

EAST CHINA CHARTER TOWNSHIP

OFFICIAL PROCEEDINGS

July 18, 2022

CALL TO ORDER – Supervisor Westrick called the meeting to order at 7:30 p.m., with Clerk Mattei, Treasurer Hart, and Trustees Babel, Knotts, Blackstock and Reichle. Township Manager Cindy Paperelli also present.

PLEDGE OF ALLEGIANCE

APPROVE AGENDA – Trustee Reichle, supported by Trustee Babel, moved to approve the Agenda with the addition of presentation by Dan Lockwood of SCCo Community Foundation and removal of NB1. Carried.

MINUTES – Trustee Knotts, supported by Treasurer Hart, moved to approve the Minutes of July 5, 2022. Carried.

PUBLIC COMMENT – None.

PRESENTATIONS – Dan Lockwood from St. Clair County Community Foundation presented a grant check in the amount of \$2,633.97 for the new park kiosk. In addition \$2,366.03 was paid by the Foundation directly and East China Township's match is \$5,000. There is an additional cost to the township of \$831.78 for customization of the kiosk.

UHY Representative, Scot Hoskins presented the Audited Financial Statements for the year ended December 31, 2021.

CONSENT AGENDA – Trustee Reichle, supported by Trustee Babel, moved to accept the Consent Agenda items as follows: June Financial Reports, Historical Commission Minutes June 2022, ZBA Minutes June 2022, and Marine City Fire Run Report June 2022. Carried.

DISBURSEMENTS – Clerk Mattei, supported by Trustee Blackstock, moved to approve Invoices \$92,128.71, Payroll Direct Deposits \$42,383.74, EFT's \$66,361.25, Accounts Payable \$67,022.88, E-Check \$302.30. Roll call vote: Yea: Hart, Reichle, Babel, Blackstock, Westrick, Knotts, Mattei. Carried.

NEW BUSINESS

NB 1 - Removed.

NB 2 – Supervisor Westrick, supported by Clerk Mattei, moved to adopt Resolution 13-2022 – Bond Authorizing 2022 Capital Improvement Bonds. Carried.

RESOLUTION 13-2022

BOND AUTHORIZING 2022 CAPITAL IMPROVEMENT BONDS

(LIMITED TAX GENERAL OBLIGATION)

CHARTER TOWNSHIP OF EAST CHINA

County of St. Clair, State of Michigan

Minutes of a regular meeting of the Township Board of Trustees of the Charter Township of East China, County of St. Clair, State of Michigan, held on the 18th day of July, 2022, at 7:30 p.m. Eastern Time.

PRESENT: Members: Westrick, Mattei, Hart, Blackstock, Babel, Knotts, Reichle.

ABSENT: Members: None.

The following preamble and resolution were offered by Member Westrick and supported by Member Mattei:

WHEREAS, the Township does hereby determine that it is necessary to acquire, construct, furnish and equip capital improvements to the Township's existing sanitary sewer system, consisting generally of (i) lining of sanitary sewer along Pointe Drive, the St. Clair River, and Eldon, Loretta and Marell streets, installation of cleanouts and rehabilitation of manholes, and cleaning and inspecting pre and post construction sanitary pipes, and (ii) rehabilitation of three pump stations, including pumps, controls, and electrical cabinet replacement along with pump station pipework and check and gate valve replacements, and raising the pump station on Pointe Drive above the floodplain elevation, together with interests in land, site improvements, equipment, appurtenances and attachments thereto (collectively, the "Project"); and

WHEREAS, the Project qualifies for the State of Michigan Clean Water Revolving Fund financing program being administered by the Michigan Finance Authority (the "Authority") and the Michigan Department of Environment, Great Lakes, and Energy ("EGLE"), whereby the bonds of the Township are sold to the Authority and bear interest at a fixed rate of 2.125% per annum; and

WHEREAS, to finance the cost of the Project, the Township Board deems it necessary to borrow the principal sum of not to exceed Two Million Eight Hundred Twenty Thousand Dollars (\$2,820,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and

WHEREAS, a notice of intent 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 Township unless a proper petition for an election on the question of the issuance of the bonds is filed with the Township Clerk within a period of forty-five (45) days from the date of publication, and no such petition was filed within the requisite period.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the Township designated as the 2022 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Two Million Eight Hundred Twenty Thousand Dollars (\$2,820,000), as finally determined by order of the EGLE, for the purpose of paying the cost of the Project, including the costs

incidental to the issuance, sale and delivery of the Bonds. The Bonds shall be in the form of one or more single fully-registered, nonconvertible bonds of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined at the time of sale of the Bonds and approved by the Authority and either the Township Manager, the Supervisor, the Clerk and the Treasurer (each an "Authorized Officer"). Final determination of the principal amount of and interest on the Bonds and the payment dates and amounts of principal installments of the Bonds shall be evidenced by the execution of a purchase contract (the "Purchase Contract") between the Township and the Authority providing for sale of the Bonds, and each of the Authorized Officers is 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 first principal installment shall be due no earlier than April 1, 2023 and the total number of principal installments shall not exceed thirty (30).

The Bonds shall bear interest at an interest rate per annum on the par value thereof as evidenced by execution of the Purchase Contract, but in any event not to exceed 2.125% per annum, and any of the Authorized Officers as shall be appropriate shall deliver the Bonds in accordance with the delivery instructions of the Authority. The principal amount of the Bonds is expected to be drawn down by the Township periodically, and interest on the principal amount shall accrue from the date such principal amount is drawn down by the Township.

The Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Bonds shall be payable as provided in the Bond form in this Resolution.

The Bonds or principal installments thereof shall be subject to prepayment prior to maturity by the Township with the prior approval of the Authority.

The Treasurer shall record on the registration books payment by the Township 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 the Treasurer.

Upon payment by the Township of all outstanding principal of and interest on the Bonds, the Authority shall deliver the Bonds to the Township for cancellation.

2. Execution of Bonds. The Supervisor and Clerk are authorized to execute and deliver the Bonds in accordance with the delivery instructions of the Authority. The Bonds of this issue shall be executed in the name of the Township with the manual or facsimile signatures of the Supervisor and Clerk of the Township and shall have the seal of the Township, or a facsimile thereof, printed or impressed on the Bonds. The Bonds bearing at least one manual signature of the Supervisor or the Clerk and sold to the Authority shall require no further authentication.

3. Transfer of Bonds. 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 Township 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 Township 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 6 of this Resolution 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 Township 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 or as otherwise required in the Bond as delivered to the Authority.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Township; 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.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The Township hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The Bonds shall be payable, as a first budget obligation, from the general fund of the Township, and the Township shall levy annually ad valorem taxes on all taxable property in the Township which, shall be fully sufficient to pay the principal and interest on the Bond, provided, however, that if at the time of making any such tax levy there shall be other legally available funds for the payment of principal of and interest on the Bond, such as sewer system revenues or other funds, then credit therefor may be taken against the levy for payment of the Bond. The levy shall be subject to constitutional, statutory and charter tax rate limitations.

The Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the Township Board, to be designated 2022 CAPITAL IMPROVEMENT BONDS 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 Township Board, to be designated 2022 CAPITAL IMPROVEMENT BONDS 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 Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Resolution:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF ST. CLAIR

CHARTER TOWNSHIP OF EAST CHINA

2022 CAPITAL IMPROVEMENT BOND

(LIMITED TAX GENERAL OBLIGATION)

Registered Owner: Michigan Finance Authority

Principal Amount: \$[amount]

Date of Original Issue: [date]

The CHARTER TOWNSHIP OF EAST CHINA, County of St. Clair, State of Michigan (the “Township” or the “Issuer”), for value received, hereby promises to pay 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 Township pursuant to a Purchase Contract between the Township and the Authority (the “Purchase Contract”) and a Supplemental Agreement by and among the Township, 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 the Principal Amount is being drawn down by the Township under this Bond, the Authority will periodically provide to the Township 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 Township

of its obligation to repay the outstanding principal amount actually advanced, 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 Schedule I attached hereto and made a part hereof, as Schedule I may be adjusted if less than \$[amount] is disbursed to the Township, or if the Township prepays a portion of the Principal Amount as provided below, with interest on the principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of 2.125% per annum. Interest is first payable on [date], and semiannually thereafter, and principal is payable on the first day of [date], commencing [date] (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this bond are subject to prepayment by the Township prior to maturity 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 U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Township by the Authority (the "Authority's Depository"); (b) the Township 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 Township's deposit by 12:00 noon on the scheduled day, the Township 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 Township 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 Township'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 Township shall and hereby agrees to pay on demand only the Township's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

This bond is the single, fully registered, nonconvertible bond in the principal sum of \$[amount], issued for the purpose of paying all or part of the cost of capital improvements to the Township's existing sanitary sewer system. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the Township.

The limited tax full faith, credit and resources of the Township are pledged for the payment of this bond, and the Township has pledged that it shall pay the principal of and interest on this bond as it becomes due as a first budget obligation from its general fund and, after taking into account funds which the Township may have legally available for payment of principal of and interest on this bond, shall levy annually ad valorem taxes on all taxable property in the Township sufficient to pay the principal and interest on this bond subject to applicable constitutional, statutory, and charter tax rate limitations.

This bond is transferable only upon the books of the Township 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 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, and upon payment of the charges, if any, therein prescribed.

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, 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 Township, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

IN WITNESS WHEREOF, the Township, by its Township Board of Trustees, has caused this bond to be signed in the name of the Township by the [manual][facsimile] signatures of its Supervisor and Clerk and [a facsimile of] its corporate seal [impressed] [to be printed hereon], all as of the Date of Original Issue.

CHARTER TOWNSHIP OF EAST CHINA

County of St. Clair, State of Michigan

By: _____

Its: Supervisor

(SEAL)

By: _____

Its: Clerk

EGLE Project No.: 5776-01

EGLE Approved Amt: \${amount}

SCHEDULE I

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, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Principal Installment

Amount of Principal

Due on

Installment

Interest on the Bond shall accrue on principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of [rate]% per annum, payable [date] and semi-annually thereafter.

The Issuer agrees that it will deposit with 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") 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.

7. Negotiated Sale of Bonds. The Township hereby determines that it is in the best interest of the Township to negotiate the sale of the Bonds to the Authority because the Clean Water Revolving Fund financing program provides significant interest savings to the Township compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to apply to the Authority and to the EGLE for placement of the Bonds with the Authority.

8. Application to EGLE and Authority; Execution of Documents. The actions taken by the Authorized Officers with respect to the Bonds prior to the adoption of this Resolution are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, Supplemental Agreement, and Issuer's Certificate in the forms provided by the Authority. Prior to the delivery of the Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of Bond contained in Section 6 of this Resolution as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

9. Approval of Municipal Advisor. The Township requests that Bendzinski & Co., Municipal Finance Advisors continue to serve as Municipal Advisor to the Township in preparation and planning for the sale of the Bonds.

10. Approval of Bond Details. The Authorized Officers 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 is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this Resolution, the interest rate per annum on the Bonds shall not exceed 2.125% per annum, and the Bonds shall mature in annual installments not to exceed thirty (30) in number.

11. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than thirty (30) years.

12. Tax Covenant. The Township 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, 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.

13. Authorization of Other Actions. The Authorized Officers are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, to enable the sale and delivery of the Bonds as contemplated herein.

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: Westrick, Mattei, Hart, Blackstock, Babel, Reichle, Knotts.

NAYS: Members: None.

RESOLUTION DECLARED ADOPTED.

NB 3 – Supervisor Westrick, supported by Trustee Knotts, moved to approve the quote from Contractors Connection in the amount of \$2,040.15 from the DPW Operating Supply #642-441-740. Roll call vote: Yea: Hart, Blackstock, Babel, Reichle, Knotts, Mattei, and Westrick. Carried.

NB 4 – Clerk Mattei, supported by Trustee Babel, moved to approve a quote from Ferguson Waterworks in the amount of \$16,298 for the purchase of 40 water meters and 20 registers. Roll call vote: Yea: Mattei, Reichle, Westrick, Knotts, Blackstock, Babel, and Hart. Carried.

NB 5 – Supervisor Westrick, supported by Trustee Babel, moved to approve a request from the Cemetery Advisory Committee for Blayn Szyska, Sexton, Deborah Babel, committee member, and Wendy Meldrum, office staff to attend the Michigan Association of Municipal Cemeteries Conference August 17-19, 2022 in Frankenmuth, Michigan, with 2 nights lodging, mileage, and conference costs. Estimated cost per member is \$409. Roll call vote: Yea: Westrick, Reichle, Knotts, Blackstock, and Babel. Nay: Mattei, and Hart. Carried.

ADJOURN – Trustee Reichle, supported by Trustee Babel, moved to adjourn at 8:29 p.m. Carried.

Sandra Mattei, Clerk

Verne Westrick, Supervisor