SPECIAL MEETING

BAY COUNTY BOARD OF COMMISSIONERS

A G E N D A

TUESDAY, JUNE 5, 2012

4:30 P.M. (Or immediately following Ways and Means Committee meeting)

COMMISSION CHAMBERS, FOURTH FLOOR, BAY COUNTY BUILDING

PAGE NO.

I CALL TO ORDER (CHAIRMAN)

II ROLL CALL

III INVOCATION

IV PLEDGE OF ALLEGIANCE

V CITIZEN INPUT (4:30 P.M.)

VII ITEMS FOR CONSIDERATION

A. Ways and Means Committee

1- 5 1. Res. No. 2012-84 - Resolution Approving Building Authority Refunding Contract (Library Project)

VIII UNFINISHED BUSINESS

IX NEW BUSINESS

X MISCELLANEOUS

XI ANNOUNCEMENTS

XII CLOSED SESSION

XIII RECESS/ADJOURNMENT

ACTION TAKEN BY BAY COUNTY BOARD OF COMMISSIONERS

DATE OF BOARD MEETING: JUNE 5, 2012

MOTION/ RES. NO.	INTRODUCED/ SUBMITTED BY	SUBJECT OF RESOLUTION/MOTION	ADOPTED	AMENDED	CORRECTED	DEFEATED	REFERRED	TABLED	WITHDRAWN
2012-84	Ways and Means	Building Authority Refunding Contract (Library Project)	XX						
Motions									
47	Krygier	To go into closed session regarding labor negotiations	XX						
48	Tilley	Go back to regular session following closed session re: labor negotiations	XX						
49	Krygier	To adjourn the Special Meeting of June 5, 2012	XX						

No. 2012-84

RESOLUTION APPROVING
BUILDING AUTHORITY REFUNDING CONTRACT

County of Bay
State of Michigan

Minutes of a special meeting of the Board of Commissioners of the County of Bay, State of Michigan (the "County"), held in said County at 4:50 p.m., prevailing Eastern Daylight Time, on June 5, 2012.

PRESENT: Commissioners: Duranczyk; Krause; Begick; Davis; Krygier; Ryder; Rupp; Tilley; Coonan

ABSENT: None

The following preamble and resolution were offered by Commissioner Krygier and supported by Commissioner Tilley:

WHEREAS, the Bay County Building Authority (the "Authority") issued its Building Authority Bonds, Series 2002 (Limited Tax General Obligation) (Bay County Library System), dated July 1, 2002, in the amount of $17,400,000 (the "Prior Bonds").

WHEREAS, Part VI of Act 34, Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act ("Act 34"), and Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31") permit the Authority to refund all or part of the municipal securities of the Authority; and

WHEREAS, the County and the Authority have determined that it is in the best interest of the County and the Authority to refund all or part of the Prior Bonds (the "Bonds To Be Refunded"); and

WHEREAS, pursuant to authority of Act 34 and Act 31, a Refunding Contract has been

prepared (the "Refunding Contract"), providing for the issuance of not to exceed $10,615,000 of refunding bonds and for the implementation of such refunding program; and

WHEREAS, it is reasonable and economically advantageous for the County and the Authority to take the necessary steps under the provisions of Act 31 and Act 34 to have the Authority issue refunding bonds to refund all or part of the Prior Bonds; and

WHEREAS, prior to issuance of the bonds the Authority and the County must either be qualified to issue municipal securities without further approval from the Michigan Department of Treasury or receive prior approval from the Department of Treasury as provided in Act 34, Public Acts of Michigan, 2001, as amended.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Commission deems it to be in the best interest of the County to achieve interest cost savings by refunding all or part of the Prior Bonds through the issuance of refunding bonds in one or more series in an aggregate amount not to exceed Ten Million Six Hundred Fifteen Thousand Dollars ($10,615,000).

2. This Commission hereby approves the Refunding Contract, in substantially the form accompanying this Resolution.

3. The Chairman and County Clerk of the County are authorized to execute immediately and deliver to the Authority the Refunding Contract approved by this resolution. The Refunding Contract shall become effective immediately upon execution and delivery by the County and the Authority. A copy of the Contract shall be placed on file in the office of the County Clerk and shall be available for public examination.

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4. This Commission does hereby ratify and confirm its covenant in the Contract (as defined in the Refunding Contract) and the Refunding Contract to levy ad valorem taxes against all taxable property in the County to the extent necessary to meet the obligations of the County thereunder in the event revenues from other sources are insufficient for any reason whatsoever. Any such taxes levied to pay the Cash Rental under the Contract and the Refunding Contract shall be limited as to rate or amount in the manner provided by law.

5. The County hereby covenants to take all action within its control to the extent permitted by law necessary to maintain the exclusion of the interest on the bonds described in the Contract and Refunding Contract 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 the rebate of arbitrage earnings and the expenditure and investment of proceeds of the bonds and moneys deemed to be proceeds of the bonds.

6. The Chairman, County Clerk, County Executive and County Treasurer are each hereby authorized and directed, on behalf of the County and in accordance with the other applicable procedures and ordinances, to take any and all actions, perform any and all acts and execute any and all contracts, applications and other documents as shall be required, necessary or desirable to effect the proper public or private sale, execution and delivery of the bonds and to implement the Contract and Refunding Contract, including, but not limited to: applying for prior approval of the bonds or qualification to issue the bonds from the Michigan Department of Treasury (the "Department") and making any other filings for waivers or otherwise with the Department respecting the bonds, applying for ratings on the bonds, and causing a preliminary official statement and final official statement with respect to the bonds to be prepared or a disclosure appendix for bond of the Michigan Finance Authority.

7. The County hereby agrees to enter into an undertaking for the benefit of the holders and beneficial owners of the bonds pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission and the Chairman, County Clerk, County Executive and County Treasurer are each hereby authorized to execute such undertaking prior to delivery of the bonds, if necessary.

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

AYES: Duranczyk; Krause; Begick; Davis; Krygier; Ryder; Rupp; Tilley; Coonan

NAYS: None

RESOLUTION DECLARED ADOPTED.

Cynthia A. Luczak

Bay County Clerk
Cynthia A. Luczak

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the County Commission of the County of Bay, State of Michigan, at a special meeting held on June 5, 2012, 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.

Cynthia A. Luczak

Bay County Clerk
Cynthia A. Luczak

REFUNDING CONTRACT

THIS CONTRACT, made and entered into as of the 5th day of June, 2012, under the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31") and Act 34, Public Acts of Michigan, 2001, as amended, ("Act 34", together with Act 31, the "Acts") by and among the BAY COUNTY BUILDING AUTHORITY, a public corporation organized and existing under the authority of Act 31 (the "Authority"), and the COUNTY OF BAY, a Michigan municipal corporation organized and existing under the Constitution and laws of the State of Michigan (the "County").

WITNESSETH:

WHEREAS, the Authority has been incorporated under and in pursuance of the provisions of Act 31 for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating and maintaining a building or buildings, automobile parking lots or structures, recreational facilities, stadiums, and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, for use for any legitimate public purpose of the County; and

WHEREAS, the County and the Authority have entered into a certain Contract of Lease dated July 1, 2002 (the "Contract") wherein the Authority agreed to acquire public facilities and lease said facilities to the County; and

WHEREAS, pursuant to the Contract, the Authority has issued its: Building Authority Bonds, Series 2002 (Limited Tax General Obligation) (Bay County Library System) (the "Prior Bonds"); and

WHEREAS, the Authority and the County have been advised that conditions in the bond market have now improved to the point that all or a portion of the Prior Bonds could be refunded at a considerable savings; and

WHEREAS, it is the determination and judgment of the Authority and the County that all or a portion of the Prior Bonds should be refunded (the "Refunding") to secure for the County the interest savings anticipated and thereby permit the operation of the financed facilities in a more economical fashion for the benefit of the users of the facilities and the taxpayers of the County; and

WHEREAS, the execution of this contract (the "Refunding Contract") is necessary in order to implement a refunding program;

NOW, THEREFORE, in consideration of the premises and the covenants of each other, the parties hereto agree as follows:

1. Approval of Refunding. The Authority and the County hereby approve and confirm the Refunding under the provisions of the Acts in the manner provided by and pursuant to this Refunding Contract.

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2. Issuance of Refunding Bonds. The Authority will issue a single series of refunding bonds (the "Refunding Bonds") in a total principal amount not to exceed Ten Million Six Hundred Fifteen Thousand Dollars ($10,615,000) in order to pay all or part of the costs of the Refunding. All costs of the Refunding and of issuing the Refunding Bonds, including, but not limited to, payment of the principal of and interest on the Prior Bonds, call premium, if any, underwriting discount, bond and other printing, administrative, legal and financial advisory expenses, credit enhancement costs, rating fees, trustee and paying agent/registrar fees and all related expenses shall be paid from the proceeds of sale of the Refunding Bonds or from cash amounts to be made available by the County to pay such costs.

3. Authority Actions. To carry out and accomplish the Refunding in accordance with the provisions of Michigan law, the Authority shall take the following steps:

(a) The Authority will adopt a resolution providing for the issuance of the Refunding Bonds in an aggregate principal amount not to exceed Ten Million Six Hundred Fifteen Thousand Dollars ($10,615,000) (the "Refunding Bond Resolution"), based upon the Authority's analysis of the financial benefits of the Refunding. The Refunding Bonds shall be issued in anticipation of the debt service installment payments required to be made by the County as provided in the Contracts and as hereinafter provided in this Refunding Contract and will be secured primarily by the contractual obligations of the County to pay said installments when due, including interest. After due adoption of the Refunding Bond Resolution, the Authority will take all legal procedures and steps necessary to effectuate the sale and delivery of the Refunding Bonds.

(b) The Authority, upon receipt of proceeds of sale of the Refunding Bonds, will comply with all provisions and requirements of law, the Refunding Bond Resolution and this Refunding Contract relative to the disposition and use of the proceeds of sale thereof.

(c) The Authority shall not make any investments or take any other actions which would cause the Refunding Bonds herein authorized to be constituted as arbitrage bonds pursuant to any applicable federal statutes or regulations.

(d) The Authority shall take all steps necessary to refund the Prior Bonds.

4. Payments by County. The full principal amount of the Refunding Bonds shall be charged to and paid by the County to the Authority in annual principal installments, together with interest and other expenses as herein provided. It is understood and agreed that the Refunding Bonds of the Authority will be issued in anticipation of such payments by the County.

It is agreed that the County shall pay to the Authority, at least one business day prior to the annual maturity or mandatory redemption date of principal amounts of the Refunding Bonds, such principal amount, and in addition, at least one business day prior to each interest payment date on the Refunding Bonds, as accrued interest on the principal installments remaining unpaid, an amount sufficient to pay all interest due on the next succeeding interest payment date. From time to time as the Authority is billed by the registrar/transfer/paying agent for the Refunding Bonds for their services, and as other costs and expenses accrue to the Authority from handling of the payments made by the County or from other action taken in connection with the Refunding Bonds, the Authority shall notify the County of the amount of

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such fees, costs and expenses, and the County shall, within thirty (30) days from such notification, remit to the Authority sufficient funds to pay such amounts.

The Authority shall, within thirty (30) days after the delivery of the Refunding Bonds, furnish the County with a complete schedule of said installments and the interest thereon and due dates and shall also, at least thirty (30) days prior to each due date, advise the County, in writing, of the exact amount due on the next due date. The failure to give such notice shall not, however, excuse the County from making required payments when due under the provisions hereof.

5. Limited Tax Full Faith and Credit Pledge of County. The County, pursuant to Section 8a of Act 31 and to Act 34, hereby irrevocably pledges its full faith and credit for the prompt and timely payment of its obligations pledged for payment of the Refunding Bonds as expressed in this Refunding Contract. Pursuant to such pledge, if other funds are not available, the County shall be required to pay such amounts from any of its general funds as a first budget obligation and shall each year levy an ad valorem tax on all the taxable property in the County in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay such obligations under this Refunding Contract becoming due before the time of the following year's tax collections, such annual levy shall however be subject to applicable constitutional, statutory and charter tax rate limitations. Commitments of the County are expressly recognized as being for the purpose of providing funds to meet the respective contractual obligations of the County in anticipation of which the Refunding Bonds are issued. Nothing herein contained shall be construed to prevent the County from using any, or any combination of, the means and methods provided in Section 8a of Act 31 for the purpose of providing funds to meet its obligations under this Refunding Contract, and if at the time of making the annual tax levy there shall be other funds on hand earmarked and set aside for the payment of the contractual obligations due prior to the next tax collection period, then such annual tax levy may be reduced by such amount.

6. Prepayment. Additional moneys over and above any of the payments specified in this Refunding Contract may be prepaid as provided in this Refunding Contract.

7. Preservation of Contract Provisions. All provisions of the Contracts not inconsistent herewith, and particularly all covenants relative to the payment of and security for the Prior Bonds made by the County therein, shall remain in full force and effect and shall apply with equal effect to the Refunding Bonds authorized hereby, it being understood that upon issuance of the Refunding Bonds, all or any portion of the Prior Bonds refunded will be defeased and the Refunding Bonds shall be substituted therefor and shall be outstanding in their place and stead.

8. Additional Financing. Nothing herein contained shall in any way be construed to prevent additional financing under the provisions of Act 31.

9. Obligations and Undertakings Conditioned Upon Refunding. The obligations and undertakings of each of the parties to this Refunding Contract shall be conditioned upon the successful accomplishment of the proposed Refunding, and therefore if for any reason whatsoever the Refunding Bonds are not issued, then this Refunding Contract shall be considered void and of no force and effect; provided, however, that in such event, all costs and expenses shall be paid by the County in accordance with existing commitments to the Authority, and the Authority shall not be obligated for such costs and expenses.

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10. Rights of Bondholders. The Authority and the County each recognize that the holders from time to time of the Refunding Bonds will have contractual rights in this Refunding Contract, and it is therefore covenanted and agreed by each of them that so long as any of the Refunding Bonds shall remain outstanding and unpaid, the provisions of this Refunding Contract shall not be subject to any alteration or revision which would in any manner materially affect either the security of the Refunding Bonds or the prompt payment of principal of or interest thereon. The County and the Authority further covenant and agree that they will each comply with their respective duties and obligations under the terms of this Refunding Contract promptly at all times and in the manner herein set forth, and will not suffer to be done any act which would in any way impair the Refunding Bonds, the security therefor, or the prompt payment of principal of and interest thereon. It is hereby declared that the terms of this Refunding Contract insofar as they pertain to the security of the Refunding Bonds shall be deemed to be for the benefit of the holders of said Refunding Bonds.

11. Term. This Refunding Contract shall remain in full force and effect for a period of nine (9) years from the date hereof, or until such lesser time as the Refunding Bonds issued by the Authority are paid, at which time this Refunding Contract shall be terminated, and the provisions of the Contracts relative to disposition of the financed facilities shall be carried out. In any event, the obligations of the County to make the payments required hereunder shall be terminated at such time as all of the Refunding Bonds are paid in full by the County, together with all interest and penalties and other obligations hereunder.

12. Benefit of Refunding Contract. This Refunding Contract shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

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IN WITNESS WHEREOF, the BAY COUNTY BUILDING AUTHORITY, by its Commission, and the COUNTY OF BAY, MICHIGAN, by its County Board, have each caused its name to be signed to this instrument by its duly authorized officers and its seal to be affixed hereto the day and year first above written.

In the presence of:

BAY COUNTY BUILDING AUTHORITY

By: _____
Chairman

By: _____
Secretary

(Seal)

COUNTY OF BAY

By: _____
Chairman of the Board of Commissioners

By: _____
Clerk, Bay County
Cynthia A Luczak

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

BAY COUNTY BOARD OF COMMISSIONERS

MEETING DATE: JUNE 5, 2012

MOTION SPONSORED BY: COMM. KRYGIER

MOTION SUPPORTED BY: COMM. TILLEY

MOTION NO.: 47

TO GO INTO CLOSED SESSION PURSUANT TO MCL 15.268 (c): FOR STRATEGY AND NEGOTIATION SESSIONS WITH PERSONNEL AND EMPLOYEE RELATIONS DIRECTOR TIM QUINN CONNECTED WITH THE NEGOTIATION OF A COLLECTIVE BARGAINING AGREEMENT WHEN EITHER NEGOTIATING PARTY REQUESTS A CLOSED HEARING.

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
Michael J. Duranczyk	X			Joe Davis	X			Tom Ryder	X		
Brandon D. Krause	X			Ernie Krygier	X			Christopher T. Rupp	X		
Vaughn J. Begick	X			Kim Coonan	X			Donald J. Tilley	X		

VOTE TOTALS:

ROLL CALL: XX YEAS 9 **NAYS** 0 **EXCUSED** 0

VOICE: YEAS _____ **NAYS** _____ **EXCUSED** _____

DISPOSITION: ADOPTED XX **DEFEATED** _____ **WITHDRAWN** _____

AMENDED _____ **CORRECTED** _____ **REFERRED** _____

BAY COUNTY BOARD OF COMMISSIONERS

MEETING DATE: JUNE 5, 2012

MOTION SPONSORED BY: COMM. TILLEY

MOTION SUPPORTED BY: COMM. KRYGIER

MOTION NO.: 48

TO GO BACK TO REGULAR SESSION FOLLOWING CLOSED SESSION DISCUSSIONS REGARDING LABOR NEGOTIATIONS.

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
Michael J. Duranczyk	X			Joe Davis	X			Tom Ryder	X		
Brandon Krause	X			Ernie Krygier	X			Christopher Rupp	X		
Vaughn J. Begick	X			Kim Coonan	X			Donald J. Tilley	X		

VOTE TOTALS:

ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____

VOICE: XX YEAS 9 NAYS 0 EXCUSED 0

DISPOSITION: ADOPTED XX DEFEATED _____ WITHDRAWN _____

AMENDED _____ CORRECTED _____ REFERRED _____

BAY COUNTY BOARD OF COMMISSIONERS

MEETING DATE: JUNE 5, 2012

MOTION SPONSORED BY: COMM. KRYGIER

MOTION SUPPORTED BY: COMM. TILLEY

MOTION NO.: 49

TO ADJOURN THE SPECIAL BOARD SESSION OF JUNE 5, 2012
AT 5:10 P.M.

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
Michael J. Duranczyk	X			Joe Davis	X			Tom Ryder	X		
Brandon Krause	X			Ernie Krygier	X			Christopher Rupp	X		
Vaughn J. Begick	X			Kim Coonan	X			Donald J. Tilley	X		

VOTE TOTALS:

ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____

VOICE: XX YEAS 9 NAYS 0 EXCUSED 0

DISPOSITION: ADOPTED XX DEFEATED _____ WITHDRAWN _____

AMENDED _____ CORRECTED _____ REFERRED _____