on KCRC signal repairs will be paid by the KCRC. The subcontractor invoice will be included in the quarterly billing.

**F. Regular and Overtime Work**

Kalamazoo regular working hours shall be 7:30am to 4:00pm, Monday thru Friday. Generally, all routine maintenance and most major maintenance will be completed within these times unless a different mutually agreeable schedule is established for work. The response time for all routine maintenance shall be within two (2) hours of any report of trouble. If Kalamazoo is not able to respond within the specified time, they shall notify the KCRC Traffic Engineer to work out an agreeable response time. If late response time becomes a reoccurring problem and occurs more than once per month, any hourly labor costs on subsequent late responses experienced that month will not be billed to KCRC. This shall not affect costs related to materials or vehicles. Response times set forth in this section shall not be applicable in instances of area wide man-made or natural disaster or emergencies.

Kalamazoo will provide overtime maintenance services 24 hours per day including Saturday, Sunday, and holidays. Overtime work may include responding to "Report of Trouble" calls, bulb replacement, repairs due to accidents, equipment malfunction and breakdown, storm damage, and any other work necessary to return the signal to proper operating condition.

Signals shall not remain in 'flash' mode for more than 24 hours unless authorized by the KCRC Traffic Engineer and under no circumstances shall any traffic control installation be shut down completely without notification to the KCRC Traffic Engineer. KCRC will be responsible for arranging any police services necessary to direct traffic while signals are inoperable.

All costs for regular and overtime services are specified in Exhibit A. For all overtime work, KCRC will be invoiced for a minimum of two (2) hours of work. Once called in for overtime work, staff will perform maintenance activities for the full two hours as workload allows.

**G. Equipment and Materials Supplied, Stored, or Removed by Kalamazoo**

KCRC maintains the right to use any traffic signal equipment deemed acceptable by the KCRC Traffic Engineer, however, Kalamazoo uses video detection, controllers, pushbuttons, uninterruptable power supplies, and Ethernet switches that meet specific Kalamazoo specifications. This standardization of equipment helps Kalamazoo reduce maintenance costs and material. In the event that KCRC equipment requires replacement during the course of repairs, Kalamazoo will automatically replace it with a similar component which is in compliance with Kalamazoo specifications. If KCRC requires a different component or model than that supplied by Kalamazoo, KCRC shall purchase and supply the equipment, and notify Kalamazoo of the change when the major maintenance is authorized by KCRC.

All salvageable and repairable equipment removed from KCRC signals shall remain property of KCRC and shall be stored at Kalamazoo facilities. Kalamazoo shall keep an up to date record of this equipment which can be provided to KCRC when requested. This equipment may be used in future KCRC repairs or upgrades as available. Kalamazoo will store such equipment as space allows. If some equipment cannot be stored at Kalamazoo due to space limitations, it shall be transported to KCRC offices for storage or disposed of pending KCRC Traffic Engineer approval. Any equipment used by KCRC that is non-standard to Kalamazoo or their specifications shall be given directly to KCRC offices for storage.

Any broken, worn out, or unusable equipment removed shall be disposed of by Kalamazoo. This shall include, without limitation, broken or burned out lamps, lenses, bridge rectifiers, and fuses, broken case sign faces, hardware, removed cable, wire, and messenger, excavated dirt, asphalt, gravel, and concrete.

Kalamazoo shall furnish required miscellaneous hardware, tape, terminals, splicers, and other minor material used in repairs as identified by the Kalamazoo Traffic Engineer shall be considered incidental to this contract and shall not require extra payment. KCRC shall pay for load switches, paint, conduit, cable, wire, cabinet bulbs, and other items of similar nature. Final determination of whether extra payment is required for materials shall be made by the Kalamazoo Traffic Engineer. All material requiring extra payment shall be included in the invoice which will provide an itemized list of material and equipment and unit prices. A reasonable service charge for materials purchased on major maintenance projects shall be paid to Kalamazoo. This service fee percentage to be applied shall be listed on Exhibit A.

Kalamazoo shall strip the salvaged equipment of any usable parts for future maintenance. Repair of equipment shall be arranged for by Kalamazoo at the direction of the KCRC Traffic Engineer and at KCRC's cost, Kalamazoo shall arrange for the repair of such equipment.

**H. Documentation by Kalamazoo**

Documentation shall be required for work completed under this contract. A "Report of Trouble" form shall be filled out each time Kalamazoo does any work at a signal including routine or major maintenance or for performing any investigation or checks of operations. Kalamazoo shall include on the form: location, time and dates of arrival, time of receipt of trouble call, time and date of repair, nature of the problem reported, actual resulting problem and cause, list of inventoried equipment used, signal under clearances, etc., and signature of the employee completing the work. "Report of Trouble" forms shall be submitted quarterly to the KCRC Traffic Engineer.

Kalamazoo shall submit additional documentation for major maintenance activities to include a summary of staff names, time, dates, and hours worked; and to itemize the location information, unit prices of material used, and any additional fees (service fees, etc.). This additional documentation shall also be supplied monthly with invoicing.

**I. Invoicing and Payment**

Kalamazoo shall invoice monthly, billing for services and material rendered on all routine and major maintenance work by work order and/or purchase order number(s) supplied by KCRC. A breakdown of cost and copies of any invoices for subcontracted work will be included with the monthly invoice. The breakdown of cost will include identification of the following: date, location identification, brief description of work (routine or major maintenance), material cost, staff involved and their associated rates, regular and overtime hours. It is critical that all invoicing annually be received by 12/31 for that given calendar year.

**J. KCRC Responsibilities**

KCRC responsibilities shall include, without limitation, furnishing Kalamazoo with timing diagrams, permits, durations, and plans; consulting to resolve questions; and processing

payments within thirty (30) days of their receipt. KCRC shall also log any field or timing changes made to the system by KCRC staff in logbooks which shall remain located in the controller cabinets. Maintaining these logs will be essential in troubleshooting or verifying operations of traffic signals by Kalamazoo.

**EXHIBIT E**  
**City of Kalamazoo**  
**Utility Locating Services for**  
**Kalamazoo County Road Commission**  
**Traffic Signals**

**SCOPE OF WORK:**

**A. General**

The work to be completed consists of evaluating Miss Dig tickets for the traffic signal system of KCRC. The traffic signal system shall be located, staked, and marked with flags and/or paint. Kalamazoo shall have a qualified trained person on call 24 hours a day, seven (7) days a week to respond to Miss Dig tickets within the standards for response specified. Kalamazoo shall furnish all personnel, training, tools, equipment, and materials necessary to respond to Miss Dig tickets at all times.

The signal system of the KCRC consists of items listed in Exhibit C. This listing is subject to change during the life of the contract. Additions or deletions may be authorized at any time during the contract and shall be covered by Kalamazoo as provided for in this contract.

**B. Utility Locating Staff**

Kalamazoo shall have staff available to complete the work required. Kalamazoo uses two (2) Engineering Technicians and a Lead Draftsman (who fills in for the Engineering Technicians as needed) for utility locating.

All Kalamazoo staff shall be sufficiently trained to respond to Miss Dig tickets and to locate traffic signal facilities. Kalamazoo shall provide all tools, locators, marking paint, flags, vehicles, and other equipment to respond as needed.

**C. Utility Locating Services**

Utility Locating Services consist of the evaluating and responding to Miss Dig tickets and the associated staking and marking of underground facilities as required by law. Kalamazoo will complete these activities and shall be paid by the KCRC in accordance with hourly rates as shown in Exhibit B. Specifically; Utility Locating Services include the following:

1. Reviewing all Miss Dig tickets for KCRC traffic signals and clearing them or closing them as necessary.
2. Locating underground traffic signal facilities within 4' of locations shown on plans provided by KCRC.
3. Updating positive response in the Miss Dig system.

Kalamazoo shall locate underground traffic signal facilities as identified on plans and 'as-built' provided by KCRC. Failure by KCRC to provide accurate, locatable, and up-to-date information may result in inaccurate locating services. Kalamazoo is not

responsible for any damage to facilities due to inaccurate information provided by KCRC. In the case of new, reconstructed, or upgraded signals, Kalamazoo is not responsible for providing Utility Locating services until such time as the 'as-built or up-to-date plans are provided to Kalamazoo.

In all future signal replacement projects, underground facilities shall be locatable per law and shall include a tracing wire in conduits for Kalamazoo staff to use for locating purposes.

**D. Regular and Overtime Work**

Kalamazoo regular working hours shall be 7:30am to 4:00pm, Monday thru Friday. Generally, all non-emergency Miss Dig tickets will be located and responded to within these times and in accordance with timeframes designated by law. Emergency Miss Dig tickets may require response during periods outside the regular working hours.

Kalamazoo will provide overtime maintenance services 24 hours per day including Saturday, Sunday, and holidays.

All costs for regular and overtime services are specified in Exhibit B. For all overtime work, KCRC will be invoiced for a minimum of two (2) hours of work.

**E. Equipment**

Kalamazoo shall supply all tools and equipment needed to complete the work. An annual fee will be invoiced at the beginning of the year in accordance with Exhibit B to cover the expenses related to the purchase of flags, marking paint, and software usage necessary to provide the Utility Locating Services.

**F. Documentation by Kalamazoo**

Documentation shall be required for work completed under this contract. Kalamazoo shall maintain copies of KCRC Miss Dig tickets cleared or responded to for one (1) year prior the current year. Kalamazoo shall supply KCRC monthly reports with invoices on the status of tickets and a year end 12/31 report.

**G. Invoicing and Payment**

Kalamazoo shall invoice monthly, billing for services rendered on Utility Locating work. A breakdown of cost will be included with the invoice. The breakdown of cost shall include the following: date, location identification, brief description of work, staff involved, and non-emergency and emergency hours.

**H. Liability**

Kalamazoo agrees to complete the work as specified within the timeframes permitted by law. KCRC agrees to defend and hold Kalamazoo harmless from any claims arising out of allegations of defects in Utility Locating services rendered per this contract as long as staking is performed per the supplied plans and drawings. This paragraph is not intended to waive claims related to damages by Kalamazoo's maintenance crews but simply the staking and locating staff required by this contract.

**I. KCRC Responsibilities**

KCRC responsibilities shall include, without limitation, furnishing Kalamazoo with all traffic signal as built or current underground infrastructure drawings; consulting to

resolve questions; designing tracing wire in all future signal replacements; and processing payments within thirty (30) days of their receipt.



# Commission Agenda Report

City of Kalamazoo

Date: **03/02/15**

Item **F4**

**TO:** Mayor Hopewell, Vice Mayor Anderson and City Commissioners

**FROM:** James K. Ritsema, City Manager  
Prepared By: Sean McBride, Executive Director

**DATE:** February 19, 2015

**SUBJECT:** 2015 Service Agreement with KCTA

## RECOMMENDATION

It is recommended that the City Commission approve a Service Agreement between the Kalamazoo County Transportation Authority (KCTA), Transit Authority Board (TAB) and the City of Kalamazoo for CY2015. This Service Agreement calls for the KCTA to reimburse Metro Transit \$3,286,200 for public transit service provided in CY2015.

## BACKGROUND

Similar service agreements have been completed each year since CY2008 based upon the adopted budgets for Kalamazoo Metro Transit. This CY2015 Agreement reflects the services funded by the passage of the May 7, 2013, countywide transit levy, specifically all Metro County Connect services and fixed route bus services outside the City of Kalamazoo.

Transportation Department staff is now requesting City Commission approval of the attached 2015 Service Agreement with the KCTA. The Transit Authority Board approved this Agreement at its February 27, 2015 board meeting. The KCTA approved the agreement at its February 9, 2015 meeting.

## COMMUNITY RESOURCES CONSULTED

As noted above, both the Kalamazoo County Transportation Authority and Transit Authority Board have acted on the agreement.

## FISCAL IMPACT

The KCTA Service Agreement provides the City of Kalamazoo with \$3,286,200 to operate public transportation services during CY2015. Funding from this agreement represents 22% of operating revenue for Metro Transit. This is a key source of funding for leveraging State and Federal grants.

**ALTERNATIVES**

None.

**ATTACHMENTS**

2015 Service Agreement

**SERVICE AGREEMENT BETWEEN  
THE CITY OF KALAMAZOO  
THE KALAMAZOO COUNTY TRANSPORTATION AUTHORITY  
AND  
THE KALAMAZOO TRANSIT AUTHORITY BOARD**

This Agreement ("Agreement"), dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015, is made by and between the CITY OF KALAMAZOO (hereinafter the "City"), whose address is 241 W. South Street, Kalamazoo, Michigan, the KALAMAZOO COUNTY TRANSPORTATION AUTHORITY, (hereinafter the "KCTA"), whose address is 530 N. Rose Street, Kalamazoo, Michigan, and the KALAMAZOO TRANSIT AUTHORITY, whose address is 530 N. Rose Street, Kalamazoo, Michigan, and is as follows:

**WHEREAS**, the City for many years has operated a public transportation system for the provision of bus service within the Kalamazoo urbanized area which in recent years has been expanded to include Kalamazoo County and which provides fixed route bus service, complementary ADA paratransit service, and countywide demand/response service, and

**WHEREAS**, KCTA has been created pursuant to the provisions of Act 196 of the Public Acts of 1986, MCL 124.451 et seq., an Act which authorizes the formation of public transportation authorities and provides powers and duties for said authorities, and

**WHEREAS**, the parties' desire is that the assets of the City of Kalamazoo Transportation Department, including Care-A-Van assets transferred to the City from the County of Kalamazoo, be ultimately transferred to the KCTA so that the KCTA will own and operate the public transportation system currently being operated by the City, with this Agreement acting as a temporary agreement, and

**WHEREAS**, the KCTA secured a sustainable local funding source for 2013 through 2016 with a voter-approved millage on May 7, 2013, and

**WHEREAS**, Act 35 of the Public Acts of 1951, MCL 124.1 et seq., allows governmental units to join together to provide any service which each would have the power on their own to operate or perform separately,

**WHEREAS**, the parties desire at this time to enter into this Agreement whereby the City, through its Transportation Department, will continue to operate the public transportation system from January 1, 2015 through December 31, 2015, and

**WHEREAS**, the parties are currently meeting to discuss the future of the public transportation system, the governance of that system, and with the goal of transferring that system to KCTA.

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. **City Responsibilities.** The City, through its Transportation Department, hereby commits to continue to operate its public transportation system for the duration of this Agreement. Accordingly:
  - a. City will continue the general fare structure as approved on November 16, 2009, the number of buses, the operating time periods, and the bus transportation routes, including Metro County Connect service, consistent with all applicable State of Michigan and federal laws, rules, regulations and guidelines. If any change is required by State or federal regulatory authority, the City will notify KCTA of the proposed change not less than sixty (60) days prior to implementation. Any proposed fare increases or major changes in service routes or frequencies (defined as a decrease in either service days and/or service miles equal to or greater than 5% of Metro County Connect service, or the fixed route service outside the city's corporate boundaries, whether for financial or any other

purpose), shall require not less than sixty (60) day notification to the KCTA and the mutual agreement of all parties before such changes are implemented. The KCTA Board shall be notified with sufficient notice of any minor changes in service routes (defined as a decrease in service miles less than 5% of total fixed route service outside the City's corporate boundaries), whether for financial or any other purpose. The concurrence of the KCTA Board is not required.

- b. City shall exercise due diligence to adhere to the time schedules and maintain the current bus routes, but KCTA understands that deviations may be necessary due to traffic, weather, road conditions, mechanical breakdowns, acts of God, labor disputes, or other acts and conditions beyond the City's control.
- c. It is agreed that any current public transportation revenues, consisting of farebox revenue, state and federal funds, including grant funds, as well as the local taxes and funds from special contracts should continue to be received by the City in the same manner as the City has historically done. Transportation Department funds are, and will continue to be, part of the public transportation asset (fund), and are separately collected, monitored, tracked, reported and audited.
- d. It is likewise agreed that operating expenses of the public transportation system shall continue to be borne by the City in the same manner as the City has historically done.
- e. Throughout the term of this Agreement, City shall continue to maintain its fleet insurance conforming to Michigan laws, which shall provide for not less than \$2,000,000 with respect to bodily injury or death to any one person, not less than \$2,000,000 with respect to any one occurrence, and not less than \$1,000,000 with respect to property damage. KCTA understands that the City is self-insured for worker's compensation purposes.
- f. The City agrees that it will provide regular reports to KCTA regarding the provision of public transportation service as set forth herein, and the City's Transportation Department officials will cooperate with KCTA and answer whatever questions they may have regarding the public transportation system and its services. The City agrees that it will make all of its transportation financial records available to KCTA throughout the course of this Agreement at any reasonable time upon request of the KCTA Board of Directors.
- g. The City will provide monthly fixed route and demand / response operational and financial reporting. In addition the City will provide quarterly and annual performance measurements as prepared for the State of Michigan.

2. **Kalamazoo County Transportation Authority Responsibilities.** As required by Section 14(b) of Act 196, KCTA agrees and consents to City providing public transportation services pursuant to this Agreement within KCTA's geographical boundaries. Accordingly KCTA, through its Board of Directors, hereby commits to use millage funds to engage the City to provide transportation services during calendar year 2015 based upon the City's Transportation Department's adopted 2015 budget.

- a. KCTA shall pay a total of \$3,286,200 to the City. Payments shall be made quarterly and each quarterly payment shall be for \$821,550 unless revised as provided under this paragraph. The payments shall be made by KCTA to the City as follows:
  - i. The payment for the first three (3) months of 2015 shall be invoiced by the City on January 1, 2015, and be payable within 30 days thereafter.
  - ii. The payment for the second three (3) months of 2015 shall be invoiced by the City on April 1, 2015, and be payable within 30 days thereafter.

- iii. The payment for the third three (3) months of 2015 shall be invoiced by the City on July 1, 2015, and be payable within 30 days thereafter.
  - iv. The payment for the fourth three (3) months of 2015 shall be invoiced by the City on October 1, 2015, and be payable within 30 days thereafter.
  - v. The parties acknowledge that KCTA is paying the City in advance for services provided under this Agreement. Therefore, should this Agreement terminate prior to December 31, 2015, City agrees to refund, on a per diem basis, to KCTA any amounts paid by KCTA where services were not actually rendered by the City because of the early termination.
3. **City as Independent Contractor.** In regard to the provision of all services set forth herein, City shall be in the capacity of independent contractor and not as agent, partner, joint venturer or employee of the KCTA. Accordingly, until the final agreement for transfer of the entire public transportation system is in place, all facilities and equipment used in the provision of the public transportation system shall continue to be owned by the City and all public transportation employees shall continue to be employees of the City. Neither the City nor its employees are entitled to benefits provided by KCTA to its employees. KCTA is not responsible for any compensation, FICA, withholding taxes, employment compensation or any other payment regarding City or City's employees.
4. **Non-Discrimination.** It is the policy of the City of Kalamazoo not to tolerate discrimination or harassment on the basis of age, ancestry, citizenship, color, disability, ethnicity, gender identity, genetic information, height, marital or domestic partner status, national origin, race, religion, sex, sexual orientation, veteran status or weight, and agrees to comply with KCTA's policies of nondiscrimination with respect to employees and applicants for employees. Breach of this covenant may be regarded as a material breach of this Agreement as provided for in Act 453 of the Public Acts of 1976, as amended, entitled "Michigan Civil Rights Act". City further agrees to require similar provisions from any of its subcontractors.
5. **No Third Party Rights.** This Agreement is made solely for the benefit of the parties who are signatories to it, and not for the benefit of any third party. No third party can enforce any obligations under this Agreement.
6. **Term of Agreement.** The term of this Agreement shall commence on January 1, 2015, and shall remain in effect until December 31, 2015, unless sooner terminated as provided herein. In the event that a party commits a material breach of this Agreement that remains uncured for 30 days after notice of breach is given, the non-breaching party may terminate this Agreement immediately upon written notice to the breaching party. The right to terminate is not an exclusive remedy.
7. **Kalamazoo Transit Authority Responsibilities.** The Kalamazoo Transit Authority, through its Transit Authority Board of Directors, hereby commits to continue its responsibilities for public transportation services to the citizens of the City of Kalamazoo for the life of this Agreement. Accordingly:
  - a. Pursuant to Act 55 of the Public Acts of 1963, the Kalamazoo Transit Authority consents to this Agreement by action taken at a regularly scheduled meeting.
  - b. All requirements imposed upon the City in this Agreement are also imposed upon the Kalamazoo Transit Authority and its Board of Directors, except those that by their nature would be inapplicable.

**IN WITNESS WHEREOF**, this Agreement is effective as of the day and year first set forth above.

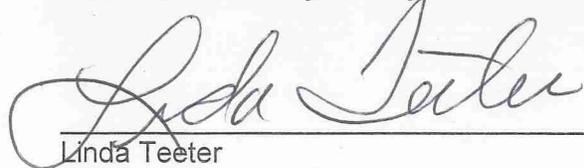
**The City of Kalamazoo**

Date: \_\_\_\_\_

\_\_\_\_\_  
James K. Ritsema  
City Manager

**Kalamazoo County Transportation Authority**

Date: 2/9/15 \_\_\_\_\_

  
\_\_\_\_\_  
Linda Teeter  
Chairperson

Date: 2/13/15 \_\_\_\_\_

  
\_\_\_\_\_  
Jack Mekemson  
Secretary

**Kalamazoo Transit Authority**

Date: \_\_\_\_\_

\_\_\_\_\_  
Garrylee McCormick  
Chairperson



# Commission Agenda Report

City Of Kalamazoo

Date: **03/02/15**

Item **F5**

**TO:** Mayor Hopewell, Vice Mayor Anderson, and City Commissioners

**FROM:** Scott A. Borling, City Clerk

**DATE:** February 25, 2015

**SUBJECT:** Resolution Designating Polling Facility Location

## RECOMMENDATION

It is recommended that the City Commission adopt a RESOLUTION designating the polling facility location for Precinct 15 to be used during the State of Michigan Special election on May 5, 2015 and for each election thereafter.

## BACKGROUND

Michigan Election Law (MCL 168.662) requires the legislative body of each city to designate and prescribe the places for holding an election in the city and to provide suitable polling places for each precinct located in the city for use at each election.

For many years the City has used Washington Writers' Academy as a polling location. In 2013 Kalamazoo Public Schools razed and began rebuilding this facility, making it unusable for the duration of the project. The new Washington Writers' Academy is now open, and the City Clerk's Office has been informed the school is once again available for use as a polling location. This new facility has ample parking, a large space for voting, and is ADA accessible. Washington Writers' Academy is located at 1919 Portage Street, within the Precinct 15 boundary.

As Election Division staff considered various facilities and locations, the following factors were taken into consideration: the size and layout of the voting areas; availability of parking spaces; the proximity of polling facilities to the voters being served; and accessibility of the voting areas within the facilities, especially for individuals with disabilities.

This change will be communicated to affected voters (approximately 2,193) in the following ways. First, the Election Division will send each affected voter a new Voter Identification Card that highlights the polling location change. Second, for the elections in 2015 and 2016 signs will be posted at Stockbridge United Methodist Church directing voters to their new polling facility. Finally, the City's website will be updated so that precinct maps, driving directions, and street guides contain current information.

## **COMMUNITY RESOURCES CONSULTED**

Election Division staff took into consideration their experiences from previous elections and comments from voters and poll workers.

## **FISCAL IMPACT**

### Noticing Costs

If the changes to polling facilities are approved, approximately 2,193 voters will be sent new Voter ID Cards, at a cost of \$550. The funds for this expense are included in the Election Division's FY2015 Budget.

### Future Costs

None

## **ALTERNATIVES**

If the attached resolution is not adopted Stockbridge United Methodist Church at 1009 West Stockbridge Avenue will remain the polling facility for Precinct 15. No other alternatives have been identified at this time.

## **ATTACHMENTS**

Resolution

**CITY OF KALAMAZOO, MICHIGAN**

**RESOLUTION NO. 15-**

**A RESOLUTION DESIGNATING THE POLLING FACILITY LOCATION FOR PRECINCT 15  
TO BE USED DURING THE MAT 5, 2015 ELECTION AND FOR ALL ELECTIONS HELD  
IN THE CITY OF KALAMAZOO THEREAFTER**

Minutes of a regular meeting of the City Commission of the City of Kalamazoo held on March 2, 2015, at 7:00 o'clock p.m., local time, at the Kalamazoo City Commission Chambers, located at 241 West South Street.

**PRESENT**, Commissioners:

**ABSENT**, Commissioners:

**RESOLVED:** the Kalamazoo City Commission hereby designates the Washington Writers' Academy, located at 1919 Portage Street, as the polling facility for voting precinct 15 for the election to be held May 5, 2015 and at each election held in the City thereafter.

The above resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_.

**AYES**, Commissioners:

**NAYS**, Commissioners:

**ABSTAIN**, Commissioners:

**RESOLUTION DECLARED ADOPTED.**

**CERTIFICATE**

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on March 2, 2015. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

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Scott A. Borling, City Clerk



# Commission Agenda Report

Date: **03/02/15**

Item **G1**

City of Kalamazoo

**TO:** Mayor Hopewell, Vice Mayor Anderson, and City Commissioners

**FROM:** James K. Ritsema, City Manager, ICMA-CM  
Prepared By: Thomas C. Skrobola, Director of Management Services/Chief  
Financial Officer

**DATE:** February 20<sup>th</sup>, 2015

**SUBJECT:** Resolution Authorizing the Issuance of 2015 Capital Improvement Bonds and 2015 Water Revenue Bonds and Ordinance Authorizing Water Supply System Revenue Bonds

## RECOMMENDATION

It is recommended that the City Commission:

- approve the attached Resolution authorizing the issuance of Capital Improvement Bonds in the amount of \$5,150,000;
- approve the attached Notice of Intent Resolution for Water Supply System Revenue Bonds, Series 2015;
- approve the attached Ordinance Authorizing Water Supply System Revenue Bonds, Series 2015 in the amount of \$3,035,000.

## BACKGROUND

Regarding the new Capital Improvement proceeds, the Adopted FY 2015 Budget calls for certain capital improvements to be undertaken by debt financing to pay all or part of the costs of certain public improvements in the City, including a) acquiring and constructing major street and local street and streetscape improvements, including intersection and traffic signal upgrades; b) acquiring, constructing, furnishing and equipping city hall facility improvements; c) acquiring and constructing golf course facility and irrigation improvements; d) acquiring public safety and public services department equipment; and e) acquiring and constructing park improvements, including all related equipment, site improvements, appurtenances and attachments.

The Adopted FY 2015 Budget calls for certain capital improvements to be undertaken in 2015 and 2016 to support the City's Water Supply System. After consulting with the City's utility rate consultant, Bart Foster, staff has determined that Water Supply System capital projects planned for 2015 and 2016 should be financed by the issuance of debt, in order to maintain the appropriate balance between reserves and long-term obligations in the City's Water Fund.

**COMMUNITY RESOURCES CONSULTED**

At the January 5<sup>th</sup>, 2015, City Commission meeting, Notice of Intent Resolutions relative to the new Capital Improvement Bonds and Water Revenue Bonds were adopted. The resolutions allowed for a forty-five (45) day referendum period and as of this date no petition has been filed with the Clerk.

**FISCAL IMPACT**

The City’s debt limit is capped by statutory and constitutional debt provisions. The formula for determining the City’s debt limit is as follows:

a. City’s 2014 Ad Valorem SEV	\$1,557,339,300	
b. Plus Half of Act 198 Property	Plus \$26,890,150	
c. Plus Revenue Sharing <b>(1)</b>	Plus \$390,612,357	
d. Total 2014 SEV Value	a + b + c = \$1,974,841,807	
e. Debt Limit	d x 10% =	\$197,484,180
<b> </b>		
f. Debt Outstanding	\$177,235,000	
g. Less: Exempt Debt	Minus \$31,140,000	
h. Total Outstanding Debt:	f + g =	\$146,095,000
<b> </b>		
<b>Legal Debt Margin:</b>	<b>e minus h =</b>	<b>\$ 51,389,180</b>

(1) Constitutional and statutory revenue sharing of \$8,367,112 divided by the City’s 2014 millage rate of 21.4205.

The annual debt service on this bond issue is included in the City’s Adopted FY 2015 Budget and fiscal plan.

**ALTERNATIVES**

If the debt is not issued, general capital maintenance will fall behind desirable levels, as the use of cash financing is not recommended. Also, future savings accessible by refunding will also be lost.

**ATTACHMENTS**

Authorizing Resolution and Ordinances

**RESOLUTION AUTHORIZING  
2015 CAPITAL IMPROVEMENT BONDS  
(LIMITED TAX GENERAL OBLIGATION)**

**CITY OF KALAMAZOO  
COUNTY OF KALAMAZOO, STATE OF MICHIGAN**

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Minutes of a regular meeting of the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), held on March 2, 2015, at 7:00 o'clock p.m., Eastern Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members: \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

WHEREAS, the City does hereby determine that it is necessary to pay all or part of the costs of certain public improvements in the City, including: a) acquiring and constructing major street and local street and streetscape improvements, including intersection and traffic signal upgrades; b) acquiring, constructing, furnishing and equipping city hall facility improvements; c) acquiring and constructing golf course facility and irrigation improvements; d) acquiring public safety and public services department equipment; and e) acquiring and constructing park improvements (the "Projects"); and

WHEREAS, the cost of the Projects are estimated to be approximately Five Million One Hundred Fifty Thousand Dollars (\$5,150,000); and

WHEREAS, to finance the cost of the Projects, the City Commission deems it necessary to borrow the principal amount of not to exceed Five Million One Hundred Fifty Thousand Dollars (\$5,150,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") to pay the cost of the Projects; and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication and as of this date no petition has been filed with the Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2015 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Five Million One Hundred Fifty Thousand Dollars (\$5,150,000) for the purpose of paying the cost of the Projects, 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 \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery. The Bonds shall bear interest, mature and be payable at the times and in the manner set forth in Sections 6 and 7 hereof.

The Bonds shall be sold at public sale at a price not less than 98.0% of the principal amount thereof.

The Bonds shall be subject to redemption prior to maturity in the manner and at the times and prices set forth in Sections 6 and 7 hereof and if term bonds are selected by the original purchaser of the bonds, then the bonds will be subject to mandatory redemption in accordance with the foregoing maturity schedule at par.

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 City to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15<sup>th</sup> day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan who is hereby selected to act as the transfer agent for the bonds (the "Transfer Agent").

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Manager and Director of Management Services and Chief Financial Officer are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and shall have the seal of the City, 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 Director of Management Services and Chief Financial Officer of the City 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 City. 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 City 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 City. 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 City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City shall, each year budget the amount of 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 City 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 is authorized and directed to open a depository account with a bank or trust company designated by the City Commission, to be designated 2015 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) 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, premium, if any, 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, premium, if any, 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. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Commission, to be designated 2015 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Projects and the costs of issuance of the Bonds.

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

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF KALAMAZOO

**CITY OF KALAMAZOO**  
2015 CAPITAL IMPROVEMENT BOND  
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	April 1, _____	_____, 2015	

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

The City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) 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, first payable on October 1, 2015 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of The Bank of New York Mellon Trust Company N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15<sup>th</sup>) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$5,150,000, issued for the purpose of paying the cost of certain capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the City.

Bonds of this issue maturing in the years 2016 to 2024, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$5,000 maturing in the year 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after April 1, 2024, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the

original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer 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 bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds 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 bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter 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 bond and the series of bonds of which this is one, 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 City, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Kalamazoo, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF KALAMAZOO  
County of Kalamazoo  
State of Michigan

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Clerk

(SEAL)

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

The Bank of New York Mellon Trust Company, N.A.  
Detroit, Michigan  
Transfer Agent

By: \_\_\_\_\_  
Authorized Signatory

[Bond printer to insert form of assignment]

7. Notice of Sale. The City Clerk is authorized to fix a date of sale for the Bonds and to publish a notice of sale of the Bonds in *The Bond Buyer*, New York, New York, which notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

\$5,150,000

(Preliminary, subject to change)

CITY OF KALAMAZOO

COUNTY OF KALAMAZOO, STATE OF MICHIGAN

2015 CAPITAL IMPROVEMENT BONDS

(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the Offices of the Director of Management Services and Chief Financial Officer located at the Kalamazoo City Hall, 241 W. South Street, Kalamazoo, Michigan 49007 on Tuesday, the 17th day of March, 2015 until 11:00 a.m., prevailing Eastern Time, at which time and place said bids will be publicly open and read.

SEALED BIDS will also be received in the alternative on the same date and until the same time at the offices of the Municipal Advisory Council of Michigan (the "MAC"), Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, when, simultaneously, the bids will be opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the City at fax number (269) 337-8448, Attention: City Clerk and by MAC members only to the MAC at (313) 963-0943, provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the **GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED** as described in the Section "GOOD FAITH" below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. **IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL.**

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, numbered in order of registration, and will bear interest from their date payable on October 1, 2015, and semiannually thereafter.

The bonds will mature on the 1<sup>st</sup> day of April in each of the years, as follows:

2016	\$295,000
2017	300,000
2018	305,000
2019	310,000
2020	320,000
2021	320,000

2022	330,000
2023	335,000
2024	345,000
2025	355,000
2026	360,000
2027	375,000
2028	385,000
2029	400,000
2030	415,000

**ADJUSTMENT TO MATURITY:** The City reserves the right to increase or decrease the amount of any principal maturity of the bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of \$5,000.

**INTEREST RATE AND BIDDING DETAILS:** The bonds shall bear interest at rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed four percent (4%) per annum. **THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE PRECEDING SERIAL OR TERM BOND MATURITY.** No proposal for the purchase of less than all of the bonds or at a price less than 98.0% of their par value will be considered.

**PRIOR REDEMPTION OF BONDS:** Bonds maturing in the years 2016 to 2024 inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after April 1, 2024, at par and accrued interest to the date fixed for redemption.

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

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

**TERM BOND OPTION:** The initial purchaser of the bonds may designate any one or more maturities from April 1, 2016 through the final maturity as term bonds and the consecutive maturities on or after the year 2016 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on April 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

**BOOK-ENTRY ONLY:** The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

**TRANSFER AGENT AND REGISTRATION:** Principal shall be payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15<sup>th</sup> day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

**PURPOSE AND SECURITY:** The bonds are authorized for the purpose of paying the cost of acquiring and constructing certain capital improvements for the City. The bonds will be a first budget obligation of the City, payable from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

**GOOD FAITH:** A good faith deposit in the form of a certified or cashier’s check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$103,000 payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

**AWARD OF BONDS:** The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2015 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to \_\_\_\_\_, 2015, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

**TAX MATTERS:** In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a

certificate in a form acceptable to bond counsel as to the “issue price” of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “Code”). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

NOT “QUALIFIED TAX EXEMPT OBLIGATIONS”: The City has not designated the bonds as “Qualified Tax Exempt Obligations” for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o’clock noon, prevailing Eastern Time, on the 45<sup>th</sup> day following the date of sale, or the first business day thereafter if said 45<sup>th</sup> day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Robert W. Baird & Co. Incorporated, financial advisors to the City, at the address and telephone listed under FINANCIAL

ADVISOR below. Robert W. Baird & Co. Incorporated, will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Robert W. Baird & Co. Incorporated, upon request and agreement by the purchaser to Robert W. Baird & Co. Incorporated, within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any and all increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the City has requested and received a rating on the Bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the sixth month after the end of each fiscal year commencing with the fiscal year ended December 31, 2014, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

FINANCIAL CONSULTANT: Further information relating to the bonds may be obtained from Robert W. Baird & Co. Incorporated, 1001 Bay Street, Traverse City, Michigan 49684. Telephone (231) 933-8447. Fax (231) 933-8448.

ENVELOPES containing the bids should be plainly marked "Proposal for 2015 Capital Improvement Bonds (Limited Tax General Obligation)."

Scott A. Borling  
City Clerk  
City of Kalamazoo

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

9. Tax Covenant. The City 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.

10. Official Statement; Qualification for Insurance; Ratings. The City Manager and Director of Management Services and Chief Financial Officer are each authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure qualification of the Bonds for a policy of municipal bond insurance; and to obtain ratings on the Bonds.

11. Continuing Disclosure. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the City Manager and Director of Management Services and Chief Financial Officer are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

12. Authorization of Other Actions. The City Manager and Director of Management Services and Chief Financial Officer are each hereby authorized to adjust 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 are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, 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, and other matters within the parameters described in this resolution. The City Manager and Director of Management Services and Chief Financial Officer are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

13. Award of Sale of Bonds. The City Manager and Director of Management Services and Chief Financial Officer are each hereby authorized on behalf of the City to award the sale of the Bonds to the bidder whose bid meets the requirements of law and which produces the lowest true interest cost to the City computed in accordance with the terms of the Official Notice of Sale as published.

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

AYES:           Members: \_\_\_\_\_

\_\_\_\_\_

NAYS:           Members: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Scott A. Borling, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan, at a regular meeting held on March 2, 2015, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

\_\_\_\_\_  
Scott A. Borling, City Clerk

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**NOTICE OF SALE RESOLUTION  
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2015**

CITY OF KALAMAZOO  
COUNTY OF KALAMAZOO, STATE OF MICHIGAN

Minutes of a regular meeting of the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan, held in said City on the 2<sup>nd</sup> day of March, 2015 at 7:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members: \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

WHEREAS, the City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), has by an Ordinance duly adopted as of the date hereof (the "Ordinance"), authorized the issuance and sale of Three Million Thirty Five Thousand Dollars (\$3,035,000) principal amount of the City's Water Supply System Revenue Bonds, Series 2015 (the "Bonds"); and

WHEREAS, it is necessary to authorize and approve the publication of a notice of sale in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization to Fix Date of Sale. The City's Director of Management Services and Chief Financial Officer is hereby authorized and directed to fix the date for the sale of the Bonds.
2. Publication of Notice of Sale. The City's Clerk shall cause an official Notice of Sale of the Bonds to be published in the Bond Buyer, New York, New York at least seven (7) full days before the date fixed for sale.
3. Form of Notice of Sale. The Notice of Sale of the Bonds shall be in substantially the following form:

OFFICIAL NOTICE OF SALE  
\$3,035,000  
(Preliminary, subject to change)  
CITY OF KALAMAZOO  
COUNTY OF KALAMAZOO, STATE OF MICHIGAN  
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2015

SEALED BIDS for purchase of the above bonds will be received by at the Offices of the Director of Management Services and Chief Financial Officer located at the Kalamazoo City Hall, 241 W. South Street, Kalamazoo, Michigan 49007 on Tuesday, the 17th of March, 2015 until 11:30 a.m., prevailing Eastern Time at which time and place said bids will be publicly opened and read.

SEALED BIDS will also be received in the alterative on the same date and until the same time at the offices of the Municipal Advisory Council of Michigan (the "MAC"), Buhl Building, 535 Griswold Street, Suite 1850, Detroit, Michigan 48226, when, simultaneously, the bids will be opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the City at fax number (269) 337-8448, Attention: City Clerk or to the MAC at (313) 963-0943, provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of delivery, numbered in order of registration, and will bear interest from their date payable on September 1, 2015, and semiannually thereafter.

The bonds will mature on the 1<sup>st</sup> day of September in each of the years, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2016	\$85,000	2029	\$120,000
2017	85,000	2030	125,000
2018	90,000	2031	130,000
2019	90,000	2032	130,000
2020	90,000	2033	135,000

2021	95,000	2034	140,000
2022	95,000	2035	150,000
2023	100,000	2036	155,000
2024	100,000	2037	160,000
2025	105,000	2038	165,000
2026	110,000	2039	175,000
2027	110,000	2040	180,000
2028	115,000		

**ADJUSTMENT TO MATURITY:** The City reserves the right to increase or decrease the amount of any principal maturity of the bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of \$5,000.

**TERM BOND OPTION:** The initial purchaser of the bonds may designate any one or more maturities from 2016 to 2040, inclusive as term bonds and the consecutive maturities on or after the year 2016 which shall be aggregated in the term bonds. The amount of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on September 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatory redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

**PRIOR REDEMPTION OF BONDS:** Bonds maturing in the years 2016 to 2024, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after September 1, 2024, at par and accrued interest to the date fixed for redemption.

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

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

**INTEREST RATE AND BIDDING DETAILS:** The bonds shall bear interest at rate or rates not exceeding 5% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed four percent (4%) per annum. **THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE PRECEDING SERIAL OR TERM BOND MATURITY.** No proposal for the purchase of less than all of the bonds or at a price less than 98% of their par value will be considered.

**BOOK-ENTRY ONLY:** The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

**TRANSFER AGENT AND REGISTRATION:** Principal shall be payable at the corporate trust office of The Bank of New York Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15<sup>th</sup> day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

**PURPOSE AND SECURITY:** The bonds are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and certain Ordinances of the City, for the purpose of defraying the cost of acquiring and constructing additions, extensions and improvements to the City’s Water Supply System (the “System”). The bonds are payable solely and only from the Net Revenues of the System and any additions thereto, and a statutory first lien on said Net Revenues has been established by said Ordinances. The bonds and said lien are of equal standing and priority of lien as to said Net Revenues with the City’s Water Supply System Revenue and Revenue Refunding Bonds, Series 2006, in the outstanding principal amount of \$2,045,000, the City’s Water Supply System Revenue Bonds, Series 2007, in the outstanding principal amount of \$1,545,000, the City’s the Water Supply System Revenue Refunding Bonds, Series 2012, in the outstanding principal amount of \$3,390,000, and the City’s Water Supply System Revenue Refunding Bonds, Series 2014, in the outstanding principal amount of \$11,170,000 (together the “Outstanding Bonds”). The City has covenanted and agreed to fix and maintain at all times while any of such bonds shall be outstanding such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System, to produce net revenues equal to one-hundred twenty percent (120%) of the annual principal and interest on all of said bonds when due, to maintain a bond reserve account therefor, and to provide for such other expenditures and funds for the System as are required by said Ordinances.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

**ADDITIONAL BONDS:** For the terms upon which additional bonds of equal standing with the bonds of this issue and the Outstanding Bonds as to the Net Revenues of the System may be issued, reference is made to the above described Ordinances.

**GOOD FAITH:** A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$60,700 payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

**AWARD OF BONDS-TRUE INTEREST COST:** The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on September 1, 2015 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to April 1, 2015 in an amount equal to the bid price, excluding accrued interest, if any. For the purpose of computing the true interest cost, the bonds shall be deemed to become due in the principal amounts and at the times set forth above, whether the bonds are serial bonds or mandatory sinking fund redemptions for such term bonds. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

**TAX MATTERS:** In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

**NOT QUALIFIED TAX EXEMPT OBLIGATIONS:** The City has not designated the bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

**LEGAL OPINION:** Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the

bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the bonds, the bidder agrees to the representation of the City by Miller, Canfield, Paddock and Stone, P.L.C., as bond counsel.

**DELIVERY OF BONDS:** The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern Time, on the 45<sup>th</sup> day following the date of sale, or the first business day thereafter if said 45<sup>th</sup> day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds.

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

**OFFICIAL STATEMENT:** A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Robert W. Baird & Co. Incorporated, financial advisors to the City, at the address and telephone listed under FINANCIAL ADVISOR below. Robert W. Baird & Co. Incorporated will provide the winning bidder with 150 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Robert W. Baird & Co. Incorporated, upon request and agreement by the purchaser to pay the cost of additional copies. The request for additional copies should be made to Robert W. Baird & Co. Incorporated, within 24 hours of the time of sale.

**BOND INSURANCE AT PURCHASER'S OPTION:** If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any and all increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the City has requested and received a rating on the Bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.**

**CONTINUING DISCLOSURE:** As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, or prior to the last day of the sixth month after the end of each fiscal year commencing with the fiscal year ended December 31, 2014, (i) certain

annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

FINANCIAL ADVISOR: Further information relating to the bonds may be obtained from Robert W. Baird & Co. Incorporated, 1001 Bay Street, Traverse City, Michigan 49684. Telephone (231) 938-8447. Fax (231) 933-8448.

BIDDER CERTIFICATION: NOT "IRAN-LINKED BUSINESS" By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517 Michigan Public Acts of 2012, being MCL 129.311 et. seq.

ENVELOPES containing the bids should be plainly marked "Proposal for Water Supply System Revenue Bonds, Series 2015."

THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS.

Scott A. Borling  
City Clerk  
City of Kalamazoo



**CITY OF KALAMAZOO, MICHIGAN**

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF WATER SUPPLY SYSTEM REVENUE BONDS TO PAY THE COST OF THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE WATER SUPPLY SYSTEM OF THE CITY AND TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND CERTAIN OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SYSTEM AND THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM.

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “Act 94” means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) “Authorized Officers” means either the City Manager, Deputy City Manager or Director of Management Services and Chief Financial Officer.
- (c) “Bonds” means the Series 2015 Bonds, the Outstanding Bonds and any additional Bonds of equal standing hereafter issued.
- (d) “Issuer” or “City” means the City of Kalamazoo, County of Kalamazoo, State of Michigan.
- (e) “Outstanding Bonds” means the Series 2006 Bonds, the Series 2007 Bonds, the Series 2012 Bonds, and the Series 2014 Bonds.
- (f) “Outstanding Ordinances” means Ordinances Nos. 1539, 1765, 1814, 1827, 1891 and 1919 of the City.
- (g) “Project” means the additions, extensions and improvements to the System, together with all necessary structures, equipment, furnishings and all appurtenances and attachments thereto.

(h) “Revenues” and “Net Revenues” mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues”, the earnings derived from the investment of moneys in the various funds and accounts established by the Outstanding Ordinances and this Ordinance.

(i) “Sale Order” means the Sales Order to be executed by an Authorized Officer of the Issuer respecting the sale of the Series 2015 Bonds.

(j) “Series 2006 Bonds” mean the Water Supply System Revenue and Revenue Refunding Bonds, Series 2006, dated November 29, 2006, in the outstanding principal amount of Two Million Forty-Five Thousand Dollars (\$2,045,000).

(k) “Series 2007 Bonds” mean the Water Supply System Revenue Bonds, Series 2007, dated July 12, 2007, in the outstanding principal amount of One Million Five Hundred Forty-Five Thousand Dollars (\$1,545,000).

(l) “Series 2012 Bonds” mean the Water Supply System Revenue Refunding Bonds, Series 2012, dated June 5, 2012, in the outstanding principal amount of Three Million Three Hundred Ninety Thousand Dollars (\$3,390,000).

(m) “Series 2014 Bonds” means the Water Supply System Revenue Refunding Bonds, Series 2014, dated May 1, 2014, in the outstanding principal amount of Eleven Million One Hundred Seventy Thousand Dollars (\$11,170,000).

(n) “Series 2015 Bonds” means the Water Supply System Revenue Bonds, Series 2015, authorized pursuant to this ordinance.

(o) “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(p) “System” means the entire Water Supply System of the City as defined in the Outstanding Ordinances.

(q) “Transfer Agent” means The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan.

Section 2. Necessity; Public Purpose; Estimated Cost and Life of Project. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project. The estimated cost of acquiring and constructing the Project, including capitalized interest, contingencies, engineering, legal and financing expenses, in an amount of not to exceed Three Million Thirty-Five Thousand Dollars (\$3,035,000), is hereby approved. The Issuer does hereby estimate the period of usefulness of the Project to be at least twenty-six (26) years.

Section 3. Payment of Cost; Bonds Authorized. To pay the costs associated with acquiring and constructing the Project, including all capitalized interest, legal, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2015 Bonds, the Issuer shall borrow the sum of not to exceed Three Million Thirty-Five Thousand Dollars (\$3,035,000), as finally determined in the Sale Order and issue the Series 2015 Bonds pursuant to the provisions of Act 94. The remaining costs, if any, shall be defrayed from System funds on hand and legally available for such use.

Section 4. Bond Details, Registration and Execution. The Series 2015 Bonds shall be designated WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2015, shall be payable solely and only out of the Net Revenues, as set forth more fully herein, shall consist of bonds of the denomination of \$5,000, or integral multiples of \$5,000 not exceeding in any one year the amount maturing in that year, dated as of the date of delivery or such other date as shall be determined in the Sale Order, numbered in order of authentication, and shall mature on September 1st in the years and amounts as follows, or such other years of maturity and principal amounts as shall be determined in the Sale Order:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2016	\$85,000	2029	\$120,000
2017	85,000	2030	125,000
2018	90,000	2031	130,000
2019	90,000	2032	130,000
2020	90,000	2033	135,000
2021	95,000	2034	140,000
2022	95,000	2035	150,000
2023	100,000	2036	155,000
2024	100,000	2037	160,000
2025	105,000	2038	165,000
2026	110,000	2039	175,000
2027	110,000	2040	180,000
2028	115,000		

The Series 2015 Bonds shall bear interest at the rate specified in the Sale Order, but not to exceed 5.00% per annum, payable on March 1 and September 1 of each year, commencing September 1, 2015, or such later date as shall be determined in the Sale Order, by check or draft mailed by the Transfer Agent to the person or entity which is, as of the 15th day of the month preceding the interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be

changed by the Issuer to conform to market practice in the future. The principal of the Series 2015 Bonds shall be payable at the designated corporate trust office of the Transfer Agent. The Series 2015 Bonds shall be sold at a price not less than 98% of their par value.

Bonds maturing in the years 2016 to 2024, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after September 1, 2024, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding Bond is called for redemption, the Transfer Agent upon presentation of the Bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption. Notice of redemption shall be given in the manner specified in the form of the Bonds contained in Section 14 of this Ordinance.

Section 5. Execution of Bonds. The Series 2015 Bonds shall be executed in the name of the Issuer with the manual or facsimile signatures of the Mayor and the City Clerk and shall have a facsimile of the Issuer's seal printed on them. No Bond shall be valid until authenticated by an authorized signer of the Transfer Agent. The Series 2015 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser thereof in accordance with instructions from the Director of Management Services and Finance Director of the Issuer upon payment of the purchase price for the Series 2015 Bonds in accordance with the bid therefor when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, 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 Issuer 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 payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 13 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2015 Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Transfer Agent shall, under

such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Transfer Agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Transfer Agent and, if this evidence is satisfactory to both and indemnity satisfactory to the Transfer Agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended (“Act 354”), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the same without surrender thereof.

The Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York (“DTC”) and any officer of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form with the parameters of this resolution as may be required to accomplish the foregoing.

Section 7. Payment of Series 2015 Bonds. The Series 2015 Bonds and the interest thereon shall be payable solely and only from the Net Revenues, and to secure such payment, there is hereby recognized a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The statutory first lien referred to herein shall be of equal standing and priority with the City’s Outstanding Bonds. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 8. Bondholders’ Rights; Receiver. The holder or holders of the Series 2015 Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien

upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Series 2015 Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Series 2015 Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2015 Bonds and the security therefor.

Section 9. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date hereof, as the same shall be increased from time to time.

Section 10. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Fixing and Revising Rates. The rates presently in effect in the City are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, the rates shall be set from time to time so that there shall be produced Net Revenues in an amount equal to 120% of the principal of and interest on the Bonds coming due in each fiscal year. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing

Section 12. Bond Reserve Fund. The Reserve Account in the Bond and Interest Redemption Fund, as established by the Outstanding Ordinances shall be adjusted in such amounts, so that upon issuance of the Series 2015 Bonds, the Bond Reserve Account shall total a sum equal to the lesser of (a) the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds, (b) 125% of the average annual debt service on the Bonds after issuance of the additional Bonds, or (c) an amount equal to 10% of the principal amount of the Bonds. In the event that the amount in said Reserve Account is greater than such largest annual debt service requirement, such excess amount shall be transferred to the Bond and Interest Redemption Fund described herein. If it is necessary to increase the amount in the Bond Reserve Account, the City shall deposit a sum from the moneys on hand in the System

prior to delivery of the Bonds so that the Bond Reserve Account is fully funded as of the delivery of the Bonds.

Section 13. Disposition of Bond Proceeds. There is hereby established in a bank insured by the Federal Deposit Insurance Corporation to be selected by the Director of Management Services and Finance Director, a separate depository account to be designated “Water Supply System Revenue Bonds Series 2015 Construction Fund”, the moneys from time to time on deposit to be used solely to pay the cost of the Project and the incidental costs set forth in Section 4 of this Ordinance. The proceeds of sale of the Series 2015 Bonds shall be allocated and used as follows, or as set forth in the Sale Order:

First, any premium, accrued interest and the amount necessary to fund capitalized interest for the Series 2015 Bonds, if any, shall be deposited into the Bond and Interest Redemption Fund established by the Outstanding Ordinances.

Second, an amount necessary to fully fund the Bond Reserve Account shall be deposited into the Reserve Account in the Bond and Interest Redemption Fund.

Third, the amount of funds necessary to pay the costs of the Project, as set forth in the Sale Order, shall be deposited in the Water Supply System Revenue Bonds Series 2015 Construction Fund. Moneys in the Construction Fund shall be applied solely in payment of the cost of the acquisition and construction of the Project, including any engineering expenses incident thereto. Any payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Commission a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that the work is satisfactory and that any such work has not been previously paid for. The investment of the Bonds shall be limited as may be required by federal law.

Any unexpended balance of the proceeds of sale of the Bonds in the Construction Fund remaining after completion of the Project may, in the discretion of the Issuer, be used for further improvements and extensions to the system: provided, that, at the time of such expenditure, such use be approved by the Michigan Department of Treasury. Any remaining balance after such expenditure, or in the event no such expenditure is made, the entire unexpended balance shall be paid into the Bond and Interest Redemption Fund and used for the redemption or purchase of callable Bonds or for any other purpose permitted by Act 94. The proceeds of sale of said bonds may be invested in whole or in part in the manner provided by Act 94.

Section 14. Bond Form. The Series 2015 Bonds shall be in substantially the following form with such changes as may be approved by an Authorized Officer and Bond Counsel:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF KALAMAZOO

**CITY OF KALAMAZOO**  
**WATER SUPPLY SYSTEM REVENUE REFUNDING BOND, SERIES 2015**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	September 1, 20__	April 1, 2015	

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

The City of Kalamazoo, County of Kalamazoo, State of Michigan (the "Issuer"), for value received, hereby promises to pay, solely and only out of the hereinafter described Net Revenues of the Issuer's Water Supply System (hereinafter defined) the Principal Amount shown above in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, first payable on September 1, 2015, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan (the "Transfer Agent") or such other Transfer Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the 15th day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the Transfer Agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply System of the Issuer (the "System"), including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of Three Million Thirty-Five Thousand Dollars (\$3,035,000), issued pursuant to Ordinances Nos. 1539, 1765, 1814, 1827, 1891, 1919 and \_\_\_\_ of the Issuer, duly adopted by the City Commission of the Issuer (together, the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinances. The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the Issuer's (a) Water Supply System Revenue and Revenue Refunding Bonds, Series 2006, (b) Water Supply System Revenue Bonds, Series 2007, (c) Water Supply System Revenue Refunding Bonds, Series 2012, and (d) Water Supply System Revenue Refunding Bonds, Series 2014 (together the "Outstanding Bonds").

Bonds of this issue maturing in the years 2016 to 2024, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2025 and thereafter may be redeemed at the option of the Issuer, in such order as the Issuer shall determine and within any maturity by lot, on any date on or after September 1, 2024 at par and accrued interest to the date fixed for redemption.

[insert any mandatory redemption or extraordinary redemption provisions]

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

Notice of redemption of any bond or portion thereof shall be given by the Transfer Agent at least thirty (30) 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 Transfer Agent. Bonds shall be called for redemption in multiples of \$5,000 and any bond of a denomination of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000 and such bond may be redeemed in part. Notice of redemption for a bond redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bond or portion thereof.

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, statutory or charter debt limitation of the Issuer but is payable solely and only, both as to principal and interest, from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest on and the principal of the bonds of this issue, the Outstanding Bonds and any additional bonds of equal standing as and when the same shall become due and payable, and

to create and maintain a bond redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinances.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinances authorizing the bonds, and the Outstanding Bonds, and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Kalamazoo, County of Kalamazoo, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and a facsimile of its corporate seal to be printed on this bond, all as of the Date of Original Issue.

**CITY OF KALAMAZOO**

By: \_\_\_\_\_  
Mayor

(Seal)

Countersigned:

\_\_\_\_\_  
City Clerk

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the within-mentioned Ordinances.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.**, Detroit, Michigan  
Transfer Agent

By: \_\_\_\_\_  
Authorized Signatory

Date of Registration: \_\_\_\_\_

Section 15. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Series 2015 Bonds and in pursuance of the forgoing is each authorized to exercise the authority and make the determinations pursuant to Sections 7a(1)(c)(i) and (v) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights, and other matters within the parameters established by this Ordinance.

Section 16. Notice of Sale; Sale Order; Award of Sale of Series 2015 Bonds. The Authorized Officers are each hereby authorized to fix a date of sale for the Series 2015 Bonds and to publish a notice of sale of the Series 2015 Bonds in The Bond Buyer, New York, New York, which notice of sale shall be in the form as recommended by the City's Bond Counsel. The Authorized Officers are each hereby authorized on behalf of the City to execute a Sale Order award the sale of the Series 2015 Bonds to the bidder whose bid meets the requirements of law and the terms of the Official Notice of Sale as published.

The Authorized Officers are each hereby authorized on behalf of the City to execute a Sale Order evidencing the final terms of the Series 2015 Bonds, and to take all other necessary actions required to effectuate the sale, issuance and delivery of the Series 2015 Bonds within the parameters authorized in this Ordinance, provided that the Series 2015 Bonds shall be issued and delivered within six (6) months from the date of adoption of this Ordinance.

Section 17. Tax Covenant. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Series 2015 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 the proceeds of the Series 2015 Bond and moneys deemed to be proceeds of the Series 2015 Bonds.

Section 18. Continuing Disclosure. The City covenants to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the City Manager and Director of Management Services and Finance Director are each hereby authorized to execute such undertaking prior to delivery of the Series 2015 Bonds.

Section 19. Other Matters. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds; (c) apply for ratings on the Bonds; and (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

Section 20. Appointment of Bond Counsel. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby confirmed.

Section 21. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 22. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 23. Publication and Recordation. This Ordinance shall be published in full in the *Kalamazoo Gazette*, a newspaper of general circulation in the City, qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 24. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Ordinance shall be approved on the date of first reading and accordingly this Ordinance shall immediately be effective upon its adoption.

Adopted and signed this 2nd day of March, 2015.

Signed: \_\_\_\_\_  
Mayor

Signed: \_\_\_\_\_  
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Commission of the City of Kalamazoo, County of Kalamazoo, Michigan, at a Regular Meeting held on the 2nd day of March, 2015, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: \_\_\_\_\_  
\_\_\_\_\_ and that the following Members were absent: \_\_\_\_\_.

I further certify that Member \_\_\_\_\_ moved adoption of said Ordinance, and that said motion was supported by Member \_\_\_\_\_.

I further certify that the following Members voted for adoption of said Ordinance: \_\_\_\_\_  
\_\_\_\_\_ and that the following Members voted against adoption of said Ordinance: \_\_\_\_\_.

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Mayor and City Clerk.

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City Clerk

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# Commission Agenda Report

City of Kalamazoo

Date: **03/02/15**

Item **G2**

**TO:** Mayor Hopewell, Vice Mayor Anderson and City Commissioners

**FROM:** Jim Ritsema City Manager, ICMA-CM  
Reviewed By: Laura Lam, Director, CP&D  
Prepared By: Dorla Bonner, Community Development Manager

**DATE:** February 20, 2015

**SUBJECT:** Release the DRAFT 2015 HUD Action Plan for 30-day public comment

## RECOMMENDATION

It is recommended that the City Commission approve the release of the 2015 Draft Action Plan for a 30-day public comment period to begin on March 2, 2015, as required by U.S. Department of Housing and Urban Development (HUD).

## BACKGROUND

The development of the City of Kalamazoo 2015 Program Year (PY) Action Plan requires an open process in which citizens can provide input in to the development of the plan. The steps to ensure public involvement include a 30-day comment period and then public hearings with both the Community Development Act Advisory Committee (CDAAC) and the City Commission. This is the first step in the process, providing citizens 30 days to comment on the draft plan and the activities proposed for funding. It is anticipated that the City Commission will take action on the PY2015 budget in May 2015.

As this is the beginning of the public process, changes may still occur to the draft Action Plan. If the City Commission desires an alternative to the activities recommended within this report, direction can be provided to CDAAC for consideration prior to the public hearing planned for April 9, 2015. The draft recommendations from CDAAC are located under **Attachment A** of this report. The remainder of this section will provide background on available funding and the process CDAAC utilized to reach these draft recommendations.

## Available Funding

HUD notified the City that the 2015 funding levels are as follows: Community Development Block Grant (CDBG) - \$1,536,917; HOME Investment Partnerships Program (HOME) - \$413,630; and the Emergency Solutions Grant Program (ESG) - \$140,690. These funds may be used for eligible activities during PY2015 (July 1, 2015 – June 30, 2016).

There are a few projects that have received CDBG funding in the past that generate program income on an annual basis. Program income is defined as “any gross income received that was directly generated from the use of federal funds.” As part of the Action Plan process, any anticipated program income must be identified and assigned to an eligible project. Typically, the activity that generates the program income is allowed to retain the funds to assist in the continuation of that activity. The estimated program income in PY2015 is:

**Table 2: Program Income Estimated for PY2015**

<b>Organization</b>	<b>Activity</b>	<b>Program Income</b>
CP&D	Small Business Revolving Loan Fund	\$9,000
CP&D	Housing Revolving Loan Fund*	\$3,000
<b>Total Program Income:</b>		<b>\$12,000</b>

*\*This is an older fund from a past housing rehabilitation program. Program income is only generated if properties are sold that were purchased with CDBG funds.*

Based on all of these sources, the anticipated total funding to be allocated to PY2015 activities is \$2,103,237. The following table provides these totals by federal program:

**Table 3: Total PY2015 Anticipated Funding**

	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>TOTAL</b>
Entitlement	\$1,536,917	\$413,630	\$140,690	\$2,091,237
Program Income (anticipated)	\$12,000	\$0	\$0	\$12,000
<b>Total:</b>	<b>\$1,548,917</b>	<b>\$416,630</b>	<b>\$140,690</b>	<b>\$2,103,237</b>

**Application Process**

CP&D staff and CDAAC use a competitive application process that focused on housing and neighborhood investment for the CDBG and HOME grants. Staff, in partnership with CDAAC members, created two competitive applications, Affordable Housing and Targeted Neighborhood Project.

The Affordable Housing Application combined both CDBG and HOME dollars and allowed for the following application types:

Funding Source	Activity
CDBG Affordable Housing	Homeowner rehabilitation
	Minor/emergency home repair
	Tenant based rental assistance administration
HOME Affordable Housing	Vacant housing rehabilitation/homebuyer assistance
	Multi-family rental rehabilitation or new construction
	Tenant based rental assistance

The Targeted Neighborhood Project grant is intended to provide support to catalytic or transformative projects within a 20 minute walking distance from the downtown core. The scope of the project(s) is not limited to housing but is open to larger projects that provide a significant positive impact to the neighborhood. It is expected that the project(s) have wide support of community partners and that 50% match funding can be secured for the \$150,000 grant.

A total of eight Affordable Housing Applications and three Targeted Neighborhood Project Applications were submitted. The CDAAC Application Review Subcommittees spent a month reviewing the applications to determine draft funding awards based on a set of review criteria provided in the application packets. At the February 12, 2015, meeting, the draft recommendations were approved to be sent to the City Commission to open the 30-day public comment period.

The draft funding recommendations are found in **Attachment A** of this report.

**COMMUNITY RESOURCES CONSULTED**

CDAAC is an important component in the City of Kalamazoo's citizen participation plan and is made up of thirteen (13) volunteer members. Six (6) are nominated by the CDBG-eligible neighborhood associations, Eastside, Edison, Fairmont, Northside, Stuart, and Vine, and seven (7) are members-at-large. In addition to the City of Kalamazoo Consolidated Plan 2014 – 2018 priorities, CDAAC also used agency performance, capacity and leveraging in the decision-making process.

**FISCAL IMPACT**

The CDAAC recommendations provide a benefit to the City's general fund, allowing for support of City staff from CP&D, Public Safety and Parks and Recreation. All recommendations utilize the annual federal allocation received by HUD or monies generated by that allocation. Through the award of these federal dollars in the manner recommended, the City of Kalamazoo's general fund is not required to address many of the community needs supported by the City and by outside nonprofit organizations.

**ALTERNATIVES**

The City Commission may elect not to release the draft Action Plan with the activities described in this report for a 30-day public comment period from March 2 through April 1, 2015. However, a postponement in the 30-day public comment period would delay the required public hearings with CDAAC and the City Commission which are currently planned to occur in March and April. These public hearing dates are necessary to meet the required 45-day HUD public comment period before the start of the program year on July 1, 2015. This alternative is not recommended.

## **ATTACHMENTS**

Attachment A – Draft Funding Recommendations

PY2015 DRAFT RECOMMENDATIONS - MARCH 2, 2015

Organization	Activity Name	Requested Funding	DRAFT Recommended Funding
<b>CDBG PUBLIC SERVICE<sup>1</sup></b>			
City of Kalamazoo Public Safety	Crime Prevention	\$150,000	\$150,000
City of Kalamazoo Parks and Recreation	Summer Youth Program	\$25,907	\$25,907
City of Kalamazoo CP&D	Neighborhood Enhancement	\$20,000	\$20,000
City of Kalamazoo CP&D	Graffiti Removal	\$10,000	\$10,000
Fair Housing Center of Southwest Michigan	Fair Housing Services	\$20,000	\$20,000
Local Initiatives Support Corporation	Continuum of Care	\$20,000	\$20,000
<b>CDBG Public Service Total:</b>		<b>\$245,907</b>	<b>\$245,907</b>
<b>CDBG ADMINISTRATION<sup>2</sup></b>			
City of Kalamazoo CP&D	Administration	\$307,383	<b>\$307,383</b>
<b>CDBG - GENERAL</b>			
City of Kalamazoo CP&D	Code Enforcement	\$425,000	\$425,000
City of Kalamazoo CP&D	Demolition	\$43,627	\$43,627
Housing Resources, Inc.	Tenant Based Rental Assistance Administration	\$75,000	\$51,315
Senior Services, Inc.	Home Repair for the Elderly	\$110,000	\$66,228
Kzoo Neighborhood Housing Services	Minor/Emergency Roof Repair	\$250,000	\$93,730
Community Homeworks	Emergency Home Repair	\$250,000	\$153,727
<b>CDBG - Targeted Neighborhood Projects</b>			
GFM the Synergy Center	Renovate building for youth programming	\$50,000	\$37,500
City of Kalamazoo CP&D	Douglas Firehouse Renovation	\$150,000	\$56,250
City of Kalamazoo CP&D	Portage Streetscape Project	\$150,000	\$56,250
<b>CDBG All Other Total:</b>		<b>\$1,503,627</b>	<b>\$983,627</b>
<b>CDBG PROGRAM INCOME</b>			
City of Kalamazoo CP&D	Small Business Revolving Loan		\$9,000
City of Kalamazoo CP&D	Housing Revolving Loan Fund		\$3,000
<b>CDBG Program Income Total:</b>			\$12,000
<b>CDBG TOTAL:</b>		<b>\$2,056,917</b>	<b>\$1,548,917</b>
<b>HOME</b>			
City of Kalamazoo CP&D	Administration <sup>3</sup>	\$41,300	\$41,300
Kalamazoo County Land Bank	Rehab of Vacant Properties for Home Ownership	\$233,815	\$54,884
Housing Resources, Inc.	Tenant Based Rental Assistance	\$125,000	\$86,857
College Town Properties	Frank B. Lay Residence	\$78,745	\$64,764
Kzoo Neighborhood Housing Services	Lease/Purchase Program	\$200,000	\$165,825
<b>HOME TOTAL:</b>		<b>\$678,860</b>	<b>\$413,630</b>
<b>ESG</b>			
Continuum of Care	Cost to administer the ESG program <sup>4</sup>		\$10,551
Continuum of Care	Various Homeless Programs and Activities		\$130,139
<b>ALL PROGRAMS TOTAL:</b>		<b>\$2,735,777</b>	<b>\$2,103,237</b>

1Public Services activities are subject to a 16% cap

2 CDBG Planning and Administrative services are subject to a 20% cap

3HOME administration is subject to a 10% cap

4ESG administration is subject to a 7.5% cap