A REGULAR MEETING OF THE COMMON COUNCIL FOR THE CITY OF BESSEMER WAS HELD IN PERSON IN THE COUNCIL CHAMBERS AT CITY HALL ON MONDAY, JULY 22ND, 2024 AT 6:00 P.M. CST

Mayor Pro Tem Movrich called the meeting to order at 6:00 P.M.

ROLL CALL: Present – Movrich, Serwe, Zak, Nelson
Absent – Tacconelli

THESE MEMBERS CONSTITUTE A QUORUM

AGENDA

Zak added USDA Water Change Order #22 and USDA Wastewater Change Order #22 as items 9) and 10) under New Business. It was moved by Zak and supported by Nelson, to approve the agenda as amended. **MOTION CARRIED.**

PUBLIC COMMENT ON AGENDA ITEMS

There was no public comment.

PUBLIC HEARING
1) RESOLUTION 2023-22 VACATE HOWELL ST AND ALLEY

It was moved by Zak and supported by Nelson, to open the public hearing for Resolution 2023-22 at 6:03 pm. **MOTION CARRIED.**

There was no public comment.

It was moved by Zak and supported by Nelson, to close the public hearing for Resolution 2023-22 at 6:04 pm. **MOTION CARRIED.**

CONSENT AGENDA

It was moved by Nelson and supported by Serwe, to approve the Consent Agenda as presented and place on file.

1. Approval of Minutes – City Council Regular Meeting, July 8th, 2024.

A roll call vote was taken: AYES – Zak, Serwe, Nelson, Movrich. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

DOCUMENTS AND CORRESPONDENCES
1) FORSLUND, C – GARBAGE SERVICE

It was moved by Zak and supported by Nelson, to accept Mrs. Forslund's letter and place it on file. **MOTION CARRIED.**

2) DEITZ, J – WATER BILL

It was moved by Zak and supported by Nelson, to accept Mrs. Deitz's letter and place it on file. **MOTION CARRIED.**

CLAIMS

It was moved by Nelson and supported by Serwe, that the claims in the amount of $17,101.14 be allowed as presented and that the City Clerk/Treasurer be authorized to issue checks in payment thereof, as funds become available.

The following claims were presented for consideration and payment:

GENERAL FUND

4 SEASONS LAWN & PROPERTY SERVICE	3,818.00
44 NORTH	243.27
ANGELO LUPPINO INC	634.06
BAKER & TAYLOR BOOKS	701.89
BESSEMER SMALL ENGINE	43.98

BESSEMER VOLUNTEER FIRE DEPT	800.00
CENTER POINT LARGE PRINT	1,121.76
COUNTRY LIVING	29.97
DAILY GLOBE, INC	143.65
DONALD SAARI	90.00
GOGEBIC RANGE SOLID WASTE MGT	35.90
LAKES DISTRIBUTING, INC	37.95
NORTHLAND LAWN & SPORT, LLC	74.36
PAUL ANDERSON	61.10
THE ALANS LIVE LLC	350.00
THE OFFICE PLANNING GROUP, INC	208.09
THE PIONEER WOMAN MAGAZINE	24.00
UP ENGINEERS & ARCHITECTS, INC	1,900.00
UPPER PENINSULA REGION/LIBRARY COOP	2,782.09
WAKEFIELD NEWS/BESSEMER PICK & AXE	477.00
WHITE WATER ASSOCIATES INC	120.00
XCEL ENERGY	3,404.07
TOTAL	$17,101.14

TOTAL BY FUND

GENERAL FUND	$16,285.98
MAJOR STREET FUND	$317.03
LOCAL STREET FUND	$317.03
WATER FUND	$120.00
WESTER GATEWAY TRAIL AUTHORITY	$61.10

A roll call vote was taken: AYES – Nelson, Serwe, Zak, Movrich. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

OLD BUSINESS

1) DDA AGREEMENT FOR CITY MANAGER

It was moved by Zak and supported by Serwe, to approve the DDA Agreement with the condition that the DDA member will be expected to attend scheduled Council meetings.

A roll call vote was taken: AYES – Serwe, Nelson, Zak, Movrich. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

2) OSMOSE COMPOST SITE

It was moved by Zak and supported by Nelson, to table this discussion until the next meeting. **MOTION CARRIED.**

NEW BUSINESS

1) ACTION FROM DOCUMENTS AND CORRESPONDENCE

It was moved by Zak and supported by Serwe, to support Mrs. Lake's letter and remove 6 township residences from garbage services.

A roll call vote was taken: AYES – Zak, Serwe, Movrich, Nelson. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

It was moved by Nelson and supported by Zak, to waive fees for Julie Deitz and continue with the payment plan set up.

A roll call vote was taken: AYES – Serwe, Movrich, Nelson, Zak. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

2) RESOLUTION 2023-22 VACATE HOWELL ST AND ALLEY

City of Bessemer
Gogebic County, Michigan

Resolution 2023-22

RESOLUTION TO VACATE HOWELL STREET LOCATED BETWEEN LOTS 8 AND 9, BLOCK 4 AND LOTS 1 AND 16, BLOCK 5, ALL IN KARSTE ADDITION TO THE CITY OF BESSEMER, GOGEBIC COUNTY, MICHIGAN, ACCORDING TO THE RECORDED PLAT THEREOF; AND TO VACATE THE ALLEY LYING BETWEEN LOTS 1 THROUGH 8 AND LOTS 11 THROUGH 16, BLOCK 4 AND LOTS 1 THROUGH 8 AND LOTS 11 THROUGH 16, BLOCK 5, KARSTE ADDITION TO THE CITY OF BESSEMER, GOGEBIC COUNTY, MICHIGAN, ACCORDING TO THE RECORDED PLAT THEREOF.

WHEREAS, the City of Bessemer has received a request from Richard and Cara Matrella to vacate portions of Howell Street located between Lots 8 and 9, Block 4 and Lots 1 and 16, Block 5, all in Karste Addition to the City of Bessemer, Gogebic County, Michigan, and to vacate the alley lying between Lots 1 through 8 and Lots 11 through 16, Block 4 and Lots 1 through 8 and Lots 11 through 16, Block 5, Karste Addition to the City of Bessemer, Gogebic County, Michigan, according to the recorded plat thereof and,

WHEREAS, pursuant to Act No. 288 of the Public Acts of 196, as amended, being the Subdivision Control Act of 1967, the City of Bessemer is empowered to vacate by resolution or ordinance streets, alleys or rights-of-way, and,

WHEREAS, the City Council of the City of Bessemer has held a Public Hearing on _____, 2024 relative to the request to vacate the described portion of Howell Street described above,

WHEREAS, the adjacent property owners have been notified of the said request and proposal and have been afforded an opportunity to comment upon and to be heard relative to such request,

WHEREAS, the City Council of the City of Bessemer deems it appropriate to vacate the portion of Howell Street described above.

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BESSEMER, COUNTY OF GOGEBIC, STATE OF MICHIGAN, AS FOLLOWS:

1. That the City Council of the City of Bessemer hereby vacates portions of Howell Street located between Lots 8 and 9, Block 4 and Lots 1 and 16, Block 5, all in Karste Addition to the City of Bessemer, Gogebic County, Michigan, according to the recorded plat thereof and the alley lying between Lots 1 through 8 and Lots 11 through 16, Block 5 and Lots 1 through 8 and Lots 11 through 16, Block 5, Karste Addition to the City of Bessemer, Gogebic County, Michigan, according to the recorded plat thereof.

2. That the City Council of the City of Bessemer does hereby reserve and retain a full width easement in the subject street, alley, right-of-way and/or other public places for public utility purposes and other public and municipal purposes within the street, alley, right-of-way and/or other public land vacated pursuant to the within resolution. Said easement being reserved and retained by the City of Bessemer, County of Gogebic, State of Michigan.

3. That all existing easements and utility uses and rights within the area vacated shall remain for the use and enjoyment of the owners of said easements and utility uses and rights. The same shall not be diminished or otherwise affected by this resolution.

4. That the City Clerk of the City of Bessemer shall, within thirty (30) days after the date of adoption of the within Resolution, record a certified copy of the within Resolution with the Gogebic County Register of Deeds and that the within Resolution shall not have force or effect until so recorded with the Gogebic County Register of Deeds.

5. That the City Clerk of the City of Bessemer shall send a certified copy of the within Resolution to the State Treasurer of the State of Michigan within thirty (30) days after the date of adoption of the within Resolution.

RESOLUTION DECLARED ADOPTED

_____
Peter Tacconelli, Mayor
City of Bessemer, Michigan

CERTIFICATION

The foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Bessemer, County of Gogebic, State of Michigan, at a regular meeting held on the _____, 2024 and public notice of said meeting was given pursuant to and in accordance with the requirements of Act No. 267 of the Public Acts of 1976, as amended, being the Open Meetings Act, and the Minutes of said meeting have been or will be made available as required by said Act.

Members Present:

Members Absent:

It was moved by _____ and supported by _____ to adopt the Resolution.

Members voting yes:

Members voting no:

The Resolution was declared adopted by the Mayor and has been recorded in the Resolution Book.

_____
Samantha Dorr, Deputy City Clerk

It was moved by Nelson and supported by Zak, to approve Resolution 2023-22 to vacate Howell St and alleys.

A roll call vote was taken: AYES – Movrich, Nelson, Zak, Serwe. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

3) ORDINANCE 387
BOND ORDINANCE

ORDINANCE NO. 387

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE CITY OF BESSEMER; TO PROVIDE FOR THE ISSUANCE AND SALE OF A SERIES OF JUNIOR LIEN REVENUE BONDS TO PAY A PORTION OF THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF BESSEMER ORDAINS:

Section 1. Definitions. Capitalized terms used in this Ordinance and not otherwise defined herein shall have the meanings set forth in the Master Ordinance (as hereinafter defined). In

addition to the terms defined in the Master Ordinance or elsewhere in this Ordinance, the following terms as used in this Ordinance shall have the following meanings:

(a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

(b) "Authority" means the Michigan Finance Authority.

(c) "Authorized Officer" means any of the Mayor, the City Manager or the Clerk/Treasurer of the Issuer.

(d) "EGLE" means the Michigan Department of Environment, Great Lakes, and Energy, or its successor.

(e) "Engineer" means C2AE, Escanaba, Michigan.

(f) "Issuer" means the City of Bessemer, County of Gogebic, State of Michigan.

(g) "Master Ordinance" means Ordinance No. 375 adopted by the Issuer on April 14, 2021, authorizing the issuance of Senior Lien Bonds and Junior Lien Bonds.

(h) "Ordinance No. 377" means Ordinance No. 377 adopted by the Issuer on April 14, 2021.

(i) "Ordinance No. 386" means Ordinance No. 386 adopted by the Issuer on July 24, 2023.

(j) "Outstanding Junior Lien Bonds" means, collectively, the Issuer's outstanding (i) Water Supply System Junior Lien Revenue Bond, Series 2021 (Taxable), dated April 28, 2021, in the original principal amount of $2,606,000, issued pursuant to the Master Ordinance, and (ii) Water Supply System Junior Lien Revenue Bond, Series 2023, dated September 8, 2023, issued pursuant to the Master Ordinance and Ordinance No. 386.

(k) "Outstanding Senior Lien Bond" means the Issuer's outstanding Water Supply System Revenue Bond, Series 2021, dated June 7, 2021, in the original principal amount of $670,000, issued pursuant to the Master Ordinance and Ordinance No. 377.

(l) "Project" means the acquisition and construction of improvements to the System, consisting generally of (i) the installation and/or replacement of water mains, water service lines, hydrant assemblies and gate values, and related site restoration work, (ii) the acquisition and installation of a new water storage reservoir and related improvements, including a prefabricated control and electrical building, SCADA instrumentation, and site improvements including security fencing, (iii) the acquisition and installation of a water transmission main to the new water storage reservoir, and (iv) related improvements, structures, equipment and appurtenances, all as described in the plans and specifications prepared by the Engineer.

(m) "Purchase Contract" means the Purchase Contract to be entered into between the Authority and the Issuer relating to the purchase by the Authority of the Series 2024 Bond.

(n) "Revenue Sharing Pledge Agreement" has the meaning set forth in Section 8 of this Ordinance.

(o) "Revenues" and "Net Revenues" means the revenues and net revenues of the Issuer derived from the operation 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 Master Ordinance.

(p) "Series 2024 Bond" means the Issuer's Water Supply System Junior Lien Revenue Bond, Series 2024, issued pursuant to Section 5 of this Ordinance.

(q) "Supplemental Agreement" means the supplemental agreement among the Issuer, the Authority and the EGLE relating to the Series 2024 Bond.

(r) "System" means the Issuer's water supply system, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineer, which plans and specifications are hereby approved. The Project qualifies for the Drinking Water State Revolving Fund financing program being administered by the EGLE and the Authority.

Section 3. Costs; Useful Life. The total cost of the Project, including the payment of incidental expenses as specified in Section 4 of this Ordinance, is estimated to be not more than $3,955,000, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Costs; Series 2024 Bond Authorized. To pay part of the cost of acquiring and constructing the Project, including legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2024 Bond, it is hereby determined that the Issuer shall borrow the aggregate principal sum of not to exceed Two Million Two Hundred Thousand Dollars ($2,200,000) and issue the Series 2024 Bond therefor pursuant to the provisions of Act 94. The remaining cost of the Project shall be defrayed from grant funds awarded to the Issuer for the Project.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Master Ordinance shall apply to the Series 2024 Bond issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of the Series 2024 Bond as Additional Junior Lien Bonds in accordance with, and as contemplated by, the Master Ordinance. The issuance of the Series 2024 Bond for the purposes described in this Ordinance is authorized by the provisions of Section 18 of the Master Ordinance, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2024 Bond; Details. The Series 2024 Bond of the Issuer, to be designated "WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2024"

(with such additional or alternate series designations as may be deemed appropriate by an Authorized Officer) (the "Series 2024 Bond"), is authorized to be issued in the aggregate principal sum of not to exceed Two Million Two Hundred Thousand Dollars ($2,200,000), or such lesser amount as finally determined by order of the EGLE, for the purpose of paying part of the costs of the Project and the incidental costs set forth in Section 4 of this Ordinance. The Series 2024 Bond shall be Junior Lien Bonds, payable primarily out of the Net Revenues, as set forth more fully in Section 8 hereof, provided that the Series 2024 Bond shall be junior and subordinate to the statutory first lien created by the Master Ordinance to secure the Outstanding Senior Lien Bond and any Additional Senior Lien Bonds hereafter issued. The Series 2024 Bond shall be sold to the Authority upon the terms and conditions as hereinafter provided.

The Series 2024 Bond shall be in the form of a single, fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery of the Series 2024 Bond, payable in principal installments as finally determined by the order of the EGLE at the time of sale of the Series 2024 Bond and approved by the Authority and any one Authorized Officer. Final determination of the principal amount of the Series 2024 Bond, the payment dates and amounts of principal installments of the Series 2024 Bond and the dates for payment of interest on the Series 2024 Bond shall be evidenced by execution of the Purchase Contract, and each Authorized Officer is hereby individually authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the aggregate principal amount of the Series 2024 Bond shall not exceed $2,200,000, and the final principal installment of the Series 2024 Bond shall be due and payable not later than forty (40) years from the date of issuance of the Series 2024 Bond.

The Series 2024 Bond shall bear interest at an interest rate per annum on the par value thereof as determined by the Authority and evidenced by execution of the Purchase Contract, but in any event not to exceed two percent (2.00%) per annum.

The principal amount of the Series 2024 Bond is expected to be drawn down by the Issuer periodically, and interest on the principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2024 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2024 Bond shall be payable as provided in the form of the Series 2024 Bond set forth in Section 13 of this Ordinance.

The Series 2024 Bond or principal installments thereof shall be subject to redemption prior to maturity at the option of the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

An Authorized Officer shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by an Authorized Officer.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2024 Bond, the Authority shall deliver the Series 2024 Bond to the Issuer for cancellation.

Section 6. Execution of Series 2024 Bond. The Series 2024 Bond shall be executed in the name of the Issuer with the manual or facsimile signatures of the Mayor and countersigned by the Clerk of the Issuer and shall have the seal of the Issuer, or a facsimile thereof, printed or impressed thereon. The Series 2024 Bond bearing the manual or facsimile signatures of the Mayor and the Clerk of the Issuer shall require no further authentication.

Section 7. Registration and Transfer. The Series 2024 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 Series 2024 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever the Series 2024 Bond shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Series 2024 Bond, 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 the Series 2024 Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of the Series 2024 Bond and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange the Series 2024 Bond so called for redemption in whole or in part, except the unredeemed portion of the Series 2024 Bond being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2024 Bond, 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, the Series 2024 Bond as hereinbefore provided.

If the Series 2024 Bond shall become mutilated, the Issuer, at the expense of the holder of the Series 2024 Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Series 2024 Bond of like tenor in exchange and substitution for the mutilated Series 2024 Bond, upon surrender to the transfer agent of the mutilated Series 2024 Bond. If the Series 2024 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 Issuer and 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 Series 2024 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 Series 2024 Bond so lost, destroyed or stolen. If the Series 2024 Bond shall have matured or shall be about to mature, instead of issuing a substitute Series 2024 Bond, the transfer agent may pay the same without surrender thereof.

The Treasurer of the Issuer is hereby appointed to act as transfer agent for the Series 2024 Bond; provided, however, that the Treasurer may designate in writing another person to act as transfer agent. If and at such time as the Series 2024 Bond is transferred to or held by any

registered owner other than the Authority, the Issuer may by resolution appoint a bank or trust company qualified under Michigan law to act as transfer agent and bond registrar.

Section 8. Payment of Series 2024 Bond; Security; Priority of Lien. Principal of and interest on the Series 2024 Bond shall be payable primarily from the Net Revenues, and to secure such payment, there is hereby recognized the statutory lien upon the whole of the Net Revenues created by the Master Ordinance, which shall be a second lien, subject only to the statutory first lien created by the Master Ordinance to secure the Outstanding Senior Lien Bond and any Additional Senior Lien Bonds hereafter issued, to continue until payment in full of all principal of and interest on the outstanding Series 2024 Bond, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all principal of and interest on the Series 2024 Bond then outstanding to maturity, or, if called for redemption, to the date fixed for redemption, together with the amount of the redemption premium, if any, due and payable in connection with such redemption. Upon deposit of cash or Sufficient Government Obligations for payment in full of all principal and interest on the Series 2024 Bond then outstanding, as provided in the preceding sentence, the statutory lien shall be terminated with respect to the Series 2024 Bond, the holder of the Series 2024 Bond shall have no further rights under this Ordinance or the Master Ordinance, except for payment from the deposited funds, and the Series 2024 Bond shall no longer be considered to be outstanding under this Ordinance or the Master Ordinance. The statutory second lien on the Net Revenues referred to herein shall at all times be and remain junior and subordinate to the statutory first lien created by the Master Ordinance to secure the Outstanding Senior Lien Bond and any Additional Senior Lien Bonds hereafter issued. The statutory second lien on the Net Revenues referred to herein shall be of equal standing and priority with the statutory second lien created by the Master Ordinance to secure the Outstanding Junior Lien Bonds and any Additional Junior Lien Bonds hereafter issued.

The Series 2024 Bond shall not be additionally secured by the Junior Lien Bond Reserve Account established by the Master Ordinance and, notwithstanding anything in the Master Ordinance to the contrary, in no event shall moneys in the Junior Lien Bond Reserve Account be used to pay principal of or interest on the Series 2024 Bond, and no holder of the Series 2024 Bond shall have any claim on any amounts at any time on deposit in the Junior Lien Bond Reserve Account.

In order to meet the requirements of the Drinking Water State Revolving Fund financing program being administered by the EGLE and the Authority, and as additional security for the payment of the principal of and interest on the Series 2024 Bond, the Issuer hereby pledges the taxes collected by the State of Michigan and returned to the Issuer pursuant to Act 140, Public Acts of Michigan, 1971, as amended, to the Authority as purchaser and holder of the Series 2024 Bond, and each Authorized Officer is individually authorized to approve, execute and deliver, for and on behalf of the Issuer, a Revenue Sharing Pledge Agreement between the Issuer and the Authority (the "Revenue Sharing Pledge Agreement") authorizing the State Treasurer to transmit the revenue sharing moneys assigned and pledged therein directly to the Authority or its designee if payments on the Series 2024 Bond are not made in accordance with the terms of this Ordinance and the Series 2024 Bond. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by the Master Ordinance.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall continue to be under the supervision and control of the Issuer. The Issuer may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's Fiscal Year.

Section 10. Rates and Charges; No Free Service. The rates and charges for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance, as the same may be amended from time to time by the Issuer. No free service or use of the System, or service or use of the System at less than cost, 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. Funds and Accounts; Flow of Funds. The funds and accounts and the flow of funds established by the Master Ordinance are hereby continued, and the applicable sections of the Master Ordinance setting forth the funds and accounts and flow of funds for Revenues of the System are incorporated herein by reference in this Ordinance as if fully set forth herein.

Section 12. Series 2024 Bond Proceeds. The proceeds of the sale of the Series 2024 Bond as received by the Issuer shall be deposited in a separate account in a bank qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in an account designated 2024 WATER PROJECT CONSTRUCTION ACCOUNT (the "Construction Account"). Moneys in the Construction Account shall be applied solely in payment of the costs of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 13. Bond Form. The Series 2024 Bond shall be in substantially the following form, with such changes or completions as are necessary or appropriate to give effect to the intent of this Ordinance and as may be required by the Authority:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GOGEBIC

CITY OF BESSEMER

WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2024

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Dollars ($_____)

DATE OF ORIGINAL ISSUE: _____, 2024

The City of Bessemer, County of Gogebic, State of Michigan (the "Issuer"), acknowledges itself

to owe and for value received hereby promises to pay, primarily out of the hereinafter described Net Revenues of the System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes, and Energy, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time funds are being drawn down by the Issuer under this Bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided for in Schedule A attached hereto and made a part hereof), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than $_____ is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of _____ percent (_____%) per annum. Interest is first payable on _____ 1, 20__, and semiannually thereafter, and principal is payable on the first day of _____ commencing _____ 1, 20__ (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this Bond are subject to redemption prior to maturity at the option of the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at the designated office of U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs

incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

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, including all appurtenances, additions, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, administration and maintenance thereof (the "Net Revenues"), and a statutory second lien thereon is hereby recognized and created, subject to the statutory first lien on the Net Revenues created to secure the Issuer's outstanding Water Supply System Revenue Bond, Series 2021, dated June 7, 2021 (the "Outstanding Senior Lien Bond"), and any Additional Senior Lien Bonds hereafter issued in accordance with the Ordinances (as hereinafter defined). This Bond is of equal standing and priority of lien as to the Net Revenues with the Issuer's outstanding Water Supply System Junior Lien Revenue Bond, Series 2021 (Taxable), dated April 28, 202 and Water Supply System Junior Lien Revenue Bond, Series 2023, dated September 8, 2023 (collectively, the "Outstanding Junior Lien Bonds").

This Issuer has reserved the right to issue Additional Senior Lien Bonds, which shall be secured a statutory first lien on the Net Revenues of equal standing and priority of lien as to the Net Revenues with the Outstanding Senior Lien Bond, and which shall be superior and senior in all respects to the statutory second lien on the Net Revenues securing this Bond and the Outstanding Junior Lien Bonds, and to issue Additional Junior Lien Bonds, which shall be of equal standing and priority of lien as to the Net Revenues with this Bond and the Outstanding Junior Lien Bonds, all on conditions stated in the Ordinances.

This Bond is a single, fully-registered, non-convertible bond in the principal sum indicated above, issued pursuant to Ordinance No. 375 of the Issuer adopted on April 14, 2021 and Ordinance No. [____] of the Issuer adopted on July 22, 2024 (collectively, 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 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 superior and senior standing or 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.

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, but is payable, both as to principal and interest, primarily from the Net Revenues of the System. The principal of and interest on this Bond are secured by the statutory second lien hereinbefore mentioned. As additional security for the payment of the principal of and interest on this Bond, the Issuer has pledged certain taxes collected by the State of Michigan and returned to the Issuer pursuant to a revenue sharing pledge agreement as further described in the Ordinances.

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 upon and the

principal of the Outstanding Senior Lien Bond and any Additional Senior Lien Bonds hereafter issued, as and when the same shall become due and payable, and to maintain a Senior Lien Bond and Interest Redemption Account therefor, to provide for the payment of the interest upon and the principal of this Bond, the Outstanding Junior Lien Bonds and any Additional Junior Lien Bonds hereafter issued, as and when the same shall become due, and to maintain a Junior Lien Bond and Interest Redemption 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 by the registered owner in person or 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 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, and upon payment of the charges, if any, therein prescribed.

Capitalized terms used in this Bond and not defined herein have the meanings set forth in the Ordinances.

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 have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Bessemer, County of Gogebic, State of Michigan, by its City Council, has caused this Bond to be signed in its name by its Mayor and to be countersigned by its City Clerk, and its corporate seal or a facsimile thereof to be printed or impressed hereon, all as of the Date of Original Issue.

CITY OF BESSEMER
County of Gogebic
State of Michigan

By _____
Its: Mayor

By_____
Its: City Clerk

EGLE Project No. 7745-01
EGLE Approved Amt: $_____*
Loan Amount Forgiven: ($_____)
Loan Amount to be Repaid: $_____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes, and Energy (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Principal Installment Due on	Amount of Principal Installment

Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer and which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of ____% per annum, payable _____ 1, 202_, and semi-annually thereafter.

The Issuer agrees that it will deposit with the Authority's Depository, or at such other place as shall be designated in writing to the Issuer by the Authority, payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

*Not to exceed amount. Loan reduction at close out will result in a proportional decrease.

Section 14. Negotiated Sale; Application to EGLE and Authority; Execution of Documents. The City Council has considered the option of selling the Series 2024 Bond through a competitive sale and a negotiated sale and determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2024 Bond to the Authority because the Drinking Water State Revolving Fund financing program provides significant interest cost savings to the Issuer compared to a competitive sale in the municipal bond market. Each Authorized Officer is hereby authorized to make application to the Authority and to the EGLE for placement of the Series 2024 Bond with the Authority. The actions taken by any Authorized Officer with respect to the Series 2024 Bond prior to the adoption of this Ordinance are hereby ratified and confirmed. Each Authorized Officer is hereby individually authorized to execute and deliver such contracts, documents and certificates as may be required by the Authority or the EGLE or as may be otherwise necessary to effectuate the sale and delivery of the Series 2024 Bond to the Authority, including the Purchase Contract, the Supplemental Agreement, the Revenue Sharing Pledge Agreement and an Issuer's Certificate as required by the Authority.

Section 15. Covenant Regarding Tax-Exempt Status of the Series 2024 Bond. 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 2024 Bond from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2024 Bond proceeds and moneys deemed to be Series 2024 Bond proceeds.

Section 16. Approval of Bond Details. Each Authorized Officer is hereby authorized to adjust the final details of the Series 2024 Bond set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, 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 necessary to effectuate the issuance and sale to the Authority of the Series 2024 Bond authorized hereby, all within the parameters established by this Ordinance.

Section 17. Authorization of Other Actions. Each Authorized Officer is individually authorized to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or advisable in order to effectuate the sale and delivery of the Series 2024 Bond to the Authority as contemplated by this Ordinance.

Section 18. Approval of Bond Counsel. The representation of the Issuer by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield") as bond counsel in connection with the issuance of the Series 2024 Bond is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with its financing programs and borrowings.

Section 19. Repeal; Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 20. 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 21. Publication and Recordation. This Ordinance shall be published in full in a newspaper of general circulation in the Issuer 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 22. Effective Date. Pursuant to the provisions of Act 94, this Ordinance shall be effective upon its adoption.

Passed and adopted by the City Council of the City of Bessemer, County of Gogebic, State of Michigan, on July 22, 2024.

_____
Mayor

(Seal)

Attest:

_____
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Bessemer, County of Gogebic, State of Michigan, at a regular meeting held on the 22nd day of July, 2024, 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, as amended, 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 the City Clerk.

_____
City Clerk

It was moved by Zak and supported by Nelson, to approve and adopt Ordinance 387.

A roll call vote was taken. AYES – Nelson, Zak, Movrich, Serwe. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

4) LOCATOR QUOTE

It was moved by Nelson and supported by Zak, to purchase the locator from Subsurface Solutions for $9,501.00.

A roll call vote was taken: AYES – Serwe, Zak, Movrich, Nelson. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

5) REDEVELOPMENT READY COMMUNITIES MEMORANDUM OF UNDERSTANDING

It was moved by Nelson and supported by Serwe, to approve the Redevelopment Ready Communities Memorandum of Understanding and authorize the proper signatures. **MOTION CARRIED.**

6) APPLICATION FOR LIBRARY BOARD

It was moved by Nelson and supported by Movrich, to accept Warren Grass' application and appoint him to the Bessemer Library Board. **MOTION CARRIED.**

7) DWAM DRAW REQUEST #17 $77,036.66

It was moved by Zak and supported by Nelson, to authorize Mayor Tacconelli to approve DWAM payments not in excess of $453,994.00.

A roll call vote was taken: AYES – Nelson, Serwe, Movrich, Zak. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

8. SAND BIDS

It was moved by Nelson and supported by Zak, to go out for sand bids for 1,500 yds of screened sand to be delivered to the City garage by September 30th, 2024. **MOTION CARRIED.**

9. USDA WATER CHANGE ORDER #22

It was moved by Nelson and supported by Zak, to approve USDA Water Change Order #22 in the amount of $3,995.00.

A roll call vote was taken: AYES – Zak, Movrich, Serwe, Nelson. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

10. USDA WASTEWATER CHANGE ORDER #22

It was moved by Nelson and supported by Zak, to approve USDA Wastewater Change Order #22 in the amount of $4,002.50.

A roll call vote was taken: AYES – Zak, Nelson, Serwe, Movrich. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

REPORTS

It was moved by Nelson and supported by Serwe, to accept the Staff Report and place it on file. **MOTION CARRIED.**

It was moved by Nelson and supported by Zak, to accept the DPW Report and place it on file. **MOTION CARRIED.**

PUBLIC COMMENT

Nelson spoke about the upcoming Gogebic County Fair at Pat O'Donnell Civic Center in Ironwood.

CLOSED SESSION 6:50 PM

It was moved by Zak and supported by Nelson, to go into closed session to review City Manager applications.

A roll call vote was taken: AYES – Movrich, Serwe, Nelson, Zak. NAYS – None. ABSENT – Tacconelli. **MOTION CARRIED.**

RETURN TO OPEN SESSION 7:35 PM

It was moved by Nelson and supported by Zak, to schedule interviews with candidates numbered 13, 17, 24, and 27 to hopefully coincide with the next Council meeting. **MOTION CARRIED.**

ADJOURN 7:40 PM

It was moved by Nelson and supported by Zak, to adjourn. **MOTION CARRIED.**

_____ _____

Mark Movrich, Mayor Pro Tem Samantha Dorr, Deputy Clerk