



Brighton City Council Meeting

Contact Information: City Hall • 200 N First St. • Brighton, Michigan 48116
(810) 227-1911 • www.brightoncity.org • info@brightoncity.org

This meeting will be conducted electronically.
Please visit the City website or the notice posted at City Hall for Zoom Meeting login instructions.

Regular Meeting January 7, 2021 – 7:30 p.m.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Consider Approval of the Agenda
5. Consider Approval of Consent Agenda Items

Consent Agenda Items

- a. Approval of Minutes: [Study Session of December 17, 2020](#)
- b. Approval of Minutes: [Regular Session of December 17, 2020](#)
- c. [Approval to Issue a Purchase Order for a Trailer Mounted Speed Alert and Messaging Sign to All Traffic Solutions in the Amount of \\$17,995](#)
- d. Approval to Reset the Public Hearing on the 1010 State Street Brownfield Plan for January 21, 2021
- e. [Approval to Move Precinct #2 Polling Location from City Hall to the Community Center](#)

Correspondence

6. Call to the Public
7. Staff Updates
8. Updates from Councilmember Liaisons to Various Boards and Commissions

New Business

9. [Consider Approval of Bond Authorizing Resolution #2021-01 and Related Municipal Advisor Scope of Services for the 2021 Capital Improvements Bond Program](#)
10. Discussion of 2021 Civic Event Fees and Related Staff Direction

Other Business

11. Call to the Public
12. Adjournment



City Council Study Session

200 N First St • City Hall Council Chambers • Brighton, Michigan 48116
(810) 227-1911 • www.brightoncity.org

This meeting was conducted electronically.

MINUTES OF THE STUDY SESSION OF THE BRIGHTON CITY COUNCIL HELD ON DECEMBER 17, 2020

Call to Order

Mayor Pipoly called the Study Session to order at 6:30 p.m.

Roll Call

Present were Mayor Pipoly and Mayor Pro Tem Gardner, Councilmembers: Bohn, Emaus, Muzzin, Pettengill, and Tobbe (arrived at 6:37 p.m.), all of whom disclosed their locations. City Manager Nate Geinzer, City Clerk Tara Brown, Community Development Manager Mike Caruso, Finance Director Gretchen Gomolka, DPS Director Marcel Goch, Management Assistant Henry Outlaw, Police Chief Rob Bradford, and Attorney Paul Burns. There was four persons in the audience.

Call to the Public

Mayor Pipoly opened the Call to the Public at 6:31 p.m. Hearing and seeing no comment, Mayor Pipoly closed the Call to the Public at 6:31 p.m.

Discussion of 1010 State Street Brownfield Plan

Manager Geinzer relayed a brief overview and history of the property and a timeline scenario in which abatement and demolition of the existing building would take place. Within the current plan, if approved to move forward, the owners of the property would fund \$150,000 and the City of Brighton would advance \$250,000 for demolition which would be recouped through tax increments revenues at an interest rate of 5%. Mr. Geinzer noted the plan proposes the creation of a local brownfield revolving fund. He asked that City Council, in the regular meeting, set a public hearing for January 7, 2020.

Councilmember Bohn questioned the funding, noting section 1.3 and the City's portion being high in comparison to the property owner. Manager Geinzer stated the owners should have some skin in the game and any contribution by the City will see a return on investment in the way of redevelopment and safety, as there have been a number of police calls to the area. Councilmember Bohn asked which other sites may benefit from a revolving brownfield redevelopment fund. Manager Geinzer noted there is no location for sure, however he could see potential use on the east side of Grand River area, Superior Sanitation, and west side of Grand River, the dry cleaners, which are both common uses for brownfield plans.

Councilmember Pettengill asked if the demolition will be bid through the City of Brighton. Manager Geinzer stated all bidding and planning will be done through the owner/developer which currently has two proposals for abatement and demolition.

Mayor Pipoly wished to clarified some discussion he has heard outside of the meeting by relaying that the City will be reimbursed for the \$250,000. The advance is to allow an eyesore and safety issue to be cleared. Further, he clarified, it has been asked if the City can sue the property owners. The Downtown Development Authority attorney stated there is a severe backlog in the courts due to COVID-19, a court case could take at least three years and the City could potentially be out the

same amount in legal fees. Mayor Pipoly noted that he spoke with an area realtor who assured the Mayor that home prices should go up with the building and security issue removed.

Further discussion by Councilmembers and City staff clarified the owner, interested parties to purchase the property, and if approved, when the building could be down, and normal progression of property sales and ownership paths when purchasing similar areas that are in need of this level of work.

Discussion of the Budgeted (Funded by PEG REVENUES) City Council Chambers Renovation Project

Manager Geinzer discussed briefly the origins and history of PEG revenues and stipulations involved when utilizing PEG fund monies as previously discussed during budget talks. He noted it would be prudent to take a look at renovating the Council Chambers and upgrading security and the audio visual system while meetings are conducted virtually. City architects, Lindhout, has been contacted along with audio visual and security vendors to discuss cursory planning. Further, Manager Geinzer asked that the Rules of Procedure committee duties be expanded to oversee this project with regard to design and color choices.

Councilmember Pettengill asked if a design has already been created by Lindhout. Manager Geinzer stated all planning has been conceptual at this point, but security and ADA accessibility needs have been reviewed with vendors. Councilmember Pettengill restated that these monies are coming from PEG, not from General Fund.

Councilmember Bohn asked if \$10,000 was for planning and design by the architect. Manager Geinzer confirmed the architectural planning and design will be \$10,000 and the construction work will be bid out and will come back to City Council for consideration. Councilmember Bohn asked that the audio equipment be upgraded first.

Councilmember Emaus stated the priority should be ADA and security with Mayor Pro Tem agreeing that safety and security of the meeting room be a number one priority.

Councilmember Muzzin reminded all that the Council Chambers is also a voting location.

Motion by Councilmember Pettengill, seconded by Mayor Pro Tem Gardner to add Discussion of West Street Parking to the agenda. **The motion carried without objection by roll call vote.**

Discussion West Street Parking

Manager Geinzer asked for the agenda item to be added to gauge the interest and willingness of City Council to put out for bid the parking lot off of West Street for redevelopment if the same amount of parking could be gained elsewhere.

City Council was open to the idea with any definite plans or opportunities be relayed to City Council at a future study session or regular meeting.

Call to the Public

Mayor Pipoly opened the Call to the Public at 7:23 p.m. Hearing and seeing no comment, Mayor Pipoly closed the Call to the Public at 7:23 p.m.

Adjournment

Motion by Mayor Pro Tem Gardner, seconded by Councilmember Pettengill to adjourn the Study Session at 7:23 p.m. **The motion carried without objection by roll call vote.**



Brighton City Council Meeting

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MINUTES OF THE REGULAR MEETING OF THE BRIGHTON CITY COUNCIL HELD ON DECEMBER 17, 2020

1. Call to Order

Mayor Pipoly called the meeting to order at 7:30 p.m.

2. Pledge of Allegiance

3. Roll Call

Present were Mayor Pipoly and Mayor Pro Tem Gardner, Councilmembers: Bohn, Emaus, Muzzin, Pettengill, and Tobbe, all of whom disclosed their locations. City Manager Nate Geinzer, City Clerk Tara Brown, Community Development Manager Mike Caruso, Finance Director Gretchen Gomolka, DPS Director Marcel Goch, Management Assistant Henry Outlaw, Police Chief Rob Bradford, Tetra Tech City Engineer Gary Markstrom, Attorney Paul Burns, and Attorney Jeff Alber. There were four persons in the audience.

4. Consider Approval of the Agenda

Motion by Councilmember Bohn, seconded by Councilmember Tobbe to approve the agenda as presented. **The motion carried without objection by roll call vote.**

5. Consider Approval of Consent Agenda Items

Motion by Mayor Pro Tem Gardner, seconded by Councilmember Pettengill to approve the consent agenda with a minor correction to the regular meeting minutes. **The motion carried by roll call vote, Councilmember Emaus abstained.**

Consent Agenda Items

- a. Approval of Minutes: Study Session of December 3, 2020
- b. Approval of Minutes: Regular Session of December 3, 2020
- c. Approval of the 2021 Boards and Commissions Meeting Schedule
- d. Approval to Set a Public Hearing on the 1010 State Street Brownfield Plan for January 7, 2021

Correspondence

6. Call to the Public

Mayor Pipoly opened the Call to the Public at 7:35 p.m. Hearing and seeing no comment, Mayor Pipoly closed the Call to the Public at 7:35 p.m.

7. Staff Updates

Director Gomolka reminded all residents the winter tax bills are due February 15, 2021. Mayor Pro Tem Gardner asked if both drop boxes are open for residents to deposit their payments. Director Gomolka confirmed that both the drive up drop box and the mail slot attached to the front of City Hall are open and are checked every day.

Manager Geinzer wished all a Merry Christmas and Happy New Year.

8. Updates from Councilmember Liaisons to Various Boards and Commissions

City Council wished all residents a Merry Christmas, Happy Hanukkah, and a Happy New Year.

Councilmember Muzzin asked if there has been an extension to the Open Meetings Act to allow the continuation of virtual meetings. Manager Geinzer stated a bill allowing virtual meetings to continue until March 31, 2021 has passed the House and is awaiting Senate approval, but is expected to pass. Councilmember Muzzin stated the Brighton Area Fire Authority met on December 10, 2020. Mr. Muzzin relayed that well known Attorney Neal Neilson passed away recently as did Jim Meier of Meier Flowerland and Brian Lavan. He expressed his condolences to the families for their loss.

Councilmember Pettengill stated the Zoning Board of Appeals met on December 10, 2020 to review two appeals. The appeals were for 8700 N 2nd Street and 7500 Rickett Road, both were approved.

Councilmember Tobbe stated SEMCOG welcomed new director Amy O'Leary.

Mayor Pipoly noted the DDA met and conducted their biannual Information Meeting on December 15, 2020 and also conducted a public hearing for the Brownfield Redevelopment Authority to consider a new redevelopment plan.

New Business

9. Consider Approval of Request to Change Authorization from Tetra Tech Engineering Services for Design Phase Engineering of the Northwest Neighborhood Streets Improvement Project for an Additional \$41,060

Director Goch provided an overview of the change authorization and instruction to the agenda item. As noted in the CMR, changes were due to new developments, unforeseen obstacles, and requests made by staff and Council.

Councilmember Bohn questioned the amount, noting the amounts do not add up. Gary Markstrom from Tetra Tech agreed and noted the change to reflect the total amount of \$177,560.

Councilmember Emaus noted his disappointment in the professionals involved. He asked that all involved be vigilant to assure accuracy. He also reminded that this change authorization is not the first as there have been a series of projects that came in higher than engineering estimates. He asked that efforts to provide estimates be fixed to assure accuracy moving forward.

Councilmember Bohn asked if this change and previous changes are a result of not having a large enough contingency. Director Goch stated that some of the changes were City requests due to preplanning work for future development and other additions were unforeseen initially.

Motion by Councilmember Bohn, seconded by Councilmember Emaus to approve the request to change authorization from Tetra Tech Engineering Services for design phase engineering of the Northwest Neighborhood Streets Improvement Project for an additional \$41,060, for a revised total of \$177,560. **The motion carried without objection by roll call vote.**

10. Consider Approval of the Lindhout and Associates Architectural Design and Project Administration Scope of Services in the Amount of 11.5% of Construction Costs for the Budgeted (Funded by PEG Revenues) City Council Chambers Renovation Project

Manager Geinzer introduced the agenda item by relaying the PEG revenue specifics as conveyed during the study session. These fees generated into the PEG fund are solely for upgrades and associated costs involved with the studio which is Council Chambers and the broadcasting of Council meetings. He expressed his concern and need to update the Council Chambers for ADA accessibility, security, and a much needed audio visual equipment refresh. During preliminary discussions with the City architect, the design scope will be within the \$100,000 budget and therefore asked that the Rules and Procedures subcommittee, who are Mayor Pipoly, Mayor Pro Tem Gardner, and Councilmember Pettengill, oversee the design process with the architect and audio visual vendors

involved.

Councilmember Pettengill appreciated opportunity to be involved with the redesign of Council Chambers.

Councilmember Emaus stated the ADA access to the dais needs to be addressed as a first priority.

Mayor Pro Tem Gardner remarked that security and safety for all who attend the meetings is of the utmost importance.

Motion by Mayor Pro Tem Gardner, seconded by Councilmember Pettengill to approve of the Lindhout and Associates architectural design and project administration scope of services in the amount of 11.5% of construction costs for the budgeted City Council Chambers renovation project and for the Rules and Procedures sub committee to oversee the design of the project. **The motion carried without objection by roll call vote.**

11. Consider Approval of 2021 Retreat Schedule

Manager Geinzer noted of the surveyed Councilmembers there was not a consensus for the dates, either compact or truncated schedule. He asked that Council decide which dates would be best so that City staff can plan the budget retreat discussion in the most efficient manner possible.

City Council discussed the two scenarios with January 26, 27, 28, 2021 beginning at 6:00 p.m. to be the most favorable and efficient.

Motion by Mayor Pro Tem Gardner, seconded by Councilmember Emaus to approve of the 2021 retreat schedule for January 26, 27, and 28, 2021 beginning at 6:00 p.m. **The motion carried without objection by roll call vote.**

Other Business

12. Call to the Public

Mayor Pipoly opened the Call to the Public at 8:11 p.m. Hearing and seeing no comment, the Call to the Public was closed at 8:11 p.m.

Mayor Pipoly wished all a Merry Christmas. Santa and Mrs. Claus received the key to the City from Mayor Pipoly and assured him that Santa will be able to visit children throughout the City and is taking all necessary safety precautions to insure a safe and healthy Christmas.

13. Adjournment

Motion by Councilmember Muzzin, seconded by Councilmember Tobbe to adjourn the regular meeting at 8:13 p.m. **The motion carried without objection by roll call vote.**

Tara Brown, City Clerk

Shawn Pipoly, Mayor



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

January 7, 2021

SUBJECT: REQUEST TO APPROVE THE PURCHASE OF A TRAILER MOUNTED SPEED ALERT AND MESSAGING SIGN

PURCHASE REQUEST REVIEW

- The purchase of a solar powered, 24-inch speed alert and message sign, trailer mounted, with Bluetooth, traffic date, violator alert, pictures, and strobe warning lights. This also includes all required batteries and software options as well as GPS and real time data transfer uplink for trailer condition and location.
- This equipment will be deployed for traffic monitoring, traffic speed studies and traffic control. This equipment can also be programmed to deliver messages to motorists and changed via a wireless option.
- The Police Department already uses All Traffic Solutions deployable speed monitoring equipment and this portable unit will work seamlessly with our other units and software.

BUDGET

- Three quotes were obtained with ATS being the lowest.

SOURCE	AMOUNT
All Traffic Solutions (ATS)	\$17,995
Transportation Supply	\$21,155
Give Em A Brake Safety	\$21,160

- The total cost of \$17,995.00 is slightly higher than the estimated \$16,000 used for the budget. However, funding is available in the Police Capital Millage Fund.
- After the initial three years, there is a \$500.00 per year maintenance fee that will be accounted for in future budgets. This maintenance fee pays for all applicable wireless capabilities describe above including the cellular connection fees and software updates for this unit.

RECOMMENDATION

Approval to issue a purchase order for a trailer mounted speed alert and messaging sign to All Traffic Solutions (ATS) in the amount of \$17,995.

Prepared by: Craig C Flood, Deputy Chief of Police

Reviewed by: Rob Bradford, Chief of Police

Approved by: Nate Geinzer, City Manager



VER-MAC



PRO

SERIES

PCMS-548LE TRAILER-MOUNTED MESSAGE SIGN

Ver-Mac's PCMS-548LE PRO Series is a mini full-matrix trailer-mounted portable changeable message sign. The default display is 3 lines and 9 characters (8.75 in.) per line, with the ability of displaying multiple fonts, lines of text and graphics. It features Stealth Technology, NTCIP-compliant V-Touch controller, V-Sync Wi-Fi communication and JamLogic® Fleet Management Software. This unit combines cutting-edge technology, energy-efficient design and high-quality construction to provide the most reliable, cost-effective and safe to operate message sign on the market. The PCMS-548LE PRO Series comes painted in white with radar and modem, which makes it the perfect model for law enforcement.



PRO SERIES FEATURES

STEALTH TECHNOLOGY

Sealed Maintenance-Free Batteries
Anti-Theft Hidden Battery Compartment

V-SYNC WI-FI TECHNOLOGY

Change Messages Via Wi-Fi Using Your Smartphone
Safely Change Messages Out of Traffic.

ROBUST TRAILER DESIGN

Tongue Wheel Jack for safe and easy set up
Controller located away from the road
Rugged Indexed Rod Mast Brake

FULLY-INTEGRATED CELLULAR 4G LTE MODEM

No 3G Upgrade Needed
10-Year Fleet Cell Service
SWZ upgrade (optional)

JAMLOGIC® SOFTWARE

Hourly Automated Refresh and Battery/GPS Alerts & Reports
Interactive Map & List View of All Equipment
Project Folders to Group Equipment
Historical Log of all Locally & Remotely Activated Messages with Date/Time

4 WAYS TO CHANGE A MESSAGE



AT THE SIGN

Using our V-Touch Controller



NEAR THE SIGN

Using our V-SYNC Wi-Fi



REMOTELY

Using JamLogic on your PC or Laptop



REMOTELY

Using JamLogic Web on your Smartphone or Tablet



PCMS-548LE PRO
SERIES

POWER SUPPLY CONFIGURATION**SOLAR PANELS**

Provide maximum solar recharging during all four seasons.

- Designed to run 12 months in most regions without manual charging
- Various configurations of solar panels and batteries are available to meet your needs.

HIGH-QUALITY CONSTRUCTION**POWDER COATING SUPERIOR FINISH (WHITE)**

Impact, humidity, salt spray and rust resistant

4 ADJUSTABLE STABILIZER LEGS

For trailer stabilization and easy transportation

TONGUE WHEEL JACK

To move the trailer around easily

MANUAL LIFT MECHANISM

For a quick deployment

U-SHAPED CRADLE FOR THE SIGN

For better support during transportation

RUGGED INDEXED ROD MAST BRAKE

The sign can be positioned on 209 degrees (17 deg. increments)

HEAVY-DUTY PLASTIC FENDERS

For durability and easy replacement

LOCKABLE PLASTIC BOX

For controller, modem, pump, and other components protection

2-IN. (51 MM) COUPLER OR 3-IN. (76 MM) PINTLE EYE

For easy towing

APPLICATIONS

- City and county (urban areas)
- School zones
- Law enforcement



Transport position

V-TOUCH CONTROLLER**NTCIP COMPLIANT****EASY-TO-READ**

7-inch (178 mm) color LCD touchscreen display screen

USER-FRIENDLY

One-click icon-based menu items

TIME-SAVING

Create your own library of messages

SIMPLE TO OPERATE

The intuitive point-n-go icons ensure quick and easy commands to display or edit messages

ADDITIONAL FUNCTIONALITIES

Scheduling, sign diagnostics, pin-protected security, and much more

DOPPLER RADAR

- Picks up average speed and vehicle count at up to 2000 ft
- Up to 2 lanes / directional
- No calibration necessary
- Integrated into the sign

**DISPLAY**

- Display panel: 45 x 80 in. (1142 x 2026 mm)
- Full matrix of 30 x 56 pixels
- 2 LEDs per pixel
- 5 x 7 pixels (8.75 in.) characters (default)
- 3 lines of 9 characters per line (5 x 7 default font)
- Up to 3 lines of 12 characters per line (3 x 7 font)
- Plug-and-play display modules for simplified maintenance

DIMENSIONS AND WEIGHTS

- Overall length: 133 in. (3367 mm)
- Overall width: 70 in. (1788 mm)
- Travelling height: 91 in. (2308 mm)
- Operating height: 133 in. (3387 mm)
- Weight (approx.): 570 kg (1255 lb)
- Axle/suspension: 909 kg (2000 lb)

OPTIONS

- Battery charger
- Data logger (requires radar)
- Tilt-and-Rotate Solar Panels

Other options are available to meet your needs.

WARRANTY

- 1 year on complete trailer
- 2 years on electronic components manufactured by Ver-Mac





City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

January 7, 2021

SUBJECT: CONSIDER APPROVAL TO MOVE PRECINCT #2 POLLING LOCATION FROM CITY HALL TO COMMUNITY CENTER

ADMINISTRATIVE SUMMARY

In November of 2018 voters approved ballot proposal 18-03 which allowed for any reason absentee voting. Previously there were six allowable reasons to vote absentee, as a result of the approved ballot proposal any registered voter may now vote absentee without a reason. In May of 2020, Secretary of State Benson announced that her office would be mailing all registered voters not already on a permanent absentee voter list, an absentee ballot application. This type of mailing from the Secretary of State or any other election official had never been done before. Election officials in Michigan witnessed a large absentee turn out for both the August Primary and the November General elections this year with a majority of applicants choosing to remain on the permanent absentee list for all future elections. Within the City of Brighton, the normal turn out for absentee voters is around 900. The November 2020 election turn out for absentee voters was 3,282. This large increase necessitated a larger absent counting board (AVCB). The AVCB previously used the small conference room at City Hall to conduct the count of absentee ballots. Due to the increase in absentee turn out for the 2020 elections and in the permanent absentee voter list, the AVCB needed a larger space and utilized the Chamber of Commerce building and the Community Center which allowed for more workers and increased ballots processing.

The increase in active voters overall has necessitated more planning for safety and ease of access for both voters and City Staff. Historically precinct #2, located within City Hall has posed some difficulty in creating space for voters as well as issues servicing residents who conduct business at City Hall on election day. Therefore, the City Clerk has proposed to move precinct #2 to the Community Center, which will place the polling location within the boundaries of precinct #2 (it is currently in precinct #1) and allow the AVCB to use Council Chambers for ballot processing.

The Community Center agreement signed June 15, 1999 between the Boy Scout Troop 350, Brighton Rotary, and City of Brighton, specifically section 18, reads: *The City maintains the right to use the Community Center for any and all necessary purposes, public and private, as it deems necessary and proper.*

The City Clerk has preemptively sent notices to the Rotary and Boy Scouts and reserved the use of the Community Center for all potential elections for 2021 and 2022. If approved, the City Clerk will inform every affected voter individually and a new voter ID card will be sent, post a notice of relocation at City Hall on Election day notifying of the change, and will work with both the Rotary and the Boy Scouts to assure advance notice of all future elections.

This move will allow for more parking and voting space on election day for both the AVCB and voters in precinct #2, eliminate heavy traffic at City Hall, and provide safety for City staff on election day.

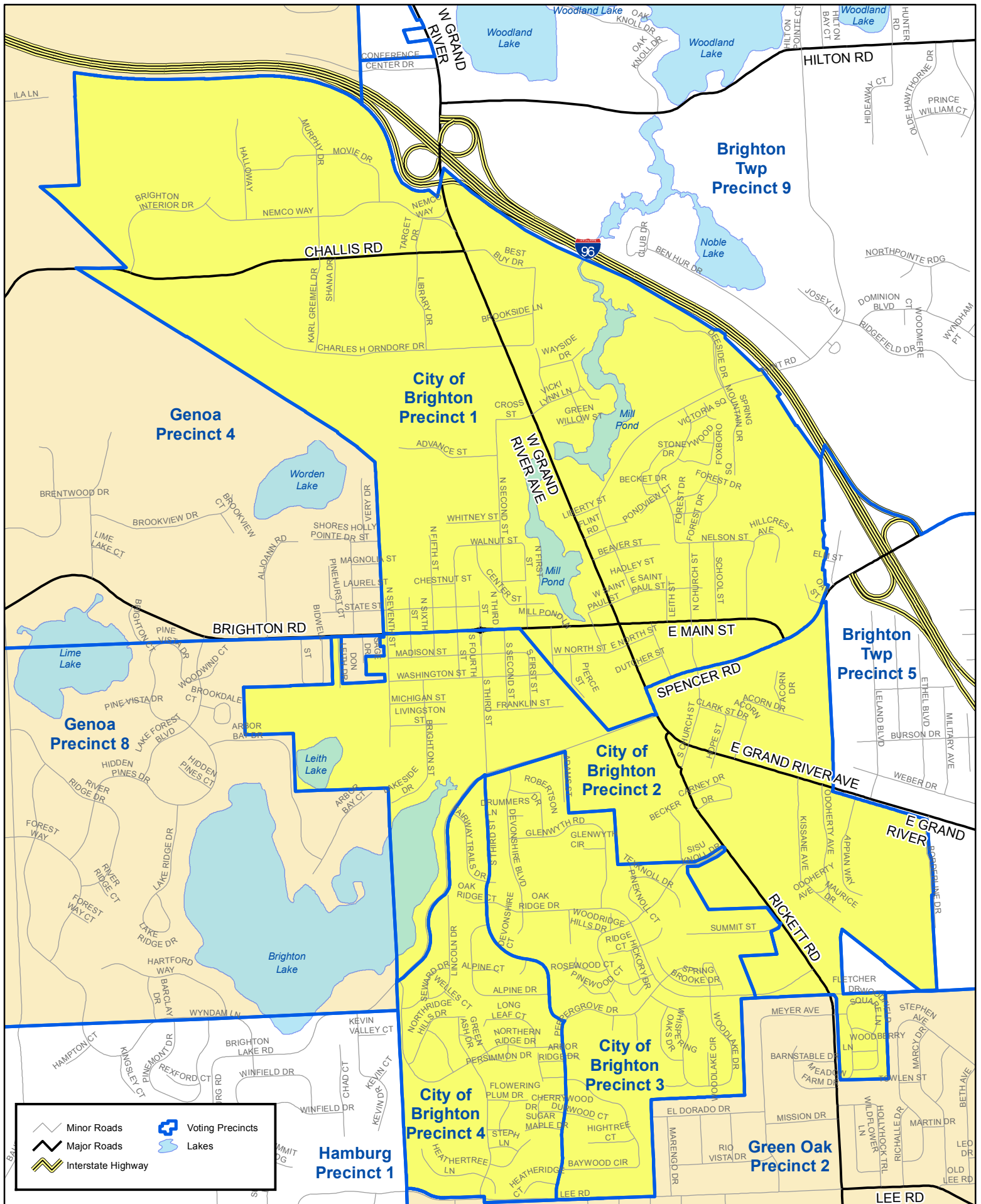
RECOMMENDATION

To approve the move of precinct #2 polling location from City Hall to the Community Center for all future elections.

Prepared by: Tara Brown, City Clerk

Approved by: Nate Geinzer, City Manager

Attachments: 2014 Precinct Map



Livingston County, Michigan
Information Technology Department
G.I.S. Division 517.548.3230

0.2 0.1 0 0.2 0.4 Miles

City of Brighton - Voter Precincts



Map is a representation only;
Not intended for survey purposes.
Printed Date: June 09, 2014



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

January 7, 2021

SUBJECT: CONSIDER APPROVAL OF BOND AUTHORIZING RESOLUTION # 2021-01 AND APPROVE RELATED MUNICIPAL ADVISOR SCOPE OF SERVICES FOR THE 2021 CAPITAL IMPROVEMENTS BOND PROGRAM

ADMINISTRATIVE SUMMARY

- Extensive work over the last five years by City Council and Staff has positioned the City to move long stalled capital improvements forward. Actions making this bond possible include controlled and reduce costs, which were bolstered by new revenue commitments such as the streets millage and new capital budget policies (funding a portion of depreciation and the Capital Reserve Fund).
- The adjacent table provides a summary of the planned Capital Improvement Projects to be funded by the 2021 Capital Improvement Bond Program (additional detail is attached):
- Although these projects were used to establish the parameters of the bond, City Council maintains the ability to shift projects based on needs. This is likely most applicable to the utilities related projects.
- After a thorough analysis and using conservative budget forecasts and revenue projections (details attached), the City has the capacity to

Project	Term	Amount
Streets Millage - Primary Funding Source		
Northwest Neighborhoods (Non Utilities + Engineering)	12 Years	5,723,000.00
Grand River Stub Streets (Non Utilities + Engineering)	12 Years	1,062,000.00
10% Contingency	12 Years	678,500.00
Total Streets Millage		7,463,500.00
Major/Local Streets - Primary Funding Source		
Rickett Road Phase II (Non Utilities + Engineering)	10 Years	1,122,935.00
Sidewalk Gap Program	10 Years	400,000.00
10% Contingency	10 Years	152,293.50
Total Major/Local Streets		1,675,228.50
Capital Reserve Fund		
DPS Storage Building	10 Years	225,000.00
PD/DPW Drive & Lot Replacement	10 Years	250,000.00
Fairview Cemetery Drive Replacement	10 Years	200,000.00
10% Contingency	10 Years	67,500.00
Total Capital Reserve Fund		742,500.00
Utilities Fund - Water		
Northwest Neighborhoods (Water Utilities + Engineering)	15 Years	1,344,080.00
Grand River Stub Streets (Water Utilities + Engineering)	15 Years	124,000.00
Summit Street Booster Station	15 Years	200,000.00
Vactor Truck - 1/2 charged to water	15 Years	210,000.00
Northstar/Summit Tower Interior and Exterior Coatings	15 Years	1,550,000.00
10% Contingency	15 Years	342,808.00
Total Utilities Fund - Water		3,770,888.00
Utilities Fund - Wastewater		
Northwest Neighborhoods (Wastewater Utilities + Engineering)	15 Years	1,610,730.00
Rickett Road Phase II (Wastewater Utilities + Engineering)	15 Years	494,792.00
Grand River Stub Streets (Wastewater Utilities + Engineering)	15 Years	90,000.00
Brighton Coves Sewer Lift Station	15 Years	200,000.00
Pine Creek Sewer Pump Stations	15 Years	470,000.00
Sewer Lining	15 Years	350,000.00
Vactor Truck - 1/2 charged to wastewater	15 Years	210,000.00
10% Contingency	15 Years	342,552.20
Total Utilities Fund - Water		3,768,074.20
2021 CIP Bond Program Grand Total		17,420,190.70



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

January 7, 2021

make estimated bond payments and has multiple financial strategies at its disposal to help further strengthen its financial sustainability such as:

- Renewal or partial renewal of the Streets Millage
 - A currently healthy fund balance
 - Options to create a Debt Reserve with Streets Millage and/or other revenues
 - New (currently in progress and future) economic development
- With Municipal Bond interest rates at historic lows, the City has the ability to take advantage of this environment to maximize its investment. Current interest rate expectations are < 2.0%.
- All documents have been reviewed by the City's Bond Counsel Patrick McGow of Miller Canfield.

RECOMMENDATION

It is the recommendation of staff that City Council approve the attached resolution #2021-01, prepared by Patrick McGow of Miller Canfield, the City's Bond Counsel, to authorize the issuance of the City's Capital Improvement Bonds in an amount not to exceed \$18 million and approve the related Municipal Advisory Scope of Services.

Prepared by: Nate Geinzer, City Manager
Gretchen Gomolka, Finance Director
Marcel Goch, Public Services Director
Corey Brooks, Assistant Public Services Director

Approved by: Nate Geinzer, City Manager

Attachments: 2021 Capital Improvement Bond Program Report
Bond Authorizing Resolution
Municipal Advisory Scope of Services and Engagement
Disclosure Statement



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

January 7, 2021

SUBJECT: CONSIDER APPROVAL OF BOND AUTHORIZING RESOLUTION # 2021-01 AND APPROVE RELATED MUNICIPAL ADVISOR SCOPE OF SERVICES FOR THE 2021 CAPITAL IMPROVEMENTS BOND PROGRAM

ADMINISTRATIVE SUMMARY

- Extensive work over the last five years by City Council and Staff has positioned the City to move long stalled capital improvements forward. Actions making this bond possible include controlled and reduce costs, which were bolstered by new revenue commitments such as the streets millage and new capital budget policies (funding a portion of depreciation and the Capital Reserve Fund).
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Capital Reserve Fund		
DPS Storage Building	10 Years	225,000.00
PD/DPW Drive & Lot Replacement	10 Years	250,000.00
Fairview Cemetery Drive Replacement	10 Years	200,000.00
10% Contingency	10 Years	67,500.00
Total Capital Reserve Fund		742,500.00
Utilities Fund - Water		
Northwest Neighborhoods (Water Utilities + Engineering)	15 Years	1,344,080.00
Grand River Stub Streets (Water Utilities + Engineering)	15 Years	124,000.00
Summit Street Booster Station	15 Years	200,000.00
Vactor Truck - 1/2 charged to water	15 Years	210,000.00
Northstar/Summit Tower Interior and Exterior Coatings	15 Years	1,550,000.00
10% Contingency	15 Years	342,808.00
Total Utilities Fund - Water		3,770,888.00
Utilities Fund - Wastewater		
Northwest Neighborhoods (Wastewater Utilities + Engineering)	15 Years	1,610,730.00
Rickett Road Phase II (Wastewater Utilities + Engineering)	15 Years	494,792.00
Grand River Stub Streets (Wastewater Utilities + Engineering)	15 Years	90,000.00
Brighton Coves Sewer Lift Station	15 Years	200,000.00
Pine Creek Sewer Pump Stations	15 Years	470,000.00
Sewer Lining	15 Years	350,000.00
Vactor Truck - 1/2 charged to wastewater	15 Years	210,000.00
10% Contingency	15 Years	342,552.20
Total Utilities Fund - Water		3,768,074.20
2021 CIP Bond Program Grand Total		17,420,190.70



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

January 7, 2021

make estimated bond payments and has multiple financial strategies at its disposal to help further strengthen its financial sustainability such as:

- Renewal or partial renewal of the Streets Millage
 - A currently healthy fund balance
 - Options to create a Debt Reserve with Streets Millage and/or other revenues
 - New (currently in progress and future) economic development
- With Municipal Bond interest rates at historic lows, the City has the ability to take advantage of this environment to maximize its investment. Current interest rate expectations are < 2.0%.
- All documents have been reviewed by the City's Bond Counsel Patrick McGow of Miller Canfield.

RECOMMENDATION

It is the recommendation of staff that City Council approve the attached resolution #2021-01, prepared by Patrick McGow of Miller Canfield, the City's Bond Counsel, to authorize the issuance of the City's Capital Improvement Bonds in an amount not to exceed \$18 million and approve the related Municipal Advisory Scope of Services.

Prepared by: Nate Geinzer, City Manager
Gretchen Gomolka, Finance Director
Marcel Goch, Public Services Director
Corey Brooks, Assistant Public Services Director

Approved by: Nate Geinzer, City Manager

Attachments: 2021 Capital Improvement Bond Program Report
Bond Authorizing Resolution
Municipal Advisory Scope of Services and Engagement
Disclosure Statement



2021 CAPITAL IMPROVEMENT BOND PROGRAM

DATE: JANUARY 7, 2021

TO:
Mayor and City Council

From:
Nate Geinzer, City Manager
Gretchen Gomolka, Finance Director
Marcel Goch, Public Services Director
Corey Brooks, Assist. Public Services Director

INTRODUCTION

The following report outlines the 2021 Capital Improvement Bond Program. The extensive work over the last five years to control and reduce costs, along with bolstering revenue commitments to capital and a new capital specific millage, has positioned the City to move long stalled capital improvements forward, such as the Northwest Neighborhoods. A summary of the 2021 Capital Improvement Bond Program is provided on the following page. All projects are further outlined within and categorized by bond funding strategy and term.

All numbers are estimates produced by the City's Engineers and Staff. Per City Council discussions, and given the challenging nature of such complex projects and related City capital needs, an approximate 10% contingency has been included. Estimated bond payments, used in the financial analysis of the 2021 Capital Improvement Bond Program, were produced by the City's Municipal Bond Advisor R.W. Baird and based on a series of conservative assumptions.

All City revenue estimates are based on conservative assumptions. Further, all legal documents required for this bond issuance were reviewed by the City's Bond Counsel Miller, Canfield, Paddock, and Stone.

It is by no accident that the City finds itself in a position to move this bond program forward. The City's ability to invest is due to the strategic decisions and leadership of City Council and City Staff over the last few years, as well as, the faith and desire by our residents for renewed capital investment as displayed in passage of the Streets Millage. This significant investment in the community would not have been possible without the aforementioned efforts and the support of the community.

Further, with municipal bond interest rates at historic lows, it has never been a better time to borrow to invest in large capital projects. Borrowing in this environment will help maximize tax payer dollars and maximize the scope of investment possible.

Additional project information will be available on the City's website in the future.

Project	Term	Amount
Streets Millage - Primary Funding Source		
Northwest Neighborhoods (Non Utilities + Engineering)	12 Years	5,723,000.00
Grand River Stub Streets (Non Utilities + Engineering)	12 Years	1,062,000.00
10% Contingency	12 Years	678,500.00
Total Streets Millage		7,463,500.00
Major/Local Streets - Primary Funding Source		
Rickett Road Phase II (Non Utilities + Engineering)	10 Years	1,122,935.00
Sidewalk Gap Program	10 Years	400,000.00
10% Contingency	10 Years	152,293.50
Total Major/Local Streets		1,675,228.50
Capital Reserve Fund		
DPS Storage Building	10 Years	225,000.00
PD/DPW Drive & Lot Replacement	10 Years	250,000.00
Fairview Cemetery Drive Replacement	10 Years	200,000.00
10% Contingency	10 Years	67,500.00
Total Capital Reserve Fund		742,500.00
Utilities Fund - Water		
Northwest Neighborhoods (Water Utilities + Engineering)	15 Years	1,344,080.00
Grand River Stub Streets (Water Utilities + Engineering)	15 Years	124,000.00
Summit Street Booster Station	15 Years	200,000.00
Vactor Truck - 1/2 charged to water	15 Years	210,000.00
Northstar/Summit Tower Interior and Exterior Coatings	15 Years	1,550,000.00
10% Contingency	15 Years	342,808.00
Total Utilities Fund - Water		3,770,888.00
Utilities Fund - Wastewater		
Northwest Neighborhoods (Wastewater Utilities + Engineering)	15 Years	1,610,730.00
Rickett Road Phase II (Wastewater Utilities + Engineering)	15 Years	494,792.00
Grand River Stub Streets (Wastewater Utilities + Engineering)	15 Years	90,000.00
Brighton Coves Sewer Lift Station	15 Years	200,000.00
Pine Creek Sewer Pump Stations	15 Years	470,000.00
Sewer Lining	15 Years	350,000.00
Vactor Truck - 1/2 charged to wastewater	15 Years	210,000.00
10% Contingency	15 Years	342,552.20
Total Utilities Fund - Water		3,768,074.20
2021 CIP Bond Program Grand Total		17,420,190.70

STREETS: 12 YEARS

FUNDING SOURCES: STREETS MILLAGE, GENERAL FUND, & CAPITAL RESERVE FUND

Northwest Neighborhoods (Streets, Sidewalks, & Storm)

Estimated Total: \$5,199,000

Northwest Neighborhoods (Related Construction Engineering)

Estimated Total: \$524,000

\$5,723,000

Description: Complete reconstruction and construction engineering of street system, including street base, curb and gutter, underground storm sewer, and street surface, including sidewalks and ADA ramp installation.



Grand River Stub Streets (Streets, Sidewalks, & Storm)
Grand River Stub Streets (Related Construction Engineering)

Estimated Total: \$928,000
Estimated Total: \$134,000
\$1,062,000

Description: Rehabilitation of Beaver Street, Liberty Street, Flint Road (to East Street), Dutcher Street, and Spencer Road (to East Street) and road base (as necessary). Install/repair curb and gutter, including the repair/installation of storm sewers. Install/repair sidewalks and ADA ramp installation. This project will be coordinated with Grand River Phase II for possible economies of scale.



Streets Projects (12 Year) 10% Contingency

Estimated Total: \$678,500

STREETS 12 YEARS FUNDING SUMMARY

FUNDING SOURCE					
STREETS MILLAGE					
YEAR	TERM - 12 YEARS TOTAL PAYMENT	Millage Proceeds	Future Debt Retirement	Funding Surplus/(Gap)	
2021	\$ 688,941.46	\$ 1,100,000.00		\$ 411,058.54	
2022	\$ 687,431.00	\$ 1,122,000.00		\$ 434,569.00	
2023	\$ 683,954.00	\$ 1,144,440.00		\$ 460,486.00	
2024	\$ 685,033.00	\$ 1,167,328.80		\$ 482,295.80	
2025	\$ 685,586.00	\$ 1,190,675.38		\$ 505,089.38	
2026	\$ 685,417.50	\$ 1,214,488.88		\$ 529,071.38	
2027	\$ 684,360.50		\$ 290,000.00	\$ (394,360.50)	
2028	\$ 687,244.00		\$ 440,000.00	\$ (247,244.00)	
2029	\$ 684,018.25		\$ 435,000.00	\$ (249,018.25)	
2030	\$ 684,883.00		\$ 440,000.00	\$ (244,883.00)	
2031	\$ 684,282.75		\$ 440,000.00	\$ (244,282.75)	
2032	\$ 686,732.00		\$ 445,000.00	\$ (241,732.00)	
	PROJECT TOTAL	\$ 6,785,000.00			
	10% CONTINGENCY	\$ 678,500.00			
	BONDING TOTAL	\$ 7,463,500.00			

The funding gap outlined above can be primarily addressed through the use of the Capital Reserve Fund. Additional funding gap strategies include, but are not limited to:

- Renewal or partial renewal of the Streets Millage
- Use of General Fund fund balance
- Create a Debt Reserve with Streets Millage surplus (amount after bond payment) and/or other revenues
- New (currently in progress and future) economic development

See gap analysis on page 12 for additional information.

STREETS/SIDEWALKS: 10 YEARS

FUNDING SOURCES: MAJOR/LOCAL STREETS FUND & CAPITAL RESERVE FUND

Rickett Road Phase II (Including “Short Rickett”)

Estimated Total: \$995,935

Rickett Road Phase II (Related Construction Engineering)

Estimated Total: \$127,000

\$1,122,935

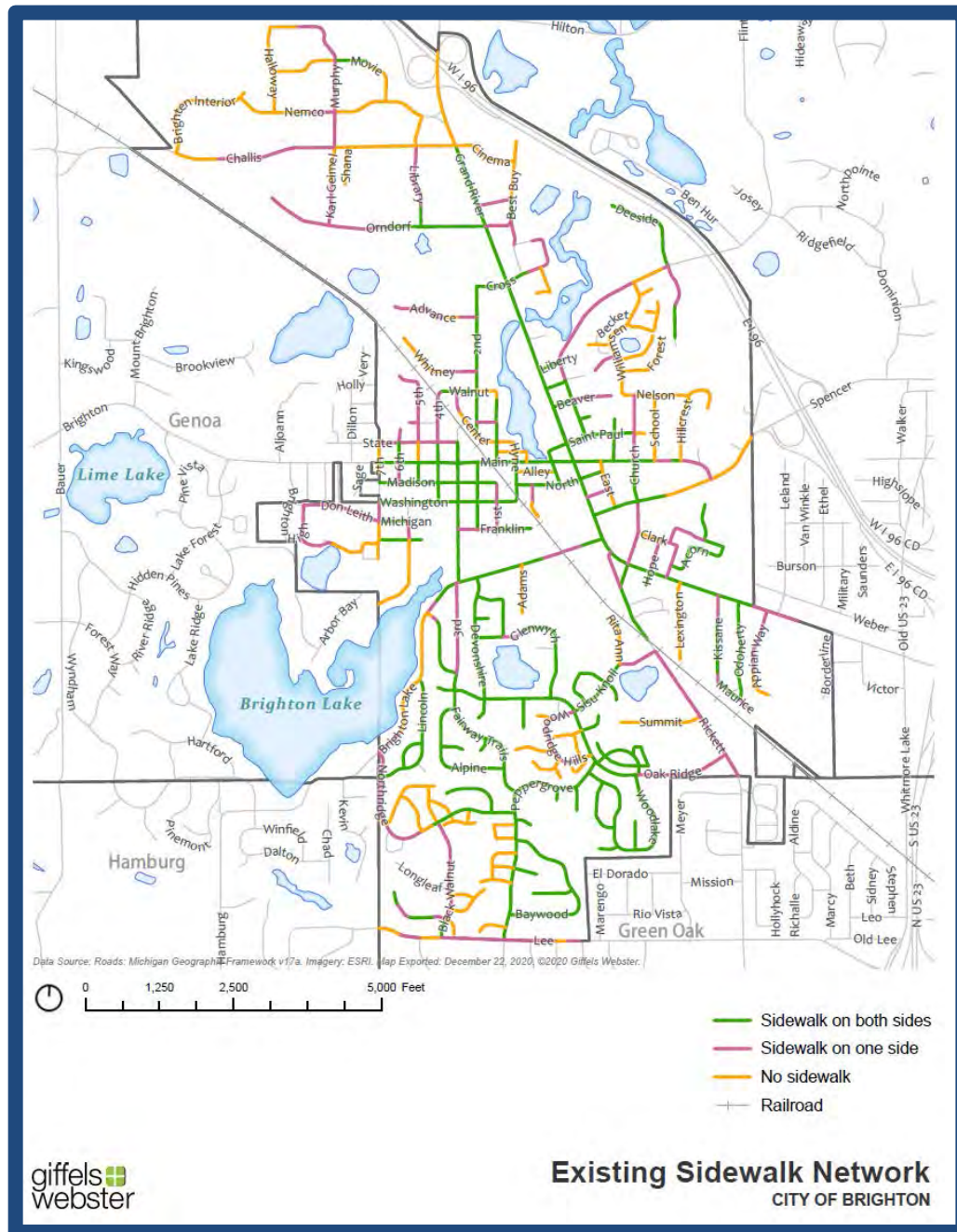
Description: While replacing the sanitary force main on Rickett Road from the City limits (just south of Oakridge) to Sisu Knoll, the City will reconstruct the road, including removing the landscape island and installing a center turn lane, providing two-way access to existing vacant property. Additional work will include curb and gutter and sidewalk repairs. ADA ramps will also be installed throughout.



Sidewalk Gap Program

Estimated Total: ≤ \$400,000

Description: Installation of sidewalks in areas of the City where sidewalks do not currently exist in order to link existing sidewalks. Closing sidewalk gaps would provide safe paths for pedestrians throughout the City. ADA ramps will be install in conjunction with adjacent gap projects.



Streets Projects (10 Year) 10% Contingency

Estimated Total: \$152,293

STREETS/SIDEWALKS 10 YEAR FUNDING SUMMARY

FUNDING SOURCE								
MAJOR/LOCAL STREETS FUND								
YEAR	TERM - 10 YEARS TOTAL PAYMENT	Act 51 (1)	Other Revenues (2)	Depreciation (Streets) (3)	Total Revenues	Local Annual Operations (4)	Major Annual Operations (4)	Funding Surplus/(Gap)
2021	\$ 181,708.08	\$ 765,000.00	\$ 52,000.00	\$ 123,000.00	\$ 940,000.00	\$ 300,000.00	\$ 462,000.00	(3,708.08)
2022	\$ 179,272.50	\$ 772,650.00	\$ 52,000.00	\$ 123,000.00	\$ 947,650.00	\$ 306,000.00	\$ 471,240.00	(8,862.50)
2023	\$ 178,332.00	\$ 780,376.50	\$ 52,000.00	\$ 123,000.00	\$ 955,376.50	\$ 312,120.00	\$ 480,664.80	(15,740.30)
2024	\$ 182,259.00	\$ 788,180.27	\$ 52,000.00	\$ 123,000.00	\$ 963,180.27	\$ 318,362.40	\$ 490,278.10	(27,719.23)
2025	\$ 181,035.00	\$ 796,062.07	\$ 52,000.00	\$ 123,000.00	\$ 971,062.07	\$ 324,729.65	\$ 500,083.66	(34,786.24)
2026	\$ 179,624.00	\$ 804,022.69	\$ 52,000.00	\$ 123,000.00	\$ 979,022.69	\$ 331,224.24	\$ 510,085.33	(41,910.88)
2027	\$ 177,983.50	\$ 812,062.92	\$ 52,000.00	\$ 123,000.00	\$ 987,062.92	\$ 337,848.73	\$ 520,287.04	(49,056.35)
2028	\$ 181,049.25	\$ 820,183.54	\$ 52,000.00	\$ 123,000.00	\$ 995,183.54	\$ 344,605.70	\$ 530,692.78	(61,164.18)
2029	\$ 178,809.25	\$ 828,385.38	\$ 52,000.00	\$ 123,000.00	\$ 1,003,385.38	\$ 351,497.81	\$ 541,306.63	(68,228.32)
2030	\$ 181,314.00	\$ 836,669.23	\$ 52,000.00	\$ 123,000.00	\$ 1,011,669.23	\$ 358,527.77	\$ 552,132.77	(80,305.30)
<p>(1) Act 51 inflationary assumption is 1% per year</p> <p>(2) Other revenues include Metro Act Fees, ROW Permits, Interest Income and appropriations from the Utility Fund</p> <p>(3) Depreciation held flat, however as we add new streets the coming years this will increase and be offset by other streets as they depreciate</p> <p>(4) Street Fund Annual Operations inflationary assumption is 2% per year</p> <p>NOTE: In recent history the General Fund has supplemented shortfalls in the Streets Funds in amounts ranging from \$73,540 to \$353,755 per year.</p>								
PROJECT TOTAL		\$ 1,522,935.00						
10% CONTINGENCY		\$ 152,293.50						
BONDING TOTAL		\$ 1,675,228.74						

The funding gap outlined above can be primarily addressed through the use of the Capital Reserve Fund. Additional funding gap strategies include, but are not limited to:

- Renewal or partial renewal of the Streets Millage
- Use of General Fund fund balance
- Create a Debt Reserve funded if/when Major/Local Streets revenues exceed budgeted expenditures

See gap analysis on page 12 for additional information.

MISC. CAPITAL PROJECTS: 10 YEARS

FUNDING SOURCES: CAPITAL RESERVE FUND

DPS Storage Building

Estimated Total: \$225,000

Description: A new storage building is needed to house various seasonal displays and equipment. In addition to needed storage space, the new building would allow for additional maintenance operations and other functional improvements.



SAMPLE BUILDING AND
MAINTENANCE/
WASH BAY

Police/DPW Driveway and Parking Lot Replacement

Estimated Total: \$250,000

Description: The driveway and parking lots on the Police/DPW site are in need of replacement. A mill and fill is expected to be the appropriate treatment as base material appears to be in good condition.



Fairview Cemetery Drive Replacement**Estimated Total: \$200,000**

Description: The asphalt driveway at Fairview Cemetery is in need of replacement. The existing road will be pulverized and left in place. New pavement will be placed over this new base layer.

***Misc. Capital Projects (10 Year) 10% Contingency******Estimated Total: \$67,500***

MISC. CAPITAL PROJECTS 10 YEAR FUNDING SUMMARY

Bond payments for this group of projects are covered by Capital Reserve Fund proceeds. The Fund's surplus will be used to fund other capital priorities throughout City Operations as well as assist in addressing funding gaps for the two previously outlined project groups as needed.

YEAR	FUNDING SOURCE				
	CAPITAL RESERVE FUND				
	TERM - 10 YEARS TOTAL PAYMENT	≈ 10% Depreciation (Non-Streets)	"1st Mill"	Funding Surplus/(Gap)	
2021	\$ 77,412.49	\$ 17,000.00	\$ 445,000.00	\$	384,587.51
2022	\$ 81,335.50	\$ 17,000.00	\$ 453,900.00	\$	389,564.50
2023	\$ 80,908.00	\$ 17,000.00	\$ 462,978.00	\$	399,070.00
2024	\$ 80,428.00	\$ 17,000.00	479,182.23	\$	415,754.23
2025	\$ 79,888.00	\$ 17,000.00	495,953.61	\$	433,065.61
2026	\$ 79,265.50	\$ 17,000.00	508,352.45	\$	446,086.95
2027	\$ 78,541.75	\$ 17,000.00	518,519.50	\$	456,977.75
2028	\$ 77,701.75	\$ 17,000.00	528,889.89	\$	468,188.14
2029	\$ 81,708.00	\$ 17,000.00	539,467.68	\$	474,759.68
2030	\$ 80,584.00	\$ 17,000.00	550,257.04	\$	486,673.04
2031	\$ -	\$ 17,000.00	561,262.18	\$	578,262.18
2032	\$ -	\$ 17,000.00	572,487.42	\$	589,487.42
	PROJECT TOTAL		\$ 675,000.00		
	10% CONTINGENCY		\$ 67,500.00		
	BONDING TOTAL		\$ 742,500.00		

COMPLETE NON-UTILITIES PROJECTS SUMMARY AND FINANCIAL CONSIDERATIONS

Overall, the outlined bond program presents a restrained list of projects that can be funded through existing revenues throughout the City's Streets Millage Fund, General Fund, Major/Local Streets Fund, and Capital Reserve Fund. A summary of all non-utilities bond payments is outlined below.

FUNDING SOURCE STREETS MILLAGE						FUNDING SOURCE CAPITAL RESERVE FUND					
YEAR	TERM - 12 YEARS TOTAL PAYMENT	Millage Proceeds	Future Debt Retirement	Funding Surplus/(Gap)		YEAR	TERM - 10 YEARS TOTAL PAYMENT	≈ 10% Depreciation (Non-Streets)	"1st Mill"	Funding Surplus/(Gap)	
2021	\$ 688,941.46	\$ 1,100,000.00		\$ 411,058.54		2021	\$ 77,412.49	\$ 17,000.00	\$ 445,000.00	\$ 384,587.51	
2022	\$ 687,431.00	\$ 1,122,000.00		\$ 434,569.00		2022	\$ 81,335.50	\$ 17,000.00	\$ 453,900.00	\$ 389,564.50	
2023	\$ 683,954.00	\$ 1,144,440.00		\$ 460,486.00		2023	\$ 80,908.00	\$ 17,000.00	\$ 462,978.00	\$ 399,070.00	
2024	\$ 685,033.00	\$ 1,167,328.80		\$ 482,295.80		2024	\$ 80,428.00	\$ 17,000.00	\$ 479,182.23	\$ 415,754.23	
2025	\$ 685,586.00	\$ 1,190,675.38		\$ 505,089.38		2025	\$ 79,888.00	\$ 17,000.00	\$ 495,953.61	\$ 433,065.61	
2026	\$ 685,417.50	\$ 1,214,488.88		\$ 529,071.38		2026	\$ 79,265.50	\$ 17,000.00	\$ 508,352.45	\$ 446,086.95	
2027	\$ 684,360.50		\$ 290,000.00	\$ (394,360.50)		2027	\$ 78,541.75	\$ 17,000.00	\$ 518,519.50	\$ 456,977.75	
2028	\$ 687,244.00		\$ 440,000.00	\$ (247,244.00)		2028	\$ 77,701.75	\$ 17,000.00	\$ 528,889.89	\$ 468,188.14	
2029	\$ 684,018.25		\$ 435,000.00	\$ (249,018.25)		2029	\$ 81,708.00	\$ 17,000.00	\$ 539,467.68	\$ 474,759.68	
2030	\$ 684,883.00		\$ 440,000.00	\$ (244,883.00)		2030	\$ 80,584.00	\$ 17,000.00	\$ 550,257.04	\$ 486,673.04	
2031	\$ 684,282.75		\$ 440,000.00	\$ (244,282.75)		2031	\$ -	\$ 17,000.00	\$ 561,262.18	\$ 578,262.18	
2032	\$ 686,732.00		\$ 445,000.00	\$ (241,732.00)		2032	\$ -	\$ 17,000.00	\$ 572,487.42	\$ 589,487.42	
PROJECT TOTAL		\$ 6,785,000.00				PROJECT TOTAL			\$ 675,000.00		
10% CONTINGENCY		\$ 678,500.00				10% CONTINGENCY			\$ 67,500.00		
BONDING TOTAL		\$ 7,463,500.00				BONDING TOTAL			\$ 742,500.00		

FUNDING SOURCE MAJOR/LOCAL STREETS FUND									
YEAR	TERM - 10 YEARS TOTAL PAYMENT	Act 51 (1)	Other Revenues (2)	Depreciation (Streets) (3)	Total Revenues	Local Annual Operations (4)	Major Annual Operations (4)	Funding Surplus/(Gap)	
2021	\$ 181,708.08	\$ 765,000.00	\$ 52,000.00	\$ 123,000.00	\$ 940,000.00	\$ 300,000.00	\$ 462,000.00	(3,708.08)	
2022	\$ 179,272.50	\$ 772,650.00	\$ 52,000.00	\$ 123,000.00	\$ 947,650.00	\$ 306,000.00	\$ 471,240.00	(8,862.50)	
2023	\$ 178,332.00	\$ 780,376.50	\$ 52,000.00	\$ 123,000.00	\$ 955,376.50	\$ 312,120.00	\$ 480,664.80	(15,740.30)	
2024	\$ 182,259.00	\$ 788,180.27	\$ 52,000.00	\$ 123,000.00	\$ 963,180.27	\$ 318,362.40	\$ 490,278.10	(27,719.23)	
2025	\$ 181,035.00	\$ 796,062.07	\$ 52,000.00	\$ 123,000.00	\$ 971,062.07	\$ 324,729.65	\$ 500,083.66	(34,786.24)	
2026	\$ 179,624.00	\$ 804,022.69	\$ 52,000.00	\$ 123,000.00	\$ 979,022.69	\$ 331,224.24	\$ 510,085.33	(41,910.88)	
2027	\$ 177,983.50	\$ 812,062.92	\$ 52,000.00	\$ 123,000.00	\$ 987,062.92	\$ 337,848.73	\$ 520,287.04	(49,056.35)	
2028	\$ 181,049.25	\$ 820,183.54	\$ 52,000.00	\$ 123,000.00	\$ 995,183.54	\$ 344,605.70	\$ 530,692.78	(61,164.18)	
2029	\$ 178,809.25	\$ 828,385.38	\$ 52,000.00	\$ 123,000.00	\$ 1,003,385.38	\$ 351,497.81	\$ 541,306.63	(68,228.32)	
2030	\$ 181,314.00	\$ 836,669.23	\$ 52,000.00	\$ 123,000.00	\$ 1,011,669.23	\$ 358,527.77	\$ 552,132.77	(80,305.30)	
(1) Act 51 inflationary assumption is 1% per year (2) Other revenues include Metro Act Fees, ROW Permits, Interest Income and appropriations from the Utility Fund (3) Depreciation held flat, however as we add new streets the coming years this will increase and be offset by other streets as they depreciate (4) Street Fund Annual Operations inflationary assumption is 2% per year NOTE: In recent history the General Fund has supplemented shortfalls in the Streets Funds in amounts ranging from \$73,540 to \$353,755 per year.									
PROJECT TOTAL		\$ 1,522,935.00							
10% CONTINGENCY		\$ 152,293.50							
BONDING TOTAL		\$ 1,675,228.74							

The following table illustrates the total non-utilities bond payments compared to the total available revenue sources relied upon for this analysis. As illustrated, bond payments are projected to be fully covered through available revenues.

TOTAL NON UTILITIES BOND PAYMENTS VS. AVAILABLE REVENUE SOURCES*		
	TOTAL PAYMENTS	TOTAL "DIFFERENCE"
YEAR		AFTER PAYMENT
2021	\$ 948,062.03	\$ 791,937.97
2022	\$ 948,039.00	\$ 815,271.00
2023	\$ 943,194.00	\$ 843,815.70
2024	\$ 947,720.00	\$ 870,330.80
2025	\$ 946,509.00	\$ 903,368.75
2026	\$ 944,307.00	\$ 933,247.45
2027	\$ 940,885.75	\$ 13,560.90
2028	\$ 945,995.00	\$ 159,779.95
2029	\$ 944,535.50	\$ 157,513.12
2030	\$ 946,781.00	\$ 161,484.73
2031	\$ 684,282.75	\$ 333,979.43
2032	\$ 686,732.00	\$ 347,755.42
*REVENUE SOURCES: Streets Millage, Retired Debt, Act 51, Metro Act Fees, ROW Permit Fees, and other related Major/Local Streets Revenues, Funded Streets Related Depreciation, and Capital Reserve Fund.		

Given the potential for unknown conditions that may affect the available revenues, there are a number of strategies available and could be employed to offset any risk of the assumptions outlined above falling short. Four such strategies are outlined below.

Renewal or Partial Renewal of the Streets Millage

With 2026 being the last year of the 2019 Streets Millage, City Council could consider seeking a renewal or partial renewal of this millage. As the millage winds down, City Council will have numerous projects under its belt, with the ability to show how dollars were invested to improve the City's public streets network. Further, it will be able to illustrate a number of other streets improvement projects that were completed without the use of Streets Millage funds. Thus, demonstrating its commitment to focusing millage dollars on local neighborhood streets. City Council may find a desire by the community to see these investments continue. Should City Council want to consider seeking renewal or a partial renewal, discussions should begin in 2025.

Debt Reserve

City Council, through the budget process, could create a Debt Reserve Fund by setting aside a portion of the annual Streets Millage proceeds. This reserve could be used to help cover a portion of the debt payments after the streets millage expires. If the streets millage is renewed or partially renewed these set aside funds could be reallocated to other streets related expenditures. Setting aside funds for future debt service could be particularly helpful in 2027, as the final year of the streets millage is 2026. There is an existing debt service rolling off in 2027, which is approximately \$290,000 with an additional amount of approximately \$150,000 rolling off in 2028.

City Council, through the budget process, could also look towards the Local Streets Fund. Should Act 51 dollars come in higher than estimated, excess dollars could be held in fund balance as a debt reserve. This process would work similar to the above.

General Fund Fund Balance

Due to prudent financial management, the Six Year Forecast dated December 2020 (see next page) illustrates a healthy fund balance that could be used as needed to address any unforeseen shortfall as long as funds remain available. The Unassigned Fund Balance is projected to remain above the 15% Minimum Target Fund Balance in part due to City Council's decision to fund Rickett Road through this anticipated bond based on discussions during the 2020/2021 budget process. This forecast includes the potential \$254,000 advancement to the Brownfield Redevelopment Authority and assumes Grand River Stub Streets design engineering will be funded through use of fund balance. It is recommended that the City work to maintain a fund balance closer to 20% throughout the duration of the bond as it is able.

Potential New Tax Revenues

Although it is not recommended, City Council could also rely on anticipated future tax revenues to make future bond payments. The City is projected to see a number of new developments come online during this debt period. Some of the anticipated growth in taxable value has been incorporated in the assumptions used for this report. These new revenues will help bolster the City's future fiscal security and help offset the implications of unforeseen revenue impacts or expense needs.

CITY OF BRIGHTON
GENERAL FUND SUMMARY
SIX YEAR FINANCIAL FORECAST (as of December, 2020)

	FY 2019-20 Adopted Budget	FY 2019-20 Year-end Projection	FY 2020-21 Proposed Budget	21-22 Forecast	22-23 Forecast	23-24 Forecast	24-25 Forecast	25-26 Forecast
Revenue	9,211,127	9,260,510	9,336,905	9,606,753	9,774,470	9,951,415	10,133,202	10,328,938
Less: Expenditures	10,150,646	10,164,252	9,436,584	10,032,986	9,687,104	9,949,053	10,188,747	10,471,445
Funds Available	(939,519)	(903,742)	(99,679)	(426,233)	87,366	2,362	(55,545)	(142,507)
Move Capital Committed FB to Capital Reserve Fund*	108,089	108,089						
Funds Available after reallocation of FB Classification	(831,430)	(795,653)	(99,679)	(426,233)	87,366	2,362	(55,545)	(142,507)
Add: Beginning assigned and unassigned Fund Balance	3,136,877	3,136,877	2,341,224	2,241,545	1,815,312	1,902,679	1,905,041	1,849,496
Ending Assigned and Unassigned Fund Balance ***	2,305,447	2,341,224	2,241,545	1,815,312	1,902,679	1,905,041	1,849,496	1,706,989
Minimum Target Unassigned Fund Balance (15%):	1,123,873	1,184,702	1,201,056	1,235,980	1,275,788	1,309,185	1,346,433	1,386,826
Unassigned Fund Balance Over/(Under)								
Minimum Target Fund Balance	1,181,574	1,156,522	1,040,489	579,333	626,891	595,856	503,063	320,163
Unassigned FB as a % of Oper. Expend.	31%	30%	28%	22%	22%	22%	21%	18%

* The 2019-20 budget has the Committed Fund Balance being moved to the new Capital Reserve Fund.

*** Ending Assigned and Unassigned Fund Balances include Non-Spendable Fund Balance for Prepaid Expenses and
Carryover Purchase Orders

MISC. WATER PROJECTS: 15 YEARS

FUNDING SOURCES: UTILITIES FUND

Northwest Neighborhoods (Water) **Estimated Total: \$1,218,580**

Northwest Neighborhoods (Related Construction Engineering) ***Estimated Total: \$125,500***
\$1,344,080

Description: Complete reconstruction of the water system throughout the Northwest Neighborhoods replacing and upsizing 1930's underground water infrastructure.

Grand River Stub Streets (Water) **Estimated Total: \$110,000**

Grand River Stub Streets (Related Construction Engineering) ***Estimated Total: \$14,000***
\$124,000

Description: Rehabilitation of Beaver Street, Liberty Street, Flint Road (to East Street), Dutcher Street, and Spencer Road (to East Street). Replace and upsize watermain on Liberty Street and Flint Road.

Summit Street Booster Station **Estimated Total: \$200,000**

Description: This booster station was originally built in 1990 and should be replaced. The pipe work is corroded. This booster station supplies water pressure to the surrounding neighborhood, which is approximately 100 residential units. Replacement will improve pressure and improve the efficiency and cost effectiveness of the station.



Vactor (1/2) **Estimated Total: \$210,000**

Description: The current vactor truck is 15 years old. This piece of equipment is critical to the City's water and sewer operations. It was originally contemplated to keep the old vactor, in addition to the new one, for DPS operations, however, with the success of contracted storm water maintenance; there may be no need to maintain a redundant and expensive piece of equipment. Staff will review further once a new vactor is on hand.

Northstar/Summit Tower Interior/Exterior Coatings

Estimated Total: \$1,550,000

Description: Prepping and applying new protective coatings (internally and externally) to protect the steel structures from premature failures and improve appearance. The Northstar Tower has not been painted since its original installation in 1996. Recoating should be done every 10 – 12 years. These particular projects have been deferred multiple times. It is believed that recoating both the Northstar and Summit Towers over the course of two years will decrease user interruptions and possibly deliver economies of scale by bidding both projects together.

The interior coatings need to be checked for thickness and adhesion so the towers can maintain their structural durability and not interfere with water treatment. Interior recoating is likely needed. The Department of Environment, Great Lakes, and Energy (EGLE) requires specific interior surface coatings that are safe for potable water systems.

Northstar Tower Conditions



Summit Tower Conditions



Misc. Water Projects (15 Year) 10% Contingency

Estimated Total: \$342,808

Misc. Water Projects 15 Year Funding Summary

The Utilities Fund, which is an enterprise fund, must remain self-sustaining. The options to fund increased debt and critical project needs is through commodity rates and/or debt service. Any future connection fees will be needed to rebuild the reserve fund and to fund other pay-as-you-go CIP items. However, it should be noted that the increased usage that is anticipated to follow new connections could be used to soften the impacts that new debt may have on rates over time. Conversely, history has shown us that new connections do not necessarily mean an increase in consumption. Based on a very preliminary analysis below, users could see an estimated \$3.98 +/- per billing month to support water related capital projects.

YEAR	FUNDING SOURCE			
	WATER UTILITIES FUND			
	TERM - 15 YEARS		Possible Offset	
	TOTAL PAYMENT		Cost Per 1,000 Gallons	Per 1,000 Gallons ^
2021	\$ 289,567.17	\$	0.74	(0.21)
2022	\$ 288,217.00	\$	0.74	(0.21)
2023	\$ 286,849.00	\$	0.74	(0.21)
2024	\$ 290,296.00	\$	0.74	(0.21)
2025	\$ 288,532.00	\$	0.74	(0.21)
2026	\$ 286,498.50	\$	0.73	(0.21)
2027	\$ 289,108.50	\$	0.74	(0.21)
2028	\$ 286,308.50	\$	0.73	(0.21)
2029	\$ 288,074.75	\$	0.74	(0.21)
2030	\$ 289,455.50	\$	0.74	(0.21)
2031	\$ 290,238.75	\$	0.74	(0.21)
2032	\$ 285,296.50	\$	0.73	(0.21)
2033	\$ 289,854.25	\$	0.74	(0.21)
2034	\$ 289,081.50	\$	0.74	(0.21)
2035	\$ 288,063.75	\$	0.74	(0.21)
^ Items previously built into rates now being financed				
Estimate Net Per 1,000 Gallons Change				0.53
Annual on 15K Gallons per Cycle				47.78
Per Billing Month				3.98
PROJECT TOTAL	\$		3,428,080.00	
10% CONTINGENCY	\$		342,808.00	
BONDING TOTAL	\$		3,770,888.00	

MISC. WASTEWATER PROJECTS: 15 YEARS

FUNDING SOURCES: UTILITIES FUND

Northwest Neighborhoods (Wastewater)	Estimated Total: \$1,485,230
<i>Northwest Neighborhoods (Related Construction Engineering)</i>	<i>Estimated Total: \$125,500</i>
	\$1,610,730

Description: Complete reconstruction of the sanitary sewer system throughout the Northwest Neighborhoods replacing 1930's underground sanitary sewer systems.

Rickett Road Force Main	Estimated Total: \$434,792
<i>Rickett Road Force Main (Related Construction Engineering)</i>	<i>Estimated Total: \$60,000</i>
	\$494,792

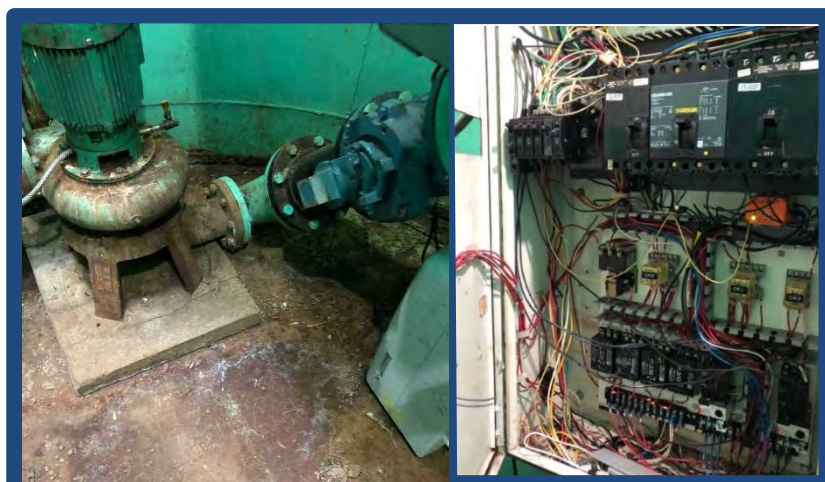
Description: The 2,600 linear feet of sanitary force main on Rickett Road from the City limits (just south of Oakridge) to Sisu Knoll is nearly 50 years old and made of cast iron. This force main needs to be replaced. Further, there is a need to run sewer to the east side of Rickett.

Grand River Stub Streets (Sanitary Sewer)	Estimated Total: \$80,000
<i>Grand River Stub Streets (Related Construction Engineering)</i>	<i>Estimated Total: \$10,000</i>
	\$90,000

Description: Rehabilitation of Beaver Street, Liberty Street, Flint Road (to East Street), Dutcher Street, and Spencer Road (to East Street). Replace and upsize sanitary sewer main along Spencer Road.

Brighton Coves Lift Station	Estimated Total: \$200,000
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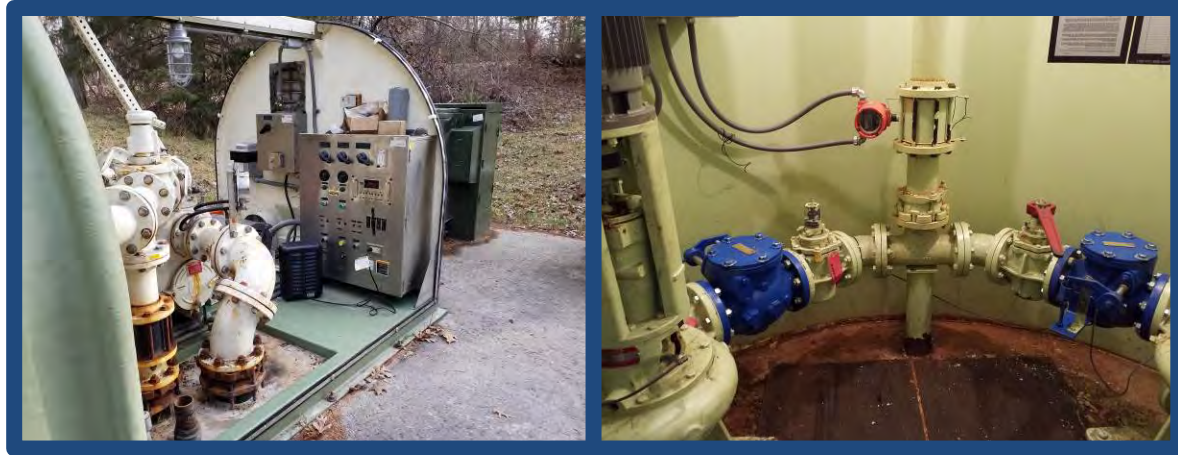
Description: The Brighton Coves Lift Station was installed in 1968. The station is an underground unit and is deteriorating both structurally and mechanically. Replacing with an above ground suction lift unit is recommended.



Pine Creek Pump Stations

Estimated Total: \$470,000

Description: The existing level controls, pumps, and check and plug valves need to be refurbished or replaced at all three Pine Creek Lift Stations. The rehabilitation will also include the installation of a permanent generator at Pine Creek #1 because sewage can back up into residential basements within one to two hours of power loss.



Sewer Lining

Estimated Total: ≤ \$350,000

Description: There is approximately 8,500 feet of old clay sanitary sewer main in our collection system identified by Staff to be preserved with a Cured in Place Pipe (CIPP) lining systems. These areas were identified because they are within or near upcoming road projects or are exceptionally deep in the ground. These funds would allow the city to complete 100% of this project over a three year time period.



Vactor (1/2)**Estimated Total: \$210,000**

Description: The current vactor truck is 15 years old. This piece of equipment is critical to the City's water and sewer operations. It was originally contemplated to keep the old vactor, in addition to the new one, for DPS operations, however, with the success of contracted storm water maintenance; there may be no need to maintain a redundant and expensive piece of equipment. Staff will review further once a new vactor is on hand.



NOTE: No Wastewater Facility projects are included within this bond project list. A more comprehensive discussion of the Waste Water Plant is needed in the near future due to the facility's age and existing/anticipated changes to regulations surrounding wastewater operations.

Misc. Wastewater Projects (15 Year) 10% Contingency**Estimated Total: \$342,552**

Misc. Wastewater Projects 15 Year Funding Summary

Based on a very preliminary analysis below, users could see an estimated \$3.57 +/- per billing month to support wastewater related capital projects.

YEAR	FUNDING SOURCE			
	WASTE WATER FUND			
	TERM - 15 YEARS		Possible Offset	
		CIP Cost Per 1,000 Gallons		Per 1,000 Gallons ^
2021	\$ 289,567.17	\$ 1.00		(0.52)
2022	\$ 288,217.00	\$ 0.99		(0.52)
2023	\$ 286,849.00	\$ 0.99		(0.52)
2024	\$ 290,296.00	\$ 1.00		(0.52)
2025	\$ 288,532.00	\$ 0.99		(0.52)
2026	\$ 286,498.50	\$ 0.99		(0.52)
2027	\$ 289,108.50	\$ 1.00		(0.52)
2028	\$ 286,308.50	\$ 0.99		(0.52)
2029	\$ 288,074.75	\$ 0.99		(0.52)
2030	\$ 289,455.50	\$ 1.00		(0.52)
2031	\$ 290,238.75	\$ 1.00		(0.52)
2032	\$ 285,296.50	\$ 0.98		(0.52)
2033	\$ 289,854.25	\$ 1.00		(0.52)
2034	\$ 289,081.50	\$ 1.00		(0.52)
2035	\$ 288,063.75	\$ 0.99		(0.52)
^ Items previously built into rates now being financed				
Estimate Net Per 1,000 Gallons Change				0.48
Annual on 15K Gallons per Cycle				42.85
Per Billing Month				3.57
PROJECT TOTAL	\$	3,425,522.00		
10% CONTINGENCY	\$	342,552.20		
BONDING TOTAL	\$	3,768,074.20		

COMPLETE UTILITIES PROJECTS SUMMARY AND FINANCIAL CONSIDERATIONS

In summary, this new debt could represent an approximate \$7.55 +/- per billing month increase to fund related water and wastewater capital projects.

YEAR	FUNDING SOURCE WATER UTILITIES FUND				YEAR	FUNDING SOURCE WASTE WATER FUND			
	TERM - 15 YEARS			Possible Offset Per 1,000 Gallons ^		TERM - 15 YEARS			Possible Offset Per 1,000 Gallons ^
	TOTAL PAYMENT	CIP Cost Per 1,000 Gallons				TOTAL PAYMENT	CIP Cost Per 1,000 Gallons		
2021	\$ 289,567.17	\$ 0.74	(0.21)		2021	\$ 289,567.17	\$ 1.00	(0.52)	
2022	\$ 288,217.00	\$ 0.74	(0.21)		2022	\$ 288,217.00	\$ 0.99	(0.52)	
2023	\$ 286,849.00	\$ 0.74	(0.21)		2023	\$ 286,849.00	\$ 0.99	(0.52)	
2024	\$ 290,296.00	\$ 0.74	(0.21)		2024	\$ 290,296.00	\$ 1.00	(0.52)	
2025	\$ 288,532.00	\$ 0.74	(0.21)		2025	\$ 288,532.00	\$ 0.99	(0.52)	
2026	\$ 286,498.50	\$ 0.73	(0.21)		2026	\$ 286,498.50	\$ 0.99	(0.52)	
2027	\$ 289,108.50	\$ 0.74	(0.21)		2027	\$ 289,108.50	\$ 1.00	(0.52)	
2028	\$ 286,308.50	\$ 0.73	(0.21)		2028	\$ 286,308.50	\$ 0.99	(0.52)	
2029	\$ 288,074.75	\$ 0.74	(0.21)		2029	\$ 288,074.75	\$ 0.99	(0.52)	
2030	\$ 289,455.50	\$ 0.74	(0.21)		2030	\$ 289,455.50	\$ 1.00	(0.52)	
2031	\$ 290,238.75	\$ 0.74	(0.21)		2031	\$ 290,238.75	\$ 1.00	(0.52)	
2032	\$ 285,296.50	\$ 0.73	(0.21)		2032	\$ 285,296.50	\$ 0.98	(0.52)	
2033	\$ 289,854.25	\$ 0.74	(0.21)		2033	\$ 289,854.25	\$ 1.00	(0.52)	
2034	\$ 289,081.50	\$ 0.74	(0.21)		2034	\$ 289,081.50	\$ 1.00	(0.52)	
2035	\$ 288,063.75	\$ 0.74	(0.21)		2035	\$ 288,063.75	\$ 0.99	(0.52)	
				^ Items previously built into rates now being financed					^ Items previously built into rates now being financed
				Estimate Net Per 1,000 Gallons Change	0.53				
				Annual on 15K Gallons per Cycle	47.78				
				Per Billing Month	3.98				
				PROJECT TOTAL	\$ 3,428,080.00				
				10% CONTINGENCY	\$ 342,808.00				
				BONDING TOTAL	\$ 3,770,888.00				
				PROJECT TOTAL	\$ 3,425,522.00				
				10% CONTINGENCY	\$ 342,552.20				
				BONDING TOTAL	\$ 3,768,074.20				
			Potential Increase of \$7.55 Per Billing Month						

It should be noted, the projects outlined in the above outlined bond program represent only a small percentage of the capital needs throughout the City's Utility Systems. This is especially true for Wastewater Operations and the Wastewater Plant.

Utility Reserve Funds could potentially be used should any shortfall arise during the 15 year term due to unforeseen conditions. However, as noted, this bond program will be built into the City's rate model, debt service, and/or other fee such as the creation of a "Readiness to Serve" fee, which is common throughout utility operations. A "Readiness to Serve" fee is a fixed-rate cost applied to cover system maintenance and ensure the City's water and wastewater utility systems are maintained and capital equipment replacements are done in a timely manner to limit service delivery, water/effluent quality, and/or regulatory issues.

RECOMMENDATIONS/TIMELINE

Following the approval of the Bond Authorizing Resolution, the City's team will begin the bond sale process. City Council could expect:

- January – Finance team prepares Official Statement and application to rating agencies
- Early February – Bond sale
- Late February – Bond closing
- March (3 weeks after sale) – City receives proceeds of bonds

Bond projects, particularly the Northwest Neighborhoods, are expected to start in Spring 2021. Bond project information will be available on the City's website, with select information included periodically in the City's e-newsletter and print newsletter. Staff also anticipates bringing online a texting program that will allow individuals to sign up for various project update lists.

CLOSING

In closing, this bond will result in an expansive all-hands-on-deck set of projects that will require significant staff time and communications with the community. Staff is pleased with the role it has played to assist City Council's efforts to shape a financial picture that allows for significant, long overdue, capital investments throughout the community. Staff is committed to supporting these efforts long-term, while maintaining strong fiscal sustainability.

Founded in 1852
by Sidney Davy Miller



PATRICK F. MCGOW
TEL (313) 496-7684
FAX (313) 496-8450
E-MAIL mcgow@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

MICHIGAN
ILLINOIS
NEW YORK
OHIO
WASHINGTON, D.C.
CANADA
CHINA
MEXICO
POLAND

December 22, 2020

Via Email

Mr. Nate Geinzer
City Manager
City of Brighton
200 N. First Street
Brighton MI 48116-1593

Re: City of Brighton 2021 Capital Improvement Bonds (Limited Tax General
Obligation)

Dear Nate:

I have enclosed the Resolution Authorizing the 2021 Capital Improvement Bonds (Limited Tax General Obligation) to be considered for approval by the City Council at its meeting on Thursday, January 7th. The Resolution authorizes the issuance of Bonds in the amount not to exceed \$18,000,000 to pay all or part of the cost of certain public improvements in the City, including a) constructing and reconstructing major street and local street improvements, including sidewalks and stormwater improvements; b) acquiring, constructing, furnishing and equipping sanitary sewer and stormwater system improvements, including replacement of force mains and lateral sewers, sewer lining, lift station and pump station improvements; c) acquiring, constructing, furnishing and equipping water supply system improvements, including replacement of mains, booster station and water tower improvements; d) acquiring, constructing, furnishing and equipping municipal facility improvements, including a new Department of Public Services storage facility, police department and Department of Public Works driveway and parking improvements, Fairview Cemetery driveway replacement; and e) constructing sidewalk improvements; including all related equipment, site improvements, appurtenances and attachments.

The Resolution is based upon the bond specifications prepared by Robert W. Baird & Co., the City's financial advisors. The Bonds will pledge the City's limited tax full faith and credit for support of the Bonds and can be paid from a variety of sources, including water and sewer funds, road funds and tax revenues based on the projects financed. The Resolution sets forth the terms of the Bonds, the form of Bonds, the form of notice of sale and provides for a competitive public sale of the Bonds. The Resolution also authorizes various City officials to take the necessary actions to issue, sell and deliver the Bonds and delegates the authority to award the Bonds to the

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

Mr. Nate Geinzer

-2-

December 22, 2020

City Manager and Finance Director. There are various blanks in the Resolution in the form of bond and form of Notice of Sale that are intended to be in blank, those items will be completed in the final forms of those documents.

The enclosed Resolution is the only remaining approval from the City Council needed to issue and sell the Bonds. If approved, the Resolution authorizes the City Manager and Finance Director to take the necessary steps to select the sale date, proceed with the sale of the Bonds and award the Bonds on the date of the sale of the Bonds to the bidder whose bid produces the lowest interest cost to the City. It also allows the authorized officers to reduce the size of the Bonds either before or at the time of sale of the Bonds.

We would appreciate receiving three (3) certified copies of the Resolution upon adoption by the City Council. I plan to attend the meeting via Zoom to answer any questions about the Resolution or the Bonds.

If you have any further questions please give me a call.

Very truly yours,

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

By: 
Patrick F. McGow

Attachment

Cc: Gretchen Gomolka
Warren Creamer

37005485.1/011035.00071

**RESOLUTION AUTHORIZING
2021 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)**

CITY OF BRIGHTON
County of Livingston, State of Michigan

Minutes of a regular meeting of the City Council of the City of Brighton, County of Livingston, State of Michigan (the "City"), held on January 7, 2021, at 7:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Members: _____

ABSENT: Members: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City does hereby determine that it is necessary to pay all or part of the cost of certain public improvements in the City, including a) constructing and reconstructing major street and local street improvements, including sidewalks and stormwater improvements; b) acquiring, constructing, furnishing and equipping sanitary sewer and stormwater system improvements, including replacement of force mains and lateral sewers, sewer lining, lift station and pump station improvements; c) acquiring, constructing, furnishing and equipping water supply system improvements, including replacement of mains, booster station and water tower improvements; d) acquiring, constructing, furnishing and equipping municipal facility improvements, including a new Department of Public Services storage facility, police department and Department of Public Works driveway and parking improvements, Fairview Cemetery driveway replacement; and e) constructing sidewalk improvements; including all related equipment, site improvements, appurtenances and attachments (the "Project"); and

WHEREAS, to finance the cost of the Project, the City Council deems it necessary to borrow the principal amount of not to exceed Eighteen Million Dollars (\$18,000,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to pay the cost of the Project; and

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

NOW, THEREFORE, BE IT RESOLVED THAT:

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

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2021 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the “Bonds”) are authorized to be issued in the aggregate principal sum of not to exceed Eighteen Million Dollars (\$18,000,000) for the purpose of paying all or part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery or such other date as determined by the City Manager or Finance Director (each an “Authorized Officer”) at the time of sale. The Bonds shall bear interest, mature and be payable at the times and in the manner set forth in Sections 6 and 7 hereof. The Bonds shall be sold at a price not less than 98.5% of the principal amount thereof.

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

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Bonds shall be payable at The Huntington National Bank, Grand Rapids, Michigan, which is hereby selected to act as the transfer agent for the Bonds (the “Transfer Agent”).

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

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond executed by facsimile signatures shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from an Authorized Officer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner’s duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall

require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the City Council, to be designated 2021 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Council, to be designated 2021 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used

solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form subject to such changes as may be determined necessary by Bond Counsel to the City:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LIVINGSTON

CITY OF BRIGHTON

2021 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	October 1, _____	_____, 2021	

Registered Owner:

Principal Amount: _____ Dollars

The City of Brighton, County of Livingston, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on October 1, 2021 and semiannually thereafter. Principal of this bond is payable at the designated office of The Huntington National Bank, Grand Rapids, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

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

Bonds of this issue maturing in the years 2021 to 2030, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$5,000 maturing in the year 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2030, at par and accrued interest to the date fixed for redemption.

[Insert Term Bond redemption provisions, if necessary.]

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

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

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

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

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

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

CITY OF BRIGHTON
County of Livingston
State of Michigan

By: _____
Its: Mayor

By: _____
Its: City Clerk

(SEAL)

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

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

THE HUNTINGTON NATIONAL BANK
Grand Rapids, Michigan
Transfer Agent

By: _____
Authorized Signatory

[Bond printer to insert form of assignment]

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

OFFICIAL NOTICE OF SALE

\$17,875,000*

CITY OF BRIGHTON

COUNTY OF LIVINGSTON, STATE OF MICHIGAN

2021 CAPITAL IMPROVEMENT BONDS

(LIMITED TAX GENERAL OBLIGATION)

**Subject to adjustment as set forth in this Notice of Sale*

Bids for the purchase of the above bonds will be received in the manner described in this Official Notice of Sale on Tuesday, February 2, 2021 until __:00 p.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. The award or rejection of the bids will occur on that date.

ELECTRONIC BIDS: Bidders may submit bids for the purchase of the above bonds as follows:

Electronic bids may be submitted to the Municipal Advisory Council of Michigan at munibids@macmi.com; provided that electronic bids must arrive before the time of sale and the bidder bears all risks of transmission failure.

Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL. No change of the dated date will be allowed for the computation of the winning bid.

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

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, numbered in order of registration, and will bear interest from their date payable on October 1, 2021, and semiannually thereafter.

The bonds will mature on the 1st day of October in each of the years, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$1,300,000	2029	\$1,420,000
2022	1,335,000	2030	1,445,000
2023	1,340,000	2031	1,220,000
2024	1,350,000	2032	1,240,000
2025	1,365,000	2033	555,000
2026	1,370,000	2034	570,000

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

2027	1,385,000	2035	580,000
2028	1,400,000		

*ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES: The City reserves the right to decrease the aggregate principal amount of the bonds after receipt of the bids and prior to final award, if necessary, so that the purchase price of the bonds will provide an amount determined by the City to be sufficient to construct the project and to pay costs of issuance of the bonds. The adjustments, if necessary, will be in increments of \$5,000. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

*ADJUSTMENT TO PURCHASE PRICE: Should any adjustment to the aggregate principal amount of the bonds be made by the City, the purchase price of the bonds will be adjusted by the City proportionally to the adjustment in principal amount of the bonds. The adjusted purchase price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and initial reoffering prices.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding five percent (5.0%) per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed three percent (3.0%) per annum. The interest rate for each serial or term bond maturity maturing after October 1, 2021 shall be equal to or greater than the preceding serial or term bond maturity. No proposal for the purchase of less than all of the bonds or at a price less than 98.5% of their par value will be considered.

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2021 to 2030, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2030, at par and accrued interest to the date fixed for redemption.

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

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

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from October 1, 2031 through the final maturity as term bonds and the consecutive

maturities on or after the year 2031 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on October 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

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

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15th day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

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

GOOD FAITH: A good faith deposit in the form of a certified or cashier’s check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$178,750 payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2021 (first interest payment date) and semi-annually thereafter) necessary to discount the debt service payments from their respective payment

date to February __, 2021 (expected closing date), in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

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

ISSUE PRICE: The winning bidder shall assist the City in establishing the issue price of the bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached either as Appendix _ or Appendix _ of the preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the “Competitive Sale Requirements”) because:

- a. the City is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- b. all bidders shall have an equal opportunity to bid;
- c. the City anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- d. the City anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the City shall so advise the winning bidder. The City will not require bidders to comply with the “hold-the-offering price rule” (as described below) and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity, though the winning bidder, in consultation with the City, may elect to apply the “hold-the-offering price rule” (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering price rule” (as described below), bidders should prepare their bids on the assumption that all of the maturities of the bonds will be subject to the 10% Test (as described below). The winning

bidder must notify the City of its intention to apply either the “hold-the-price rule” or the 10% Test at or prior to the time the bonds are awarded.

If the winning bidder does not request that the “hold-the-offering price rule” apply to determine the issue price of the bonds, the following two paragraphs shall apply:

- a. The City shall treat the first price at which 10% of a maturity of the bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the bonds; and
- b. Until the 10% Test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the bonds of that maturity, provided that, the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

If the winning bidder does request that the “hold-the-offering price rule” apply to determine the issue price of the bonds, then following three paragraphs shall apply:

- a. The winning bidder, in consultation with the City, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity (the “hold-the-offering price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds. The winning bidder shall promptly advise the City, at or before the time of award of the bonds, which maturities of the bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering price rule or both.
- b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of the award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public;

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

- c. The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds.

By submitting a bid, each bidder confirms that:

- a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic

- intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
- b. any agreement among underwriters or selling group agreement relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.
 - c. Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

Further, for purposes of this Notice of Sale:

- a. “public” means any person other than an underwriter or a related party,
- b. “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the bonds to the public);
- c. a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the

capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

- d. “sale date” means the date that the bonds are awarded by the City to the winning bidder.

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

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

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

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

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

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

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

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the sixth month after the end of each fiscal year commencing with the fiscal year ended June 30, 2021, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

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

REGISTERED MUNICIPAL ADVISORS: Further information relating to the bonds may be obtained from Robert W. Baird & Co., 1001 Bay Street, Traverse City, Michigan 49684. Telephone (231) 933-8850. Fax (231) 933-8448.

ENVELOPES containing the bids should be plainly marked "Proposal for 2021 Capital Improvement Bonds (Limited Tax General Obligation)."

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Tara Brown
City Clerk
City of Brighton

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

9. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

10. Official Statement; Insurance; Ratings. The Authorized Officers are each authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure a policy of municipal bond insurance with respect to the Bonds or cause the qualification of the Bonds therefor if, upon the advice of the Financial Advisor to the City, the acquisition of such insurance would be of economic benefit to the City; and to obtain ratings on the Bonds.

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

12. Authorization of Other Actions. 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 are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters within the parameters described in this resolution *provided that* the principal amount of Bonds issued shall not exceed the principal amount authorized in this resolution and the net interest rate per annum shall not exceed four percent (4%). 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, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

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

14. Bond Counsel. The City hereby appoints Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel with respect to the Bonds, notwithstanding Miller Canfield's periodic representation in unrelated matters of potential parties to the Bonds.

15. Financial Advisor. The City hereby appoints Robert W. Baird & Co., Incorporated to act as financial advisor with respect to the Bonds.

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

AYES: Members: _____

NAYS: Members: _____

RESOLUTION DECLARED ADOPTED.

Tara Brown
City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Brighton, County of Livingston, State of Michigan, at a regular meeting held on January 7, 2021, 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.

Tara Brown
City Clerk

37002986.1/011035.00071



December 22, 2020

Mr. Nate Geinzer
City Manager
City of Brighton
200 N. First Street
Brighton, Michigan 48116

Re. Municipal Advisory Services Agreement

Dear Mr. Geinzer,

On behalf of Robert W. Baird & Co. Incorporated ("we" or "Baird"), we wish to thank you for the opportunity to serve as municipal advisor to the City of Brighton ("you" or the "City") with respect to the proposed issuance of \$17,870,000* 2021 Capital Improvement Bonds (Limited Tax General Obligation) (the "Securities"). Upon your acceptance, this engagement letter ("Agreement") will establish the mutual terms and conditions under which Baird will provide municipal advisory services to the City in connection with the proposed issuance(s) or other financing (the "Financing"), effective on the date this Agreement is executed by City (the "Effective Date").

1. Scope of Services.

(a) Municipal Advisory Services to be Provided by Baird. The City hereby engages Baird to serve as municipal advisor with respect to the Financing, and in such capacity Baird agrees to provide advice as to the structure, timing, terms and other matters regarding the Financing, including the following services, if and as requested by the City:

- Advise the City on the methods and types of financings that are available and appropriate to the City for the proposed Bonds
- Advise the City regarding strategies for obtaining the financings
- Review financial and other information regarding the City and the Bonds
- Assist in the preparation and/or review and distribution of documents pertaining to the Bonds, including the official statement and/or bid package
- Consult and meet with representatives of the City and others involved with the Bonds
- Consult with Bond Counsel and the City in connection with the preparation of any necessary ordinances or resolutions and official statements
- Respond to questions and requests from potential investors and other possible financing sources
- If applicable, arrange and facilitate visits to, and prepare materials for, credit ratings agencies and insurers
- Prepare a closing memorandum or settlement statement for, and otherwise assist with, the closing of the Bonds
- Such other usual and customary financial advisory services as may be requested by the City

(b) Limitations on Scope of Services The Scope of Services is subject to the following limitations:

*Preliminary, subject to change.

- i.) The Scope of Services is limited solely to the services described herein and is subject to any limitations set forth within the description of the Scope of Services.
- ii.) Unless otherwise provided in the Scope of Services described herein, Baird is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Baird provided by Baird for inclusion in such documents.
- iii.) The Scope of Services does not include tax, legal, accounting or engineering advice with respect to the Financing or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.
- iv.) Baird will not have the authority to bind, commit or act on behalf of the City in connection with the Financing, or to otherwise act as agent for the City in the Scope of Services provided.

2. Regulatory Duties. Under MSRB Rule G-23, Baird will not be able to serve as underwriter or placement agent for any notes, bonds or other securities to be issued and sold as part of the Financing. Baird is registered as a municipal advisor with the Securities Exchange Commission and Municipal Securities Rulemaking Board. As financial advisor to the City in connection with the proposed Financing, Baird will have fiduciary duties, including a duty of care and a duty of loyalty. Baird is required to act in the City's best interests without regard to its own financial and other interests.

MSRB Rule G-42 requires that Baird make a reasonable inquiry as to the facts that are relevant to the City's determination whether to proceed with a course of action or that form the basis for and advice provided by Baird to the City. The rule also requires that Baird undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Baird is also required under the rule to use reasonable diligence to know the essential facts about the City and the authority of each person acting on the City's behalf.

The City agrees to cooperate, and to cause its agents to cooperate, with Baird in carrying out these regulatory duties, including providing to Baird accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the City agrees that, to the extent the City seeks to have Baird provide advice with regard to any recommendation made by a third party, the City will provide to Baird written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. Fees and Expenses. For its financial advisory services, Baird shall be entitled to a fee (the "Municipal Advisory Fee") to be paid by the City equal to \$45,450, plus \$4,000 for the printing and mailing of the preliminary and final official statements, \$400 for the Municipal Advisory Council fee and \$500 for I-Deal Prospectus (electronic sale notification and bidding system). The Municipal Advisory Fee shall be paid upon completion of the Financing. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because it may give Baird an incentive to recommend to the City a Financing that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

The City shall also be responsible for paying all other costs of issuance, including without limitation, bond counsel, underwriter, underwriter's counsel (if any) and ratings agency fees and expenses, and all other expenses incident to the performance of the City's obligations under the proposed Financing.

4. Term and Termination. The term of this engagement shall extend from the date of this Agreement to the closing of the Financing. Notwithstanding the forgoing, either party may terminate Baird's engagement at any time without liability or penalty upon at least 30 days' prior written notice to the other party.

5. Limitation of Liability. The City agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the City in the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, or for any financial or other damages resulting from the City's election to act or not

to act, as the case may be, contrary to any advice or recommendation provided by Baird to the City. No recourse shall be had against Baird for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the City arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Financing/Offering or otherwise relating to the tax treatment of any Financing/Offering, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by the City of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Baird's fiduciary duty to the City under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

6. Required Disclosures. Accompanying this letter is a disclosure document describing the material conflicts of interest and information regarding certain legal events and disciplinary history related to the securities proposed to be sold in the Financing as required by MSRB Rule G-42.

7. Miscellaneous. This Agreement shall be governed and construed in accordance with the laws of the State of Michigan. This Agreement shall be binding upon and inure to the benefit of the City and Baird, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party. This Agreement contains the entire agreement between the parties relating to the rights granted herein and obligations assumed herein. This Agreement and the Scope of Services provided hereunder may not be amended, supplemented or modified except by means of a written instrument executed by both parties hereto. This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return the enclosed copy of this letter. The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of the City.

Again, we thank you for the opportunity to assist you with the Financing and the confidence you have placed in us.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

By: 

Managing Director

Accepted this ____ day of December, 2020

THE CITY OF BRIGHTON

By: _____

Title: City Manager

DISCLOSURES BY MUNICIPAL ADVISOR PURSUANT TO MSRB RULE G-42

On behalf of Robert W. Baird & Co. Incorporated, we wish to provide you with certain disclosures relating to the Securities, as required by Municipal Securities Rulemaking Board (“MSRB”) Rule G-42 as set forth in MSRB Notice 2016-03. All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Municipal Advisory Services Agreement (the “Agreement”).

I. **Services to be Provided by Baird.** Baird is delighted to be serving as municipal advisor to you, in connection with the Securities. Baird is a municipal advisor registered with the Securities and Exchange Commission and the MSRB.

II. **Required Disclosures.** MSRB Rule G-42 requires that Baird provide you with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history.

Disclosures of Conflicts of Interest. MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, Baird makes the following disclosures with respect to material conflicts of interest in connection with the Services under the Agreement, together with explanations of how Baird addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below in this Municipal Advisor Disclosure Statement, Baird mitigates such conflicts through its adherence to its fiduciary duty to the City, which includes a duty of loyalty to the City in performing all municipal advisory activities for the City. This duty of loyalty obligates Baird to deal honestly and with the utmost good faith with the City and to act in the City’s best interests without regard to Baird’s financial or other interests. In addition, because Baird is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of Baird is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, Baird’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides reasonable and industry standard safeguards against individual representatives of Baird potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

Baird is a full-service securities firm and as such Baird and its affiliates may from time to time provide advisory, brokerage, consulting and other services and products to its clients, including municipalities, other institutions, and individuals and the City, certain City officials or employees, and potential purchasers of the Securities for which Baird may receive customary compensation; however, such services are not related to the proposed offering. Such services may also include the buying and selling of new issue and outstanding securities and providing investment advice in connection with securities (including the Securities), may be undertaken on behalf of, or as counterparty to, the City, personnel of the City, and current or potential investors in the securities of the City. Baird may have previously served as underwriter, placement agent or financial advisor on other bond offerings and financings for or for the benefit of the City and expects to serve in such capacities in the future. Baird may also be engaged from time to time by the City to manage investments for the City (including the proceeds from the proposed offering) through a separate contract that sets forth the fees to be paid to Baird. Baird manages various mutual funds, and from time to time those funds may own bonds and other securities issued by or for the benefit of the City (including the Securities). Additionally, clients of Baird may from time to time purchase, hold and sell bonds and other securities issued by or for the benefit of the City (including the Securities). These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of the City, such as when their buying or selling of the City’s securities may have an adverse effect on the market for the City’s securities, and the interests of such other clients could create the incentive for Baird to make recommendations to the City that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from Baird effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through departments of Baird that operate independently from Baird’s municipal advisory business, thereby reducing the

likelihood that the interests of such other clients would have an impact on the services provided by Baird to the City under this Agreement.

In the ordinary course of fixed income trading business, Baird may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Securities and other municipal bonds, for its own account and for the accounts of customers, with respect to which Baird may receive a mark-up or mark-down, commission or other remuneration, and therefore Baird could have interests in conflict with those of the City with respect to the value of the City's Securities while held in inventory. Such investment and trading activities may involve or relate to the financing or other assets, securities and/or instruments of the City and/or persons and entities with relationships with the City. In particular, Baird or its affiliates may submit orders for and acquire the City's securities issued in an Offering under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the City in that it could create the incentive for Baird to make recommendations to the City that could result in more advantageous pricing of the City's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through departments of Baird that operate independently from Baird's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by Baird to the City under the Agreement.

Baird serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the City. For example, Baird serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the City under the Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, Baird could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of Baird to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that Baird serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair Baird's ability to fulfill its regulatory duties to the City.

Baird is registered with the Municipal Securities Rulemaking Board ("MSRB") and the SEC. The MSRB website is www.msrb.org. Two investor brochures, Information for Municipal Securities Investors and Information for Municipal Advisory Clients, describe the protections that may be provided by the MSRB's rules. The brochures are available on the MSRB website. The MSRB website also contains information about how to file a complaint with an appropriate regulatory authority.

While we do not believe that the following creates a conflict of interest on Baird's part, we note that spouses or other relatives of Baird Associates may serve as an officer, employee or official of the City. The City may wish to consider any impact such circumstances may have on how it conducts its activities with Baird under this Agreement.

Baird associates, including Baird Public Finance associates, may have made or may make political contributions to elected officials and/or candidates for office, including officials of the City in compliance with MSRB Rule G-37 and Baird's internal policies and pre-clearance requirements.

Baird has not identified any additional potential or actual material conflicts that require disclosure other than those we may have previously provided you. If potential or actual conflicts arise in the future, we will provide you with supplemental disclosures about them

Disclosures of Information Regarding Legal Events and Disciplinary History. MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, Baird sets out below required disclosures and related information in connection with such disclosures. Baird discloses the following legal or disciplinary events that may be material to the City's evaluation of Baird or the integrity of Baird's management or advisory personnel:

- In June 2019, Baird, without admitting or denying the findings, consented to the sanctions and findings of FINRA that, between April and July 2013, Baird published equity research reports about an issuer without disclosing that the research analyst who authored the reports was engaged in employment discussions with the issuer that constituted an actual, material conflict of interest and that the failure to disclose the research analyst's employment discussions with the issuer in the research reports made those reports misleading. In response, Baird took proactive measures to reiterate compliance policies pertain to disclosures about material conflicts of interest in research reports. This matter relates to Baird's Equity Research department and does not involve or pertain in any way to Baird's Public Finance business or municipal advisory activities or services. The details of this matter are available in item 11.E (2) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.
- In March 2019, Baird, without admitting or denying the findings, consented to an order of the SEC, which found that it violated Sections 206(2) and 207 of the Investment Advisers Act of 1940 (the "Advisers Act") for making inadequate disclosures to advisory clients about mutual fund share classes. The order was part of a voluntary self-reporting program initiated by the SEC called the "Share Class Selection Disclosure (or SCSD) Initiative." Under the program, investment advisory firms were offered the opportunity to voluntarily self-report violations of the federal securities laws relating to mutual fund share class selection and related disclosure issues and agree to settlement terms imposed by the SEC, including returning money to affected investment advisory clients. The central issue identified by the SEC was that, in many cases, investment advisory firms bought for or recommended to their investment advisory clients mutual fund share classes that had distribution or service fees (commonly known as 12b-1 fees) paid out of fund assets to the firms when lower cost share classes were available to those advisory clients, and the investment advisory firms did not adequately disclose their receipt of 12b-1 fees and/or the conflict of interest associated with those 12b-1 paying share classes. Baird and many other firms self-reported under the program and entered into substantially identical orders. By self-reporting and consenting to the order, Baird agreed to a censure and to cease and desist from committing or causing any violations and future violations of Sections 206(2) and 207 of the Advisers Act. Baird also agreed to establish a distribution fund and to deposit into that fund the improperly disclosed 12b-1 fees received by Baird plus prejudgment interest, which will be paid to affected advisory clients. In response, Baird has made changes to its Private Wealth Management advisory programs in which mutual funds available in those programs do not include share classes that pay 12b-1 fees, and the share classes that are available to clients in those programs are generally those that are the lowest cost share classes most widely available by each mutual fund family across its various funds to most types of eligible investors. This matter relates primarily to Baird's Private Wealth Management department and does not involve or pertain in any way to Baird's Public Finance business or municipal advisory activities or services. The details of this matter are available in item 11.E (2) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.
- Baird was among numerous municipal securities underwriters and municipal issuers that voluntarily participated in the Municipal Continuing Disclosure Cooperation Initiative (MCDC) facilitated by the Securities and Exchange Commission (SEC) in March 2014. Under the MCDC, underwriters and issuers were requested to submit reports to the SEC identifying municipal securities offerings for which the official statement did not accurately describe prior instances of the issuer's material non-compliance with its continuing disclosure requirements required by SEC Rule 15c2-12. By voluntarily participating in the MCDC, Baird and other underwriters and issuers agreed to accept standardized settlement terms. In June 2015, the SEC issued Orders to 36 participating municipal underwriters, including Baird, setting forth the agreed upon settlement terms. Subsequently, the SEC issued similar Orders to additional participating underwriters. Each Order, including the one applicable to Baird, contains a finding, which the underwriter neither admits nor denies, that Baird did not conduct adequate due diligence to ensure that the issuers' representations in the official statements about their past compliance with continuing disclosures were accurate and therefore violated Section 17(a)(2) of the Securities Act of 1933. Each Order requires the underwriter to cease and desist from committing or causing any violations or future violations of Section 17(a)(2), to pay a civil monetary penalty (which, in Baird's case, is \$500,000), to retain an independent consultant to review Baird's municipal underwriting due diligence policies and procedures, and to adopt the consultant's final recommendations for changes in or improvements to those policies and procedures. The details of this matter are available in item 11.C (2), 11.C (4) and 11.C (5) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.

- In September 2016, Baird, without admitting or denying the findings, consented to the sanctions and findings of the SEC that Baird violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder by failing to adopt and implement adequate policies and procedures to track and disclose trading away practices by certain of the subadvisors participating in Baird's wrap fee programs offered through its Private Wealth Management department. Through these programs, Baird's advisory clients pay an annual fee in exchange for receiving access to select subadvisors and trading strategies, advice from Baird's financial advisors, and trade execution services through Baird at no additional cost. However, if a subadvisor chooses not to direct the execution of particular equity trades through Baird in order to fulfill its best execution obligation and the executing broker charges a commission or fee, Baird's advisory clients often are charged additional commissions or fees for those transactions, which is often embedded in the price paid or received for the security. This practice is referred to as "trading away" and these types of trades are frequently called "trade aways." Baird was found to have failed to adopt or implement policies and procedures designed to provide specific information to Baird's clients and financial advisors about the costs of trading away. Baird agreed to provide additional disclosure to clients and review and, as necessary, update its policies and procedures. This matter relates to Baird's Private Wealth Management department and does not involve or pertain in any way to Baird's Public Finance business or municipal advisory activities or services. The details of this matter are available in item 11.E (2) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.
- In August 2013, Baird was involved in a regulatory matter with respect to Municipal Securities Rulemaking Board (MSRB) Rule G-14 involving trade reporting of municipal bond transactions executed by Baird for internal money managers on behalf of their clients. Baird reported the transactions on a bunched order quantity basis instead of individually by amount of allocation. Baird has since reviewed its municipal bond trade reporting methodology in this context and has revised its processes to more clearly reflect the requirements of the rule interpretations. The details of this matter are available in item 11.E (2) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.
- In June 2013, Baird was involved in a regulatory matter involving a small number of transactions in comparison to Baird's total fixed income trading volume with respect to the purchase of municipal securities for its own account from customers and/or sold municipal securities for its own account to customers that was allegedly not fair and reasonable, taken into account all relevant factors related to MSRB Rules G-17 and G-30(A). Baird has taken steps to address this matter, including improving its systems to better monitor and document Baird's compliance with its best execution obligations; providing additional training to Baird's fixed income traders on their obligations to document the prices, quotations or indications received from counterparties to reflect for firm records the pricing in markets at the time of each transaction; and providing additional training to traders on their best execution obligations. The details of this matter are available in item 11.E (2) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.
- In November 2011, Baird was involved in a regulatory matter involving late submissions to the MSRB and the Electronic Municipal Market Access (EMMA). In response, all personnel in the municipal underwriting and public finance departments responsible for the filings attended additional MSRB training on primary market and advance refunding MSRB G-32 submissions, and Baird has amended its MSRB G-32 procedures by publishing additional guidance to appropriate personnel and installing new mechanisms to monitor the required filing and closing dates. The details of this matter are available in item 11.E (2) and the accompanying Regulatory Action DRP on Form ADV available at <http://www.adviserinfo.sec.gov>.
- The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Baird in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. If any of the above DRPs provides that a DRP has been filed on Form ADV, BD, or U4 for the applicable event, information provided by Baird on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Baird's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, Baird's CRD number is 8158.

How to Access Form MA and Form MA-I Filings. Baird's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <https://www.sec.gov/cgi-bin/browse-edgar?CIK=0000009211>. Information regarding legal or disciplinary events can be found in Item 9 of the Form MA and Item 6 of the Form MA-I.

Most Recent Change in Legal or Disciplinary Event Disclosure. The date of the last material change to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed by Baird with the SEC is July 1, 2019, which change consists of the equity research report disclosure described above in the annual filing.

Future Supplemental Disclosures. Baird has not identified any additional legal and disciplinary events that require disclosure. If material events arise in the future, we will provide you with supplemental disclosures about them.

If there is any aspect of the foregoing disclosures that requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate.