

CITY OF HANCOCK
COUNCIL MEETING MINUTES
WEDNESDAY, AUGUST 3, 2022
HANCOCK CITY HALL, 399 QUINCY STREET

Public viewing available via ZOOM.com "Join A Meeting" - Meeting ID: 821 4402 1682

Regular Meeting at 6:00 PM

Call to order and pledge of allegiance led by Mayor Paul LaBine

Roll Call and verification of quorum

Present: Councilors, Blau, McKenzie, Freeman, LaBine, Rickard, Warstler, Haeussler

Absent: None

Also Present in person: John Zurcher, Thomas Fournier, Michael Markham, Kevin Kalinec, Matt Thyer, Garrett Neese, Sadiq Edo-Abdi.

Also Present via Zoom: Grant Bolla, Austin Fridstrom

Review and approval of agenda

Motion by Councilor Warstler and supported by Councilor Rickard to approve the agenda as presented.

Yes: All

No: None

Motion Carried

Public Comment - None

Communications

Michigan DOT – Vehicle Accessibility Plan Update approval

Planning Commission Annual Report

Michigan Public Service Commission Notice of Hearing

Kathy Halvorson

Erin Smith

EGLE Water Supply Visit

Motion by Councilor Haeussler and supported by Councilor Freeman to accept and put on file the communications as presented.

Yes: All

No: None

Motion Carried

Review and acceptance of meeting minutes

Planning Commission 6-20-2022

PLWSA 6-14-2022

Motion by Councilor Rickard and supported by Councilor Warstler to put on file the meeting minutes as presented.

Yes: All
No: None
Motion Carried

Review and approval of meeting minutes

Work Session	May 25, 2022
Regular Meeting	June 1, 2022
Work Session	June 13, 2022
Regular Meeting	June 15, 2022
Work Session	June 15, 2022
Regular Meeting	July 6, 2022
Special Meeting	July 13, 2022

Motion by Councilor Rickard and supported by Councilor McKenzie to approve and accept the City Council Regular Meeting Minutes of June 1, 2022, June 15, 2022, and July 6, 2022; the City Council Work Session Meeting Minutes of May 25, 2022, June 13, 2022 and June 15, 2022; the City Council Special Meeting Minutes of July 13, 2022 as amended item 4a to read. “Noted that Councilor Haeussler strenuously objects to the need for this meeting. The attorney is treating the City Clerk’s position as an elective or appointive officer and I don’t believe the City Clerk is an elective or appointive officer as those terms are understood and do not feel that this meeting was necessary.”

Yes: All
No: None
Motion Carried

Administrative Report

- Zoning Ordinance update given with consideration given to an FAQ sheet.
- The City Employee picnic is Thursday, August 18th from 12 noon to 3:00 p.m.
- Water Street storm sewer project starting next week, this is part of the trail repairs.
- Working on a detour for the ORVs to start work on the trail damage.
- Miller-Canfield has been assisting the DDA and the City with Resolution 22-10.
- Reviewed summer projects and gave an update on Porvoo Park.

New Business

1. Motion by Councilor LaBine and supported by Councilor Rickard to introduce Ordinance 310 to repeal in full and replace Chapter 72, Section 72.99 – Penalty with a public hearing date of September 7, 2022.

Roll Call:

Yes: Haeussler, Warstler, Rickard, LaBine, Freeman, McKenzie, Blau

No: None

Motion Carried

2. Motion by Councilor Blau and supported by Councilor Freeman to engage Rukkila, Negro and Associates to complete the audit for year ending 6-30-2022.

Roll Call

Yes: Blau, McKenzie, Freeman, LaBine, Rickard, Warstler, Haeussler

No: None

Motion Carried

3. Motion by Councilor Haeussler and supported by Councilor Warstler reappointments for the Recreation Commission members, Michael Lancour, Dave Dow, John Haeussler, Amanda Jackson, John Diebel, Deb Mann, Craig Pellizzaro, John Erickson, Brooke Harris some with a term ending 09-01-2023.

Yes: All

No: None

Motion Carried

4. Motion by councilor McKenzie and supported by Councilor Haeussler to approve Resolution 22-10 to approve the installment purchase agreement in the amount of \$100,000 with the Downtown Development Authority pledging tax increment revenue.

Roll Call:

Yes: Haeussler, Warstler, Rickard, LaBine, Freeman, McKenzie, Blau

No: None

Motion Carried

5. Motion Councilor Rickard and supported by Councilor Haeussler to approve Resolution 22-11 to review and update the City of Hancock Fee and Rate Schedules.

Roll Call

Yes: Blau, McKenzie, Freeman, LaBine, Rickard, Warstler, Haeussler

No: None

Motion Carried

Public Comment- None

Council Member Comments

Time was provided for council members to promote, discuss and/or comment on items not on the agenda.

Motion by Councilor Warstler and supported by Councilor Freeman to adjourn the meeting at 6:40 p.m.

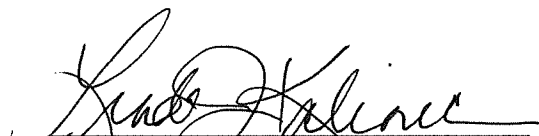
Yes: All

No: None

Motion Carried



Paul LaBine, Mayor


Linda Kalinec, City Clerk

**RESOLUTION 22-10 AUTHORIZING
INSTALLMENT PURCHASE AGREEMENT
(PROPERTY PURCHASE/TAXABLE)**

CITY OF HANCOCK
County of Houghton, State of Michigan

Minutes of a regular meeting of the City Council of the City of Hancock, County of Houghton, State of Michigan, held on the 3rd day of August, 2022, at 6:00 p.m., prevailing Eastern Time.

PRESENT: Members: LaBine, Haeussler, Blau, Warstler, Ricard, McKenzie, Freeman

ABSENT: Members: None

The following preamble and resolution were offered by Member McKenzie and supported by Member Haeussler.

WHEREAS, the City of Hancock, County of Houghton, State of Michigan (the "City"), desires to acquire a piece of property as described on Exhibit A attached hereto (the "Property"); and

WHEREAS, under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the City is authorized to enter into any contracts or agreements for the purchase of the Property to be paid for in installments over a period of not to exceed the useful life of the Property acquired as determined by resolution of the City; and

WHEREAS, an Installment Purchase Agreement (the "Agreement") by and among the City, Mark Isaacson, Trustee of the Mary Rae Isaacson Trust, Grand Blanc, Michigan (the "Seller") and Superior National Bank (the "Bank") for the installment purchase of the Property has been prepared; and

WHEREAS, the City shall acquire the Property for the sum of \$140,000.00 (the "Purchase Price") and finance all or part of the Purchase Price in an amount not to exceed \$100,000.00 (the "Financed Price") through execution of the Agreement; and

WHEREAS, the outstanding balance of all purchases by the City under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal property in the City at the date of such contract or agreement; and

WHEREAS, purchase of the Property pursuant to the Agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, the Agreement is to be assigned to the Bank; and

WHEREAS, it is necessary to approve the Agreement and authorize the Mayor and City Clerk to execute the Agreement and authorize City officials to execute certain other documentation relative thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Approval of Agreement. The Agreement is hereby approved substantially in the form attached hereto at Exhibit B. The City shall incur the debt described in the Agreement through execution of the Agreement by the officers authorized below which debt shall consist of the Financed Price of not to exceed \$100,000.00 which shall be payable in five (5) annual installment payments of principal due on August 1st of each year commencing August 1, 2023 through and including August 1, 2027 with interest thereon first payable on August 1, 2023 and annually each August 1 thereafter at a rate of 4.71% per annum; provided that the Mayor and City Clerk are each hereby authorized to adjust the payment dates and final details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are each authorized to make determinations regarding the Financed Price and principal and interest payment dates.

2. Execution and Delivery of Agreement. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement and deliver it to the Seller, substantially in the form attached hereto with such additions, changes and modifications as shall be approved by the City's Bond Counsel.

3. Useful Life of Property. The useful life of the Property is hereby determined to be not less than five (5) years.

4. Authorization of Officers. The Mayor, City Clerk, City Manager and Treasurer are each hereby authorized and directed to execute such additional documentation and open such accounts as shall be necessary to effectuate the closing of the Agreement and the assignment thereof to the Bank within the parameters set forth in this resolution.

5. Assignment of Agreement. The assignment of the Agreement by the Seller to the Bank is hereby approved.

6. Security; Limited Tax Pledge. The City hereby agrees to include in its budget for each year commencing with the current fiscal year, a sum which will be sufficient to pay the principal of and interest on the Agreement coming due before the next fiscal year. In addition, the City hereby pledges to levy ad valorem taxes on all taxable property in the City each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations. The City intends to use tax increment

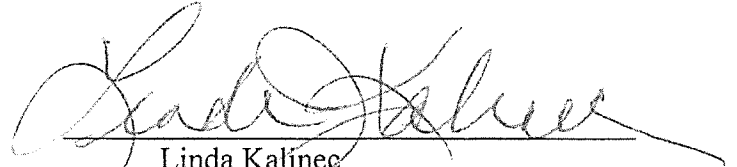
revenues from the Downtown Development Authority of the City of Hancock to pay the principal of and interest on the Agreement.

7. 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: LaBine, Haeussler, Blau, Warstler, Ricard, McKenzie, Freeman

NAYS: Members: None

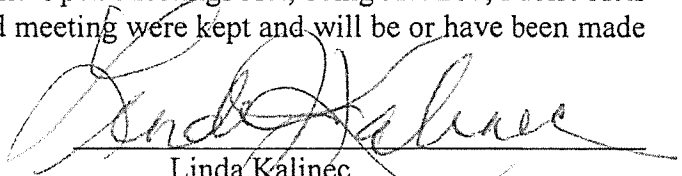
RESOLUTION DECLARED ADOPTED.



Linda Kalinec
City Clerk

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Hancock, County of Houghton, Michigan, at a regular meeting held on August 3, 2022 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.



Linda Kalinec
City Clerk

Exhibit A

Description of Property

224 Quincy Street

H1A-7-16

LOTS 14 EXCEPT THE PART COM. AT THE SW COR. OF LOT 14, TH N 20', TH E
26', TH S 20', TH W 26' TO POB.

& LOT 15

BLK 7 VILLAGE OF HANCOCK

Exhibit B

Form of Installment Purchase Agreement

INSTALLMENT PURCHASE AGREEMENT

THIS AGREEMENT, dated as of _____, 2022, by and among the City of Hancock, County of Houghton, State of Michigan (the “City”), Mark Isaacson, Trustee of the Mary Rae Isaacson Trust, Grand Blanc, Michigan (the “Seller”), and The Superior National Bank, as assignee of the Seller (the “Bank”), is as follows:

1. Purchase Price, Financed Price, Title and Useful Life. The City agrees to purchase and the Seller agrees to sell the real property as described in Exhibit A attached hereto (the “Property”), for the sum of \$140,000.00 (the “Purchase Price”). The City will pay \$40,000.00 of the Purchase Price with funds on hand and the balance of the Purchase Price in the amount of \$100,000.00 shall be financed by this Agreement (the “Financed Price”). The Financed Price will be payable by the City to the Bank as assignee of the Seller in accordance with Section 3 hereof, over a term of five (5) years with annual principal installments commencing August 1, 2023 in the amounts set forth on Exhibit B attached hereto and made a part hereof. [The Financed Price may be prepaid at any time, in whole or in part, upon payment of the prepaid principal amount plus accrued interest, with thirty (30) days written notice.][Insert call protection period, if any.]

The City shall pay interest on the unpaid balance of the Financed Price to the Bank as the assignee of the Seller in accordance with Section 3 hereof, at a rate of interest equal to 4.71% per annum from the date funds are distributed by the Bank as set forth in Section 3 hereof, which interest shall be payable annually on each August 1st, commencing August 1, 2023 through the final date of payment of this Agreement.

Upon receipt by the Seller of the Purchase Price for the Property, Seller shall convey title to the Property to the City. The City agrees that the useful life of the Property is at least equal to or longer than the date of the final payment hereunder.

2. Assignment to the Bank; Disbursement of Advances. The Seller hereby irrevocably assigns this Agreement immediately to the Bank in consideration for a payment to Seller from the Bank in the amount of the Financed Price. The City hereby consents to said assignment, except with respect to the warranties and other obligations of the Seller, all of which shall remain the sole responsibility of the Seller and shall not be assignable. With respect to the Bank, the City hereby waives any defenses based upon warranty, failure or inability of the Seller to perform its non-assignable obligations. To the extent that funds are disbursed to the Seller by the Bank in accordance with this paragraph, the City’s obligation to the Bank is absolute and unconditional and shall remain in full force and effect until the Financed Price together with interest thereon shall have been paid by the City to the Bank, and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

- (a) Any failure of title with respect to the Seller’s interest in the Property specified herein or the invalidity, enforceability or termination of this Agreement;

(b) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Agreement;

(c) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the Seller or any of its assets or any allocation or contest of the validity of this Agreement, or the disaffirmance of this Agreement in any such proceeding;

(d) To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the Seller from the performance or observation of any obligation, covenant or agreement contained in this Agreement; or

(e) The default or failure of the Seller fully to perform any of its obligations set forth in this Agreement.

It is expressly agreed between the Seller, the City, and the Bank, by acceptance of the assignment of this Agreement, that the City shall make all payments of principal and interest directly to the Bank.

The Seller represents and warrants that the assignment to the Bank of this Agreement does not violate any agreement, contract or loan agreement to which it is a party, and that the Agreement has been duly executed and delivered by the Seller.

3. Warranty. The Seller warrants the Property as set forth in the deed delivered to City by Seller in connection herewith. Any warranties with respect to the Property shall not be assigned, but shall remain enforceable by the City.

4. Entire Agreement. This Agreement and the documents expressly incorporated by reference herein constitute the entire agreement of the parties with respect to the financing of the Property. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated.

5. Amendments. Any attempt to modify the terms of this Agreement or of any supporting document shall be ineffectual unless in writing, signed by all parties and the City agrees to secure the consent of the Bank to any such modifications, provided that the consent of the Seller to the modification of any of the terms of payment by the City to the Bank shall not be required.

6. Security. The obligation of the City to pay principal and interest under this Agreement is a limited tax general obligation of the City. The City shall include in its budget and pay each year, until this Agreement is paid in full, as a first budget obligation, such sum as may be necessary each year to make all payments hereunder, when due. In addition, the City hereby pledges to levy in each fiscal year ad valorem taxes on all taxable property in the City in an

amount necessary to make its debt service payments under this Agreement, subject to applicable constitutional, statutory and charter tax rate limitations. The City intends to use tax increment revenues from the Downtown Development Authority of the City of Hancock to pay the principal of and interest on the Agreement.

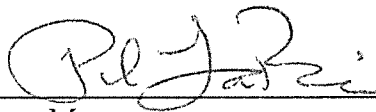
7. Legislative Authorization: Governing Law. This agreement is made in accordance with and pursuant to Act 99, Public Acts of Michigan, 1933, as amended. This Agreement shall be construed in all respects in accordance with the laws of the State of Michigan.

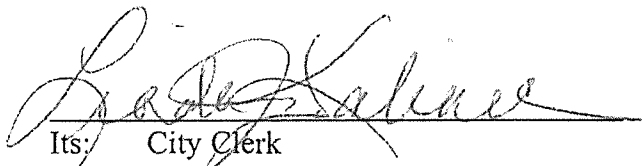
8. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

9. Binding Effect. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and permitted assigns of the parties hereto.

10. Counterparts. This Agreement may be signed in any number of counterparts, which counterparts shall be considered as one and the same instrument. Facsimile copies of this Agreement shall have the full force and effect of an original document.

CITY OF HANCOCK
County of Houghton
State of Michigan

By: 
Its: Mayor

By: 
Its: City Clerk

SUPERIOR NATIONAL BANK
as Bank

By: _____
Its: _____

MARK ISAACSON, TRUSTEE OF THE MARY RAE
ISAACSON TRUST
as Seller

By: _____
Its: Authorized Representative

EXHIBIT A

PROPERTY

224 Quincy Street

H1A-7-16

LOTS 14 EXCEPT THE PART COM. AT THE SW COR. OF LOT 14, TH N 20', TH E
26', TH S 20', TH W 26' TO POB.

& LOT 15

BLK 7 VILLAGE OF HANCOCK

EXHIBIT B

PRINCIPAL AND INTEREST PAYMENT SCHEDULE

Amortization Schedule

Customer: CITY OF HANCOCK(B1)

Product: Commercial Municipal Account number: not assigned Transaction #:19205

Payment date	Payment amount	Principal	Interest	A/H	C/L	PMI	Unpaid Int	Balance
08/01/2023	22,956.51	18,181.09	4,775.42					81,818.91
YTD total for 2023	\$22,956.51	\$18,181.09	\$4,775.42					
08/01/2024	22,956.51	19,038.61	3,917.90					62,780.30
YTD total for 2024	\$22,956.51	\$19,038.61	\$3,917.90					
08/01/2025	22,956.51	19,958.49	2,998.02					42,821.81
YTD total for 2025	\$22,956.51	\$19,958.49	\$2,998.02					
08/01/2026	22,956.51	20,911.59	2,044.92					21,910.22
YTD total for 2026	\$22,956.51	\$20,911.59	\$2,044.92					
08/01/2027	22,956.52	21,910.22	1,046.30					0.00
YTD total for 2027	\$22,956.52	\$21,910.22	\$1,046.30					
Totals	\$114,782.56	\$100,000.00	\$14,782.56					

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CITY OF HANCOCK

RESOLUTION #22-11

UPDATE VARIOUS CITY FEE & RATE SCHEDULES

WHEREAS, it is necessary for the City of Hancock to update miscellaneous fee & rate schedules to cover costs associated with offering the services to the city residents as well as the general public

NOW, THEREFORE, be it resolved, that the City of Hancock adopts the following fees:

Miscellaneous Copies

Zoning Ordinance	\$ 20.00
City Charter	\$ 10.00
Incident Report	\$ 11.00
Master Plan	\$ 10.00

Permits

ZBA Review	\$ 75.00
Fence Permit	\$ 10.00
Sign Permit	\$ 40.00

Truck Rentals

Tandem Dump Truck	\$250.00	Up to 2 tons
Add'l Charge over 2 tons	Billed at Current Per Ton Rate	


Fee Schedule is effective on August 15, 2022.

Motion offered at a regular meeting of the Hancock City Council on Wednesday, August 3, 2022 by Councilor Richard and seconded by Councilor Haussler.

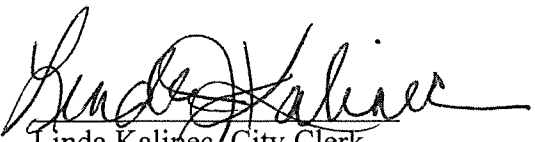
Yes:

No:

Motion Carried



Paul LaBine, Mayor



Linda Kalinec, City Clerk