



City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

**City Commission Meeting
March 10, 2015
Agenda**

Honorable Mayor, City Commissioners and Residents: This shall serve as your official notification of the Public Hearing and Regular City Commission Meeting to be held Tuesday, March 10, 2015, at 7:30 p.m., in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069. The following items are on the Agenda for your consideration:

PUBLIC HEARING AND REGULAR CITY COMMISSION MEETING – 7:30 P.M.

1. **Meeting Called to Order.**
2. **Pledge of Allegiance.**
3. **Roll Call.**
4. **PUBLIC DISCUSSION – items not on the Agenda.**
5. **Presentation by the Michigan Municipal League regarding the May 5, 2015 Special Election ballot question commonly known as Proposal 15-1.**
6. **Consideration of the Resolution in support of Proposal 15-1 for Safer Roads.**
7. **Governmental Reports.**
8. **City Commission Liaison Reports.**
 - **Commissioner Scott – Historical Commission**
 - **Commissioner Krzysiak – Recreation Commission**
 - **Commissioner Foreman – Committee Liaison**
 - **Commissioner Perry – Planning and DDA**
9. **Consideration of the following Consent Agenda.**

All items listed on the Consent Agenda are considered to be routine by the City Commission, will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a City Commissioner or visitor so requests, in which event, the item will be removed from the consent agenda and considered as the last item of business.

 - a. Consideration of the minutes of the Public Hearing and Regular City Commission Meeting held Tuesday, February 10, 2015.
 - b. Consideration of the Monthly Disbursement Report.
 - c. Consideration of the appointment of Ms. Helen Baldwin to the Pleasant Ridge Board of Review, term to expire December 31, 2017.
 - d. Consideration of the revision to the City of Pleasant Ridge Investment Policy.
 - e. Resolution declaring March as Parenting Awareness Month.
 - f. Request by Clean Water Action to solicit door-to-door from March 11 through June 1, 2015.

10. **Consideration of the Intent to establish a Property Assessed Clean Energy (PACE) Program and PACE district within the City of Pleasant Ridge.**
 - a. **Public Hearing** – Solicitation of public comments on the Intent to establish a Property Assessed Clean Energy (PACE) Program and PACE district within the City of Pleasant Ridge
 - b. Resolution establishing a Property Assessed Clean Energy (PACE) Program and PACE district within the City of Pleasant Ridge.

11. **Consideration of an ordinance adopting and enacting a New Recodified Code for the City of Pleasant Ridge.**
 - a. **Public Hearing** – Solicitation of public comments on an ordinance adopting and enacting a New Recodified Code for the City of Pleasant Ridge.
 - b. Ordinance adopting and enacting a New Recodified Code for the City of Pleasant Ridge.

12. **Consideration of the certification of delinquent utility bills and delinquent invoices for collection on the 2015 Summer Tax Roll.**

13. **Consideration of the adoption of the City of Pleasant Ridge City Commission 2015 Goals and Objectives.**

14. **Consideration of the creation of and selection of representatives for the Gainsboro Park Project Plan Selection Committee.**

15. **Consideration of the appointment of general counsel (City Attorney) for the City of Pleasant Ridge.**

16. **City Manager's Report.**

17. **Other Business.**

18. **Adjournment.**

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the City at least seventy-two (72) hours in advance of the meeting, if requesting accommodations.



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
To: Jim Breuckman, City Manager
Date: March 10, 2015
Re: Item 5 - 6 - May 5, 2015 Special Election Proposal 15-1

A proposal has been proposed statewide to amend the State Constitution to increase the sales/use tax from 6% to 7% to replace and supplement reduced revenue to the School Aid Fund and local units of government caused by the elimination of the sales/use tax on gasoline and diesel fuel for vehicles operating on public roads, and to give effect to laws that provide additional money for roads and other transportation purposes by increasing the gas tax and vehicle registration fees.

Here is the link to the approved ballot language for the May 5, 2015 Special Election:
http://www.mi.gov/documents/sos/Official15_1_482602_7.pdf?20150227101841

The City Administration attended a webinar presented by the Michigan Municipal League regarding the proposal and have requested a representative from the MML attend tonight's meeting to discuss the proposal.

Below is a link to the MML website where you will find information related to proposal:
<http://www.mml.org/advocacy/safe-roads-yes-neutral-info.html#About>

The information contained in the above link is not an endorsement for or against the proposal, nor is it an official stance of the City Commission or City Administration. It is solely intended for informational purposes only.

The City Commission will consider the attached resolution regarding the proposal.

Please feel free to contact me should you wish to discuss this matter further.

A Resolution in Support of Proposal 1 for Safer Roads

WHEREAS, Michigan's roads and bridges threaten driver safety and contribute to countless accidents each year, as drivers swerve to avoid potholes and other road hazards; and

WHEREAS, 38 percent of Michigan's state- and locally-owned urban roads and 32 percent of the state's state- and locally-owned rural roads are in poor condition; and

WHEREAS, Michigan has relied on short-term patchwork fixes for our roads instead of investing enough money to fix our roads for the long term; and

WHEREAS, Michigan invests less per capita in transportation than any state in the United States of America; and

WHEREAS, the longer we wait to fix Michigan's roads, the more it will cost us; and

WHEREAS, in addition to threatening public safety, Michigan's crumbling roads hurt our economy; and

WHEREAS, Proposal 1 on the May 5 ballot is Michigan's last, best chance to finally fix our roads with funds that the politicians can't divert somewhere else – while also supporting Michigan's long-term future by investing in our public schools and local communities;

NOW THEREFORE BE IT RESOLVED: That the City of Pleasant Ridge supports Proposal 1 on the May 5 ballot to provide the funding needed to finally fix our roads for the long term; and

RESOLVED: That the City of Pleasant Ridge knows the 1-cent increase in the sales tax will benefit local communities and help ensure drivers' safety on the roads; and

RESOLVED: That the City of Pleasant Ridge formally supports Safe Roads Yes! because if it passes, every penny we pay at the pump in state gas taxes is guaranteed in the constitution to go to transportation.

*Signed this 10th day of March, 2015, in the City of Pleasant Ridge
State of Michigan in witness whereof the official seal
and signature of the city.*

*Kurt Metzger
Mayor*



23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

**Public Hearing and Regular City Commission Meeting
February 10, 2015**

Having been duly publicized, Mayor Metzger called the meeting to order at 7:30 p.m.

Present: Commissioners Foreman, Krzysiak, Perry, Scott, Mayor Metzger.
Also Present: City Manager Breuckman, City Attorney Need, City Clerk Drealan
Absent: None.

Public Discussion

Mr. Leslie Jones, 19 Fairwood, gave an update on the first meeting of the resident driven Environmental Committee. The Committee has set goals for itself for five and twenty years. The overarching goal is to create a citizen supported plan for sustainability. The five major goals identified as a group were green infrastructure, water resource management, recycling and resource management, energy independence and education and community outreach to further the committees' goals. Commissioner Foreman and Assistant City Manager Pietrzak were in attendance. There will be Earth Friendly landscape classes presented by SOCRRA will be held at the Pleasant Ridge Community Center in March. There will be a separate class regarding Healthy Lawn care for Watershed Protection, at the Community Center which will be held March 26th at 7:00pm. The next meeting of the Environmental Committee will be February 25th at 6:00pm also at the Community Center.

Commissioner Krzysiak announced the City of Pleasant Ridge Administration will be holding a Utility Bill Town Hall on March 31st 6:30 pm at the Pleasant Ridge Community Center to discuss the utility billing system and possible rate structures.

Governmental Reports

Mr. Gary McGillivray, Oakland County Commissioner, gave a brief update regarding events related to Oakland County. Oakland County is currently accepting applications for summer positions until February 23rd, apply online at www.oakgov.com/jobs.

Ms. Karen Twomey, Ferndale Public School Board member, gave an update regarding events related to the school district. Restructuring process is underway to reconfigure elementary schools and the possible move of the 6th grade to the middle school. This topic will be discussed at the next Ferndale Middle and High School PTA meeting to be held on February 24th at 6:00 pm at Ferndale High School. February 25th is the Superintendents Advisory Committee Meeting at 9:00 am at Harding or 7:00 pm at the High School Media Center. The second Community Forum will be held March 9th at 7:00 pm at the Ferndale High School Auditorium to discuss the Plante Moran and Michigan Leadership Institute findings. The Ferndale School Board will hold a study session on March 12th at 5:30 pm at

the Harding Administration Building. If the public is not available to attend the meetings, there is a “talk to us” button on the Ferndale Public Schools homepage or the public to provide feedback. www.ferndaleschools.org/restructuring/talktous. Board Meeting are now broadcast on the districts YouTube page at https://www.youtube.com/channel/UCzygQ4n-xy_EAcpDFgSQLCw. FPD has negotiated an early college school for up to 60 college credits free of charge at Baker College. New Montessori window open now through February 18th. District wide Open House will be held on February 28th from 11:00 am – 3:00 pm.

Mr. Brian Batten, Ferndale Fire Marshall, attended the meeting for the Ferndale Fire Department and had no report.

Chief Kevin Nowak, Pleasant Ridge Police, gave a brief report regarding events related to the Police Department. He introduced the newest part-time Police Officer Steven Carroll and the newly promoted Police Sergeant Rob Ried. Crime in the community is down, however identify thefts have increased. Requested that residents park off the street during snow storms so that the streets may be plowed and salted.

Assistant City Manager Scott Pietrzak, gave a presentation regarding the Gainsboro Park Fence project. During the months of March and April 2015 the fence work will begin on that project. The areas have been damaged due to vegetation and vandalism over the years.

Ms. Amanda Wahl, 27 Fairwood, Pleasant Ridge Foundation Trustee, announced that the Pleasant Ridge Foundation will be donating the funds to the City to complete the Gainsboro Fence project.

City Commission Liaison Reports

Commissioner Perry reported that the Planning Commission and DDA met on January 26, 2015. They welcomed two new members, Kristi McAuliffe and Lola Christensen. Both members are business owners. The Planning Commission held a public hearing on the Master Plan. The plan is not inconsistent with neighboring communities. There were no objections raised and they recommended adoption. The 2015-2020 Capital Improvement Plan was reviewed and approved. The next meeting will be February 23, 2015, 7:00pm, at the Pleasant Ridge Community Center. The Woodward Avenue Action Association is coordinating the Woodward Avenue/I-696 design study. A public forum regarding the results of the study will be presented on February 16, 2015. Information regarding the WA3 can be obtained at www.woodwardavenue.org or on Facebook “Woodward Avenue Action Association.”

Commissioner Scott reported that the Historical Commission met on February 4, 2015, and thanked Commissioner Perry for attending in his absence. The 25th Anniversary of I-696 will have its party on January 15, 2015, which was a success. He thanked Mr. John Wright for his efforts towards that project. The Home and Garden Tour will be held June 6, 2015. If you are interested in having your home on the tour or advertise in the booklet, contact any member of the Historical Commission or him. The next meeting will be held March 4, 2015, 7:00 pm at the Community Center.

Commissioner Krzysiak commented that the Daddy/Daughter Sweetheart Dance was a success. 63 people attended the event. 50-plus Bingo Night will be February 19, 2015, 6:00 pm. Please RSVP

for this event. The Recreation Commission welcomes new ideas and comments, and invites residents to participate. Next meeting is February 25, 2015, 7:00 pm, Community Center.

Commissioner Foreman reported that Ferndale School District has a new STEM project, (Science, Technology, Engineering, and Math.) The project is called lead the way. 7th and 8th grade students will be eligible to participate and the district is the only one in the area to offer the program. The Community Forums discuss the restructuring and recommendations for the district moving forward and have been informative. Reiterated two important meeting dates. February 25, 2015, Superintendents Meeting regarding elementary configuration. March 9, 2015, second Community Forum.

Consent Agenda

15-3155

Motion by Commissioner Perry, second by Commissioner Scott, that the Consent Agenda, be approved, as listed.

Adopted: Yeas: Commissioner Perry, Scott, Foreman, Krzysiak, Mayor Metzger
 Nays: None.

Ordinance 410 to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties

City Manager Breuckman indicated that this is the next step in the permit parking program. The proposed program is an “opt-in” program where residential streets would have to request the City to consider a permit area by two-thirds vote of property owners. The town hall meeting had the east side residents pretty much unanimous in support of this proposal. He gave a brief presentation detailing the areas where the permit parking could be requested. Permits will be valid for two years and guest passes will be made available.

Mayor Metzger opened the public hearing at 8:30 pm.

Mr. Francis Allen, 7 Devonshire, opposes the permit parking ordinance. Feels that his street does not need permit parking. Feels that whenever there is a commercial issue in the City, the residents have to cope with the problem. He has many visitors to his home and he does not wish to bother the Police Department in order to obtain permits for his guests. They have guests on a regular basis. Feels it is a double standard because other parts of the City do not have to deal with permits and his area of the street does. There is already limitations on his street, as there is parking on one side of the street only.

Mayor Metzger commented that each street needs to opt into the program. It is not an automatic program.

Ms. Kate Redmond, 8 Sylvan, thanked the Commission for listening to the complaints of the residents and for creating a comprehensive program. She is looking forward to the vote and the next steps in the process.

Mr. Matt Hubbard, 7 Amherst, commented he is four houses off Woodward and has noticed that parking during peak hours from Mae's is difficult. The traffic has increased on his street as well as the parking. There are times when he is unable to get out of his driveway. He is supportive of the proposed ordinance. Questioned how enforcement would be handled through the Police Department. Currently there is limited enforcement in the area. Requested a better directional sign for the Wellesley Parking Lot, which is currently at the alley entrance on Amherst. Very supportive of the program.

City Manager Breuckman commented that the directional sign has been changed.

Ms. Kristi McAuliffe, 6 Fairwood, thanked the Commission for the efforts. Suggestion regarding how the permits are made available. Understands that this can be an annoyance. In another community, each property was issued a pass for their vehicles and two guest passes, which residents would keep in their home to give to their guests when they arrived. This saved the trouble of preplanning guests.

Mr. Eric Stempien, Romano Law Firm, 23880 Woodward commented that he has reviewed the ordinance and has concerns related to the language regarding hours. Feels it is targeted to the business along Woodward. He presented his concerns at the December 2014 City Commission Meeting. There will be difficulties for his business if the permit parking passes. The Fairwood Parking Lot is normally full and with the snow being plowed into at least 4 spaces there is even less parking there. Residents have confronted some of his employees about parking on the street. He opposes the ordinance. Parking is not a problem that the businesses created. Since December, his staff has made some changes to how they are parking on the residential streets.

Mr. March Levine, 8 Sylvan, commented that he has not seen any evidence of the employees of the law firm making parking accommodations. There is constant cars in front of his house. Residential streets should not be used as employee parking lots anywhere. This is an imposition of the citizens of Pleasant Ridge. Clogging up the streets is not the answer. He is in favor of whatever will stop the parking problem.

Mr. Brian Freeman, 5 Sylvan, commented he has confronted the employees from the law firm when they are parking on the street. There is a Porsche that goes zipping up and down his street. Has watched employees use residential driveways as turn arounds. The driveways are not turn arounds for business. Would like them to stop running over his hostas. Does not know if permit parking is the answer, but he does not want people in his driveway.

Mr. Rob Sakat, 8 Fairwood, commented that recently law firm employees are parking on Fairwood. He has asked them why they are parking on the street since it is not employee parking. The response he has received has been to call the owner of the law firm. He recalled Mr. Stempien at the December 2014 meeting indicating he would like to be a good neighbor. It has come to his attention that there are cameras on the Romano building facing that buildings parking lot so Mr. Romano can monitor the lot at night after hours and have cars that are parked there towed. Being a good neighbor, he could help relieve some of the nighttime parking by allowing Cork to use his parking lot. He does not feel this is a good neighbor policy. The law firm should not be allowed to park on the street. He is in favor of permit parking.

Mr. Allen commented that he sympathizes with his fellow residents but why is everyone else being penalized because one street is having a problem with a law firm. He feels that his street, Devonshire,

does not have a parking problem and there is very limited parking on his street anyway. He has not seen any business parking on Devonshire. He questioned if Commission Scott has seen any parking problem, since he lives across the street from Mr. Allen/

Commission Scott commented that he has not seen a parking problem on Devonshire, since it has a unique housing stock with long wide lots and fewer driveway approaches. This may not be the same for other streets. Each street can choose its own path as to whether or not those streets need permit parking.

Mr. Allen feels the residents on Devonshire should not be punished because other streets have parking issues. From the comments it seems that it is one street that has a problem with one business.

City Manager Breuckman commented that the permit parking is not a requirement on each street. Residents of each street must opt into the program. It is available to each street in the zone on a street by street basis.

Ms. Tracy Martinez, 5 Sylvan, commented she supports the permit parking ordinance. Has seen no change in the law firm parking in front of her house. Feels the ordinance is needed as a safety issue and she had problems getting in and out of her driveway. When it snows and the plows come through the snow piles up and narrows the approach. Her sister ripped off the bottom of her car last year because the snow was pile up since there was a car parked basically in the middle of the street. There was also a day last week she could not get into her driveway because a car was parked there.

With no further comments or discussion, Mayor Metzger closed the public hearing at 8:52 pm.

Commissioner Krzysiak commented this is a tailored solution. This is a first step. Since each street can opt into the program, these streets can be pinpointed to the problem areas only. The residents will have input as to how the program is tailored to their street. Residents on each street decide whether they want to participate. Also would like the City to help the business owners who have to park in the public lots that those lots are clear and all the spots are available.

Commissioner Foreman commented he agreed with Commission Krzysiak that the residents of each street should decide by a 2/3 vote as to whether their street will opt into the permit parking program. He would like to enable the residents of each street in the zone to decide if they would like permit parking for their individual street. There also is a process if place that is a street has opted in and they program is not successful, that street can opt out.

Commissioner Scott is also in favor of this ordinance. The ordinance is flexible enough that each street can make its own decision. It is a nice resolution for streets that have a problem.

Mayor Metzger commented that there has been some concerns regarding displacement. Is the problem being pushed to the east outside of the zone? These issues will be reviewed and assessed after the permit zone has been created and the permits issued.

15-3156

Motion by Commissioner Foreman, second by Commissioner Scott, that Ordinance 410 to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code, be adopted.

Adopted: Yeas: Commissioner Foreman, Scott, Krzysiak, Perry, Mayor Metzger
 Nays: None.

Pleasant Ridge Community Master Plan

City Manager Breuckman gave a brief presentation regarding the Community Master Plan.

15-3157

Motion by Commissioner Perry, second by Commissioner Foreman, that the City Commission concurs with the Planning Commission and adopts the City of Pleasant Ridge Master Plan as presented at a public hearing held January 26, 2015, pursuant to MCL 125.3843 of PA 33 of 2008.

Adopted: Yeas: Commissioner Perry, Foreman, Krzysiak, Scott, Mayor Metzger
 Nays: None.

SCAF Parks and Recreation Special Revenue Fund Allocation

City Manager Breuckman explained that the investment committee has reviewed proposals for investment advisory services. He is recommending that the City Commission allocate monies in to the Parks Special Revenue Fund and appoint Vanguard Institutional Advisory Services based on their proposal. The fee structure for Vanguard is more attractive than any of the other proposals received. A 2 million dollar allocation is the minimum deposit for services with Vanguard. After this allocation, funds for investment would be determined by the Investment Committee.

15-3158

Motion by Commissioner Scott, second by Commissioner Foreman, that that the City Commission allocate of \$2,000,000 from the SCAF Account to the Parks Special Revenue Fund, and appoint Vanguard Investment Advisory Services as the City’s investment advisor and co-fiduciary.

Adopted: Yeas: Commissioner Scott, Foreman, Krzysiak, Perry, Mayor Metzger
 Nays: None.

Resolution of Intent to establish a Property Assessed Clean Energy Program and calling a Public Hearing

City Manager Breuckman gave a brief presentation regarding the PACE program. The documents for this program have been placed on the City’s website for public review. The program does not apply to residential properties at this time. There is no liability to the City for this program. The recommendation is to adopt the Resolution of Intent to establish the program and establish a public hearing for March 10, 2015, at 7:30 pm.

15-3159

Motion by Commissioner Foreman, second by Commissioner Perry, that the resolution regarding the intent to establish a Property Assessed Clean Energy Program (PACE) be approved and that a public hearing be scheduled for Tuesday, March 10, 2015, at 7:30 p.m., to solicit public comments on the intent to establish a PACE district and a PACE Program within the City of Pleasant Ridge

Adopted: Yeas: Commissioner Foreman, Perry, Krzysiak, Scott, Mayor Metzger
 Nays: None.

City Manager's Report

City Manager Breuckman reported that on February 17, 2015, at the Community Center, the project team on the Woodward Avenue transit project will be reporting on their finds and making recommendations. More information on the times will be reported on the City's Website. Tuesday, March 31, 2015 at 6:30 pm at the Community Center there a Utility Billing Town Hall will be held regarding the water rate structure and plan. The City has been looking at ways to upgrade and improve the City owned facilities for energy conservation upgrade potential. Mr. Charles Cooper has submitted his notice of retirement as City Attorney. A resolution in recognition of Mr. Cooper will be forthcoming.

Mayor Metzger echoed the comments of Breuckman on how important the meeting of February 17, 2015 is by having national experts making their report on Woodward Avenue wherein over 150 issues will be discussed. It is important to have residents involved as the City of Pleasant Ridge moves forward on improving the community.

Other Business

Commissioner Foreman reported that the Spring Musical at Ferndale High School will be the Wizard of Oz, and performances will be March 21, 22, 27 and 29, and advertising for the program is available until February 13th. The next Coffee with Commissioners' will be held March 24th.

Commissioner Krzysiak mentioned the call to action for all Pleasant Ridge Snow Angels, snow shovelers. He invites everyone to take some time and think about others who may need help. Contact the Community Center if you are need of help or if you would like to be a Snow Angel. The book club is currently reading *The Warmth of Other Suns*. A discussion of this book will be February 26th, 7:00 pm at the Gainsboro Shelter.

Commissioner Perry reported she and Commissioner Krzysiak have been working on a Block Club Kickoff for streets without clubs. There will be a meeting in March. Residents who have comments on the Ferndale Public Schools reorganization should go to www.ferndaleschools.org/restructuring/talktous and weigh in on these issues.

Mayor Metzger encourages residents to reach out for help clearing the snow if they need it. The City is not plowing sidewalks, so this is the residents' responsibility. Also residents should clean up after their animals while they are on walks.

Commissioner Scott commented this weekend will be bitterly cold and please check on your neighbors to be sure they are ok.

Assistant City Manager Pietrzak announced the salt buckets can be placed at the curb the third Monday of the month during the winter months. The Woman's Club will be holding their Speaker Series February 12th, 7:00 pm at the Community Center.

With no further business or discussion, Mayor Metzger adjourned the meeting at 9:43 p.m.

Mayor Kurt Metzger

Amy M. Drealan, City Clerk

February 2015

ACCOUNTS PAYABLE

PAYROLL LIABILITIES	\$	5,398.79
TAX LIABILITIES	\$	211,696.25
ACCOUNTS PAYABLE	\$	493,739.69
TOTAL	\$	710,834.73

PAYROLL

February 4, 2015	\$	34,897.85
February 18, 2015	\$	28,030.44

TOTAL	\$	62,928.29
--------------	-----------	------------------



CHECK REGISTER FOR CITY OF PLEASANT RIDGE
PAYROLL LIABILITIES
February 2015

Check Date	Check	Vendor Name	Description	Amount
2/4/2015	1380	MIFOP	UNION DUES-FEB 2015	\$ 318.60
2/4/2015	1381	MISDU	FOC DEDUCTIONS	\$ 224.60
2/4/2015	1382	M&T BANK-ICMA - 401a	RETIRMENT CONTRIBUTIONS	\$ 1,047.54
2/4/2015	1383	ICMA RETIREMENT TRUST - 457	RETIRMENT CONTRIBUTIONS	\$ 1,516.71
2/18/2015	1386	MISDU	FOC DEDUCTIONS	\$ 224.60
2/18/2015	1387	M&T BANK-ICMA - 401a	RETIRMENT CONTRIBUTIONS	\$ 932.54
2/18/2015	1388	ICMA RETIREMENT TRUST - 457	RETIRMENT CONTRIBUTIONS	\$ 1,134.20
TOTAL PAYROLL LIABILITIES				\$ 5,398.79

**CHECK REGISTER FOR CITY OF PLEASANT RIDGE
TAX LIABILITIES
FEBRUARY 2015**

Check Date	Check	Vendor Name	Description	Amount
02/10/2015	2270	CAPITAL TITLE	2014 TAX OVERPAYMENT	\$ 681.01
02/10/2015	2271	CITY OF PLEASANT RIDGE-DDA	2014 TAX COLLECTIONS	\$ 4,918.35
02/10/2015	2272	CITY OF PLEASANT RIDGE-GENERAL	2014 TAX COLLECTIONS	\$ 81,634.90
02/10/2015	2273	FERNDALE PUBLIC SCHOOL	2014 TAX COLLECTIONS	\$ 40,756.54
02/10/2015	2274	LILY DIEGO	2014 TAX OVERPAYMENT	\$ 111.63
02/10/2015	2275	OAKLAND COUNTY TREASURER	2014 TAX COLLECTIONS	\$ 83,246.19
02/10/2015	2276	SCOTT & ANDREA MCKINNON	2014 TAX OVERPAYMENT	\$ 206.82
02/10/2015	2277	WILLIAM BOLTON	2014 TAX OVERPAYMENT	\$ 140.81
TOTAL TAX LIABILITIES				\$ 211,696.25

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
FEBRUARY 11, 2015

Check Date	Check	Vendor Name	Description	Amount
02/11/2015	19411	21ST CENTURY MEDIA-MICHIGAN	PRINTING OF LEGAL ADS	\$ 1,184.12
02/11/2015	19412	ADKISON, NEED & ALLEN P.L.L.C.	CITY ATTORNEY CONTRACT	\$ 1,885.00
02/11/2015	19413	ANDERSON, ECKSTEIN & WESTRICK	PROFESSIONAL SERVICES	\$ 2,390.70
02/11/2015	19414	ARROW UNIFORM RENTAL	MAT RENTAL& JANITORIAL SUPPLIES	\$ 475.92
02/11/2015	19415	BEIER HOWLETT PC	CITY ATTORNEY CONTRACT	\$ 3,464.02
02/11/2015	19416	CITY OF BERKLEY	JANUARY PRISONER BAORD	\$ 3,439.61
02/11/2015	19417	CITY OF FERNDALE	FIRE CONTRACT PAYMENT	\$ 21,166.67
02/11/2015	19418	EGT GROUP, INC	PRINTING OF NEWSLETTER	\$ 3,263.37
02/11/2015	19419	ENGRAVING SPECIALISTS, INC.	DDA COMMISSIONER NAME PLATES	\$ 40.00
02/11/2015	19420	EUGENE LUMBERG	CITY ATTORNEY SERVICES	\$ 375.00
02/11/2015	19421	GREAT AMERICA	TELEPHONE SERVICES	\$ 433.00
02/11/2015	19422	HOLIDAY FOOD CENTER	HISTORICAL COMMISSION SUPPLIES	\$ 69.00
02/11/2015	19423	HOME DEPOT CREDIT SERVICES	BUILDING MAINTENANCE SUPPLIES	\$ 88.79
02/11/2015	19424	INTERMEDIA	TELEPHONE SERVICES	\$ 142.50
02/11/2015	19425	JANI-KING OF MICHIGAN, INC	JANITORIAL CLEANING SERVICES	\$ 2,161.00
02/11/2015	19426	KENNETH BORYCZ	MECHANICAL INSPECTOR SERVICES	\$ 26.25
02/11/2015	19427	KEVIN STULTZ	ELECTRICAL INSPECTIONS	\$ 393.75
02/11/2015	19428	MAT COURT RECORDING AND COURT SR	COMMISSION MEETING MINUTES	\$ 150.00
02/11/2015	19429	NIGHT AND DAY PRODUCTION	DADDY DAUGHTER DANCE DJ	\$ 300.00
02/11/2015	19430	OAKLAND COUNTY TREASURER	SEWAGE TREATMENT JAN 2015	\$ 142,819.40
02/11/2015	19431	PLANTE & MORAN PLLC	CITY ACCOUNTING SERVICES	\$ 5,209.00
02/11/2015	19432	RAY KEE	BUILDING INSPECTOR SERVICES	\$ 1,200.00
02/11/2015	19433	SOCRRA	REFUSE COLLECTION CONTRACT	\$ 7,250.00
02/11/2015	19434	SOCWA	WATER PURCHASES FOR JANUARY	\$ 11,679.34
02/11/2015	19435	STATE OF MICH.-DEPT.OF TREAS.	2014 ANNUAL SALES TAX RETURN	\$ 21.78
02/11/2015	19436	TECH RESOURCES, INC.	WEB HOSTING & REMOTE BACK UP	\$ 94.90
02/11/2015	19437	THE BANK OF NEW YORK	PRINCIPAL/INTEREST POOL BONDS	\$ 141,637.50
02/11/2015	19438	USZTAN CONSTRUCTION	GAINSBORO PARK SHELTER	\$ 2,775.00
02/11/2015	19439	WEX BANK	FUEL PURCHASES FOR POLICE CARS	\$ 1,086.84
Total for 2-11-15				\$ 355,222.46

**CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
FEBRUARY 25, 2015**

Check Date	Check	Vendor Name	Description	Amount
02/25/2015	19440	ALBANA KOKA	HISTORICAL MUSEUM CLEANING	\$ 25.00
02/25/2015	19441	ANDERSON, ECKSTEIN & WESTRICK	ENGINEERING SERVICES	\$ 6,629.45
02/25/2015	19442	ARROW UNIFORM RENTAL	MAT RENTAL & JANITORIAL SUPPLIES	\$ 470.26
02/25/2015	19443	BECKETT & RAEDER, INC.	COMMUNITY MASTER PLAN	\$ 292.50
02/25/2015	19444	BCBSM	HEALTH CARE BENEFITS	\$ 26,529.76
02/25/2015	19445	CITY OF FERNDALE	2014 LEAF COLLECTION	\$ 1,204.46
02/25/2015	19446	CITY OF PLEASANT RIDGE-GENERAL	CITY WATER AND SEWER UTILITIES	\$ 1,457.31
02/25/2015	19447	CITY OF ROYAL OAK	WATER AND SEWER MAINTENANCE	\$ 7,783.25
02/25/2015	19448	COMMUNITY MEDIA NETWORK	CITY COMMISSION MTG RECORDINGS	\$ 200.00
02/25/2015	19449	COMPASS MINERALS	BULK CITY SALT DELIVERY	\$ 3,747.00
02/25/2015	19450	CONOR FAUGHNAN	WINTER RIDGER DELIVERY	\$ 300.00
02/25/2015	19451	DREW GIJSBERS	REPLACEMENT OF CHECK 1212	\$ 123.17
02/25/2015	19452	FONTANA CONSTRUCTION	OAKLAND PARK/RIDGE SEWER REPAIR	\$ 21,022.00
02/25/2015	19453	ISOBEL EDWARDS	REPLACEMENT OF CHECK 1204	\$ 32.58
02/25/2015	19454	J & J AUTO TRUCK CENTER	POLICE CAR MAINTENANCE	\$ 45.65
02/25/2015	19455	KEVIN NOWAK	UNIFORM ALLOWANCE	\$ 400.47
02/25/2015	19456	LEGAL SHIELD	PRE PAID LEGAL SERVICES	\$ 25.90
02/25/2015	19457	RAY KEE	BUILDING INSPECTOR SERVICES	\$ 1,200.00
02/25/2015	19458	SOCRRA	SPECIAL CHARGES - JANUARY 2015	\$ 7,480.64

Total for 2-25-15

\$ 78,969.40

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
Electronic Payments & P-Card Transactions

Check Date	Check	Vendor Name	Description	Amount
02/12/2015	18	5TH 3RD - Multiple Invoices	DTE CITY UTILITY SERVICES	1,701.02
02/12/2015	18		ROYAL OAK POST OFFICE-STAMPS	1,121.00
02/12/2015	18		QUILL OFFICE SUPPLIES	508.54
02/12/2015	18		MERS DECEMBER 2014 CONTRIBUTION	17,176.26
02/12/2015	18		WOW INTERNET AND CABLE SERVICE	247.19
02/12/2015	18		MML CONFERENCE - 2 PARTICIPANTS	200.00
02/12/2015	18		10-8 VIDEO - IN CAR CAMERA	1,795.00
02/12/2015	18		CITY CLERK MEMBERSHIP RENEWAL	155.00
02/12/2015	18		BIG D LOCK AND KEY-LOCK REPAIR	65.00
02/12/2015	18		BELLE TIRE- POLICE CAR EQUIPMENT	640.32
02/12/2015	18		MML CONFERENCE - 2 PARTICIPANTS	300.00
02/12/2015	18		HOLIDAY INN-COMMISSIONER TRAVEL	119.88
02/12/2015	18		COMCAST INTERNET AND CABLE	208.69
02/12/2015	18		ERADICO EXTERMINATOR SERVICES	96.00
02/12/2015	18		HISTORICAL ASSAGGI GIFT CARD	150.00
02/24/2015	19	5TH 3RD - Multiple Invoices	MAMC DUES - DREALAN	75.00
02/24/2015	19		MML- FOIA WEBINAR -2 PARTICIPANTS	40.00
02/24/2015	19		QUILL OFFICE SUPPLIES	86.37
02/24/2015	19		MML-WEBINAR - FOREMAN	20.00
02/24/2015	20	5TH 3RD	CUBLICE KEYS-PD DRAWER KEYS	14.00
02/24/2015	21	AMERICAN EXPRESS	AMERICAN EXPRESS PAYMENT	4,054.67
02/24/2015	22	AMERICAN EXPRESS	AMERICAN EXPRESS PAYMENT	6,356.00
02/24/2015	23	AMERICAN EXPRESS	AMERICAN EXPRESS PAYMENT	6,929.72
02/24/2015	24	MUNICIPAL EMP.RETIREMENT SYST.	MERS CONTRIBUTIONS-JAN 2015	17,488.17

Total For Electronic Payments:

\$ 59,547.83



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
To: Jim Breuckman, City Manager
Date: March 10, 2015
Re: Item 8c – Board of Review Appointment

The City of Pleasant Ridge Board of Review consists of 3 members - all appointments are 3-year terms and a member may be appointed to serve two full terms. Appointments are made by the City Commission. Members must be "owners of property assessed for taxes in the City". The Board shall examine, review, and correct the assessment roll. The Board of Review meets annually for three consecutive days in March, and one day in July and December.

The March Board of Review is scheduled to hear valuation and classification appeals. Board has no jurisdiction over millage rates that are multiplied against taxable values in the tax billing process.

The July and December Boards of Review meet to correct qualified errors and to consider appeals related to Principal Residence Exemptions, Qualified Agricultural Exemptions and Poverty Exemptions.

At this time, one member, Mr. Treuter, has indicated he is not available to serve on the Board, but would like to be an alternate member if needed. Therefore, I am requesting the City Commission appoint Ms. Helen Baldwin, to the Pleasant Ridge Board of Review, term to expire December 31, 2018. This would be Ms. Baldwin's first full term. I have been in contact with Ms. Baldwin and she is excited to be appointed to the Board. I have attached her application for your reference. Mr. Treuter could remain as an alternate member, with no term restriction, and fill in if another member is not available.

Please feel free to contact me should you wish to discuss this matter further.



City of Pleasant Ridge

Candidate Questionnaire

Name: Helen Baldwin	
Date: October 1, 2014	Pleasant Ridge Resident For (years): 3
Occupation: CPA, Director - Financial Planning & Analysis	

Commissions On Which You Want to Serve (please check all applicable boxes):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Board of Review | <input type="checkbox"/> Recreation Commission |
| <input type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee |
| <input checked="" type="checkbox"/> Planning Commission | <input type="checkbox"/> Huntington Woods Library Board |

Interests/Reasons/Qualifications

To fully participate as a citizen and contribute time/talent.

Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

--

Other Organizations

MICPA

Education

Bachelor of Science - Accounting, Oakland University

Additional Information

--



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: March 5, 2015
Re: Investment Policy Update

Overview

A proposed update to the City's investment policy is attached to this memo.

Background

Vanguard has recommended some additions to the SCAF Parks and Recreation Special Revenue Fund investment guidelines. Their suggested additions are in keeping with the stipulations that we already had in the investment policy. The updated language is in Section XX of the document, starting on page 8 of the .pdf. These additions do not change the intent or proposed function of how the special revenue fund was or is intended to be invested, and so this does not represent a material change in how the special revenue fund will be invested.

Requested Action

City Commission consideration of adoption of the updated Investment Policy.



Administrative Policy #2015-01

Investment Policy

Contents

Contents..... 1

I. Scope..... 2

II. Investment Objectives..... 2

III. Prudence 3

IV. Ethics..... 3

V. Responsibility for the Investment Program..... 3

VI. Cash Management 3

VII. Accounting..... 4

VIII. Delegation of Authority..... 5

IX. Monitoring and Adjusting the Portfolio..... 5

X. Investment Performance and Reporting..... 5

XI. Portfolio Definition..... 5

XII. Investment Maturity and Liquidity 5

XIII. Diversification 5

XIV. Criteria for Selection of Financial Intermediaries and Issuers 6

XV. Third-Party Custodial Agreements 6

XVI. Internal Controls 6

XVII. State Authorized Investment Securities..... 6

XVIII. Investment Instrument Selection 7

XIX. Limitations on Investment Instrument Selection Absolutes Based Upon Underlying Objectives of Liquidity, Diversification, and Risk Factors 8

XX. SCAF Parks Special Revenue Fund 8

XXI. Investment Program..... 13

XXII. Policy Amendment..... 13

XXIII. Effective Date..... 13

I. Scope

This investment policy applies to all activities in regard to investing the financial assets of all funds (current and anticipated in the future) of the City of Pleasant Ridge. These funds are accounted for in the city's annual financial report and include:

- General Fund
- Act 51 Major & Local Street Funds
- Segregated Capital Assets Fund (SCAF), including the Parks Special Revenue Fund
- Water & Sewer Fund
- Trust & Agency Fund
- Any other funds created by the City, unless specifically exempted by the City Commission

II. Investment Objectives

The following investment objectives will be applied in the management of city funds.

- Funds of the City will be invested in accordance with Section 129.91 of the Michigan Compiled Laws, these policies and written administrative procedures.
- The primary objective of the City's investment activities is the preservation of capital and the protection of the investment principal.
- In investing public funds, the City will strive to maximize the return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk taking into account the cash flow characteristics of the portfolio.
- The investment portfolio of the City of Pleasant Ridge shall remain sufficiently liquid to enable the City to meet operating requirements such as payroll, accounts payable and debt service payments in a timely manner.
- The City will employ mechanisms to control risks and diversify its investments regarding specific security types or individual financial institutions.
- The investment portfolio shall be designed with the objective of regularly exceeding the average return of three month U.S. Treasury Bills to the extent possible. The investment program shall seek to augment return above this threshold as conditions warrant, consistent with risk limitations identified herein and prudent investment policies.
- Investments shall be made based on statutory constraints and subject to available designated staffing capabilities.
- Funds held for future capital projects (i.e. bond proceeds) shall be invested to produce enough income to offset increases in construction costs due to inflation subject to Federal Arbitrage regulations.
- Where possible, prepayment funds for long-term debt service shall be invested to ensure a rate of return at least equal to the interest being paid on the bonds.
- The objective of the SCAF Parks Special Revenue Fund shall be to support parks and recreation maintenance and operations using interest, dividends, and gains on the principal balance of the fund.

III. Prudence

In managing its investment portfolio, city officials shall avoid any transaction that might impair public confidence in the government of the City of Pleasant Ridge. Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the requisite safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the City's overall portfolio. Investment officers of the City of Pleasant Ridge acting in accordance with this Investment Policy and written procedures as may be established and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

IV. Ethics

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose in writing to financial institutions that conduct business with this jurisdiction, and they shall further disclose any large personal performance of this jurisdiction's portfolio. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

V. Responsibility for the Investment Program

Management responsibility for the Investment Program is hereby delegated to the Investment Committee which shall establish written procedures for the operation of the Investment Program consistent with the Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and procedures established by the Investment Committee.

The Investment Committee shall consist of the City Manager, the City Clerk and such other persons designated by the City Commission as may be desired.

A record of the administrative policies, investment program, actual investments conforming to the Investment Policy and investment program structures, and minutes of Investment Committee meetings will be maintained by the City Manager or his/her designee.

VI. Cash Management

The City's Policy regarding cash management is based upon the realization that there is a time-value to money. Temporarily idle cash may be invested for a period of one day up to one year depending on when the money is needed. Accordingly, the City Manager or his/her designee shall cause to be prepared written cash management procedures which shall include, but not be limited to, the following:

- A. **Receipts.** All monies due to the City shall be collected as promptly as possible. Monies that are received in the Treasurer's office shall be deposited in approved financial institutions no later than the next business day after the receipt by the City. Amounts that remain uncollected after a reasonable length of time shall be subject to any available legal means of collection.

B. Disbursements.

1. Any disbursements to suppliers of goods or service or to employees for salaries and wages shall be contingent upon an available budget appropriation.
2. Disbursement shall be made subject to the following limitations:
 - a) payments from a petty cash fund may not exceed \$30 and must be authorized by a department director.
 - b) payments for goods and services not covered by a contract up to \$500 must be authorized by the City Manager and department director as needed.
 - c) payments for goods and services covered by a contract within a specific department shall be authorized by the City Manager or his/her designee and department director.
 - d) payments for goods and services covered by a contract which is not in a specific department and under \$5,000 or payroll shall be authorized by the City Manager or his/her designee pursuant to authority delegated by the City Manager.
 - e) payments for goods and services over \$5,000 must be authorized by the City Manager, and the department director.

C. **Cash Forecast.** At least annually, a cash forecast shall be prepared using expected revenue sources and items of expenditure to project cash requirements over the fiscal year. The forecast shall be updated from time to time to identify the probable investable balances that will be available.

D. Pooling of Cash.

1. Except for cash in certain restricted and special accounts, the City may pool cash of various funds to maximize investment earnings.
2. Investment income shall be allocated to the various funds based upon their respective participation.

VII. Accounting

The City of Pleasant Ridge maintains its records on the basis of funds, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the City in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Boards (GASB). Accounting treatment will include:

- Investment will be recorded at market value.
- Premiums or discounts will be amortized over the life of the investment.
- Gain or losses of investments in all funds will be recognized at the time of disposition of the security.
- Investment income will be recognized when earned.

VIII. Delegation of Authority

The City Manager or his/her designee is designated as the investment officer of the City of Pleasant Ridge and is responsible for investment decisions made within his or her discretion in applying the procedures adopted by the Investment Committee, under the supervision of the City Manager and adhering to the guidelines established by this Investment Policy.

IX. Monitoring and Adjusting the Portfolio

The investment officer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly.

X. Investment Performance and Reporting

The City Manager or his/her designee shall submit a quarterly investment report that provides the amount of the principal and the type of investment by fund, earnings for the current month, current quarter, and year to date, and a summary report of cash and investments maintained in each financial institution. The report shall provide such other data that may be needed to make an informed investment decision. The quarterly reports shall be submitted to the Investment Committee.

The Investment Committee shall submit an investment report to the City Commission on a quarterly basis. Material deviations from projected investment strategies shall be reported immediately to the Investment Committee. The format of all investment reports will be prescribed by the Investment Committee.

XI. Portfolio Definition

The portfolio shall be defined as all funds except the Segregated Capital Assets Fund. Exceptions in regards to maturity, liquidity and investment instrument selection will be noted in the respective sections of the policy.

XII. Investment Maturity and Liquidity

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest the portfolio in securities maturing more than one (1) year from the date of purchase. No more than 50% of the City's total investment portfolio shall be placed in securities maturing in more than one (1) year.

The Segregated Capital Asset Fund may purchase investment funds for its portfolio securities maturing at a maximum time level of five (5) years. This is to allow this fund to be able to stagger investment maturities based upon the nature of this fund and to obtain higher returns when short term rates are less than favorable in light of the need of the City.

XIII. Diversification

The City Manager or his/her designee shall diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities to the extent possible. Diversification strategies shall be determined and revised periodically by the Investment Committee for all funds.

XIV. Criteria for Selection of Financial Intermediaries and Issuers

Certificates of Deposit shall be purchased only from financial institutions which qualify under Michigan law. Other securities shall be purchased only through financial institutions (which qualify as public depositories which provide the services of a securities dealer, or through the “primary government securities dealers” as designated by the Federal Reserve Bank. These institutions, dealers and issuers must meet capital adequacy guidelines as determined by their respective regulatory agencies and certify that no material adverse events have occurred since the issuance of their most recent financial statements. They must also agree to notify the City in the event of material adverse events affecting their capital adequacy.

XV. Third-Party Custodial Agreements

All securities purchased by the City under this section shall be properly designated as an asset of the City of Pleasant Ridge and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the order of the City Manager or his/her designee.

XVI. Internal Controls

The Investment Committee shall establish a system of internal controls, documented in writing, which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and/or officers of the City. Required elements of the system of internal controls shall include 1) the timely reconciliation of all city bank accounts (i.e. monthly reconciliations within 30 days of the end of the monthly cycle) and 2) details of delivery vs payment procedures and trust receipt documentation. Internal controls will also encompass at a minimum these additional issues:

- Fidelity bonds for employees.
- Transfers of all funds.
- Custodial safekeeping
- Avoidance of delivery of bearer form or non-wireable securities to the City.
- Written internal confirmations of telephone transactions.
- Identification and minimization of the number of authorized investment officials.
- Documentation of decisions made at the committee level and transactions by investment officials.

XVII. State Authorized Investment Securities

The following is a list of authorized securities for investment by the Investment Committee pursuant to Public Act 239 of 1988, MCL Section 129.91, as amended:

- A. Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the government national mortgage association;

- B. Certificates of Deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings & loan or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended;
- C. In United States government of federal agency obligation repurchase agreements;
- D. In bankers acceptances of United States banks;
- E. No more than 50% of any one fund may be invested in commercial paper rated at the time of purchase within the 3 highest classifications established by not less than 2 standard rating service and which matures not more than 270 days after the date of purchase; and
- F. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

XVIII. Investment Instrument Selection

The portfolio maturities and limits on security issues and issuers which are used to be absolute magnitude guidelines by the Investment Committee are detailed below:

- A. **Portfolio Maturity:** The average maturity of the portfolio may not exceed 180 days, except for the Segregated Capital Assets Fund which may have an average maturity of 1095 days.
- B. **Government Securities:**
 - 1. Portfolio Composition. No more than 10% of the portfolio may be in direct government securities or repurchase agreements involving guaranteed government securities.
 - 2. Maturity Limitations. The maximum length to maturity of any investment in government obligations is 1 years.
- C. **Non-negotiable Interest Bearing Time Certificate of Deposit.**
 - 1. Portfolio composition – a maximum of 50% of the total portfolio may be invested in non-negotiable CD's.
 - 2. Limits on Individual Issuers – all issuers must be eligible to be a depository of surplus funds pursuant to Section 5 or 6 of Act No. 105 of Public Acts of 1855, as amended.
 - 3. Maturity Limitations – no non-negotiable CD may have a maturity date longer than 365 days except for the investments by the Segregated Capital Assets Fund.
- D. **Commercial Paper.**
 - 1. Portfolio composition – a maximum of 25 % of the portfolio may be invested in “prime” commercial paper.

2. Individual Issuers- the issuer must be on a current list of approved issuers as developed and maintained by the Investment Committee.
 3. Maturity Limitations – the maximum length to maturity for an investment in Prime commercial paper is 270 days.
- E. **Money Market Mutual Funds:** A maximum of 100% of the portfolio may be invested in money market mutual funds which meet the state criteria in regards to fund composition.

XIX. Limitations on Investment Instrument Selection Absolutes Based Upon Underlying Objectives of Liquidity, Diversification, and Risk Factors

- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through marketable U.S. Treasury bills or money market funds.
- Default risk: Excluding the primary bank, no more than 40% of the overall portfolio may be invested in the individual securities of a single bank (i.e. CDs and pooled funds) or corporation (i.e. commercial paper).
- No more than 25% of the total portfolio may be in commercial paper. The total portfolio herein being defined as all city funds investment monies that are available. Positions in individual securities having potential default risk (uncollateralized commercial paper) shall be limited to no more than 5% of the portfolio, so that in case of default, the portfolio's annual investment income would exceed a loss on a single issuer's securities.
- Diversification of credit risk normally will be accomplished through investments in money market funds.
- Risks of market price volatility shall be controlled through maturity diversification limitations set as investment program objectives by the Investment Committee.

XX. SCAF Parks Special Revenue Fund

The City of Pleasant Ridge SCAF Parks Special Revenue Fund (hereafter referred to as the "Fund") was created to provide perpetual financial support to The City of Pleasant Ridge (the "City.") The purpose of this Section XX is to establish specific guidelines for the Fund's investment portfolio (the "Portfolio") in the areas that most influence investment returns and risks. The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the manager(s) hired on behalf of the Fund and its beneficiaries.

The following provisions apply to the SCAF Parks Special Revenue Fund. In case of any conflict between the terms of this section and any other section of this policy, this section shall prevail.

- A. **Statutory Authorization.** The SCAF Parks Special Revenue Fund may invest in securities identified in the public employee retirement system investment act, PA 314 of 1965, MCL 38.1132 to 38.1140m, pursuant to the authorization contained in Section 7a of the investment of surplus funds of political subdivisions act, PA 20 of 1943, MCL 129.97a, with the further limitations imposed by this Investment Policy and the City's Segregated Capital Assets Fund Ordinance, City Code Sections 2-131 through 2-139.

- B. Role of the Investment Committee.** The Investment Committee (“Committee”) is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Pleasant Ridge City Commission for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.
1. This Investment Policy sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.
 2. The policies for the Fund contained herein have been formulated consistent with the City’s anticipated financial needs and in consideration of the City’s tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Committee.
 3. The policies contained in this statement are intended to provide boundaries, where necessary, for ensuring that the Portfolio’s investments are managed consistent with the short-term and long-term financial goals of the Fund. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the City.
- C. Liquidity and Maturity.** There is no limitation on investment maturity for the SCAF Parks Special Revenue Fund.
- D. Use of Investment Returns.** The City Commission, with the advice of the investment committee, shall determine annually what interest, dividends, and gains shall be retained in the fund and what should be used to support parks operations and maintenance, with the following stipulations:
1. The Fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the City.
 2. The principal balance of the Fund shall not be diverted or spent except in accordance with the provisions established by City Code, and shall be added to over time at a rate that exceeds the annual rate of inflation to preserve the Special Revenue Fund’s value in perpetuity.
 3. Should, due to market fluctuations which impact the value of the principal, the parks special revenue fund’s principal value fall below the amount established by the City Commission by resolution upon its initial funding plus any future additions to the fund by City Commission resolution, adjusted for inflation, only interest and dividends shall be removed from the parks special revenue fund until the market value of the fund’s principal recovers and is higher than the amount established by said resolution(s), adjusted for inflation.
 4. Inflation shall be measured by the United States Bureau of Labor Statistics’ Consumer Price Index for All Urban Consumers (CPI-U).
 5. For the purpose of making distributions, the Fund shall make use of a total return based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments.

6. The distribution of Fund assets will be permitted to the extent that such distributions do not exceed a level that would erode the Fund's real assets over time. The City will seek to reduce the variability of annual Fund distributions by factoring past spending and Portfolio asset values into its current spending decisions. The City will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Fund's spending policy, its target asset allocation, or both.
7. Periodic cash flow, either into or out of the Portfolio, will be used to better align the investment portfolio to the target asset allocation outlined in the Asset Allocation Policy at Section XX.E.2 herein.

E. Portfolio Investment Policies.

1. Allowable Investment Instruments. The SCAF Parks Special Revenue Fund principal may be invested in stocks, exchange traded funds (ETFs), mutual funds, and obligations (i.e. bonds) as defined in MCL 38.1132d-e. The SCAF Parks Special Revenue Fund may only be invested in securities that are actively traded on a major United States stock index. The use of low-cost index fund(s) or ETF(s) is preferred.
2. Asset Allocation Policy.
 - a) The Committee recognizes that the strategic allocation of Portfolio assets across broadly-defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.
 - b) The Committee expects that actual returns and return volatility may vary widely from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Fund, to the assumptions underlying Fund spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.
 - c) Fund assets will be managed as a balanced portfolio comprised of two major components: an equity portion and a fixed income portion. The expected role of Fund equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of Portfolio equity investments.
 - d) Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings, and will be used for Fund liquidity needs or to facilitate a planned program of dollar cost averaging into investments in either or both of the equity and fixed income asset classes.
 - e) The long-term strategic asset allocation guidelines shall be determined by the investment committee to be the most appropriate, given the Fund's long-

term objectives and short-term constraints. The initial allocation of funds shall be according to a roughly 60% equities to 40% fixed-income securities ratio. This allocation may be adjusted over time with the advice of the investment manager and the consent of the investment committee, as market conditions warrant.

3. Diversification Policy. Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:
 - a) With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
 - b) With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
 - c) With respect to fixed income investments, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).
4. Rebalancing Policies. It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The Portfolio will be rebalanced to its target normal asset allocation under the following circumstances:
 - a) Utilize incoming cash flow (contributions) or outgoing money movements (disbursements) of the portfolio to realign the current weightings closer to the target weightings for the portfolio.
 - b) The investment manager will review the Portfolio quarterly to determine the deviation from target weightings. During each quarterly review, the following parameters will be applied:
 - 1) If any asset class (equity or fixed income) within the portfolio is +/- 5 percentage points from its target weighting, the portfolio will be rebalanced.
 - 2) If any fund within the portfolio has increased or decreased by greater than 20% of its target weighting, the fund may be rebalanced.
 - c) The investment manager may provide a rebalancing recommendation at any time.
 - d) The investment manager shall act within a reasonable period of time to evaluate deviation from these ranges.

5. Other Investment Policies. Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

- a) Purchasing securities on margin, or executing short sales.
- b) Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
- c) Purchasing or selling derivative securities for speculation or leverage.
- d) Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected given the objectives of their portfolios

F. **Monitoring Portfolio Investments and Performance.** The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. At a frequency to be decided by the Committee, it will formally assess the Portfolio and the performance of its underlying investments as follows:

1. The Portfolio's composite investment performance (net of fees) will be judged against the following standards:

- a) The Portfolio's absolute long-term real return objective
- b) A composite benchmark consisting of the following unmanaged market indices weighted according to the expected target asset allocations stipulated by the Portfolio's investment guidelines
 - 1) U.S. Equity: CRSP US Total Market Index or a similar broad domestic equity index
 - 2) Non-U.S. Equity: FTSE Global All Cap ex US Index or a similar broad international equity index
 - 3) Investment Grade Fixed Income: Barclays Capital US Aggregate Float Adjusted Index
 - 4) International Fixed Income: Barclays Capital Aggregate Float Adjusted Index
 - 5) Cash: Citigroup 3-Month T-Bill Index

2. The performance of professional investment managers hired on behalf of the Portfolio will be judged against the following standards:

- a) A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio.
- b) The performance of other investment managers having similar investment objectives.

3. In keeping with the Portfolio's overall long-term financial objective, the Committee will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles or, at a minimum, on a rolling five-year basis.
4. Investment reports shall be provided by the investment manager(s) on a quarterly basis or as more frequently requested by the Committee. Each investment manager is expected to be available to meet with the Investment Committee at least twice per year to review portfolio structure, strategy, and investment performance.

XXI. Investment Program

The exact guidelines for the current investment portfolio shall be established by the Investment Committee taking into account all absolutes contained in the Investment Policy of the City. The program shall be revised and updated on a periodic basis as needed.

Any investment manager representing, advising, or acting on behalf of the City shall sign an affirmation that they have read the policy, understand the policy, and assume responsibility for adhering to the investment policy in relation to the funds entrusted to them.

XXII. Policy Amendment

If any policy considerations are necessary to be changed under amendments to the state law or through deliberations of the Investment Committee, the Investment Committee shall recommend to the City Commission any changes necessary to the respective sections of this Policy for their consideration.

XXIII. Effective Date

The City Commission adopted this Investment Policy on March 10, 2015, effective immediately.

Adopted: March 10, 2015



March 10, 2015

RESOLUTION

Parenting Awareness Month

WHEREAS, March is Parenting Awareness Month in the State of Michigan; and

WHEREAS, Parenting Awareness Month celebrates people who are raising children; and

WHEREAS, Parenting Awareness Month seeks to draw public attention to the critical importance of parenting by helping children to become healthy, caring and contributing citizens; and

WHEREAS, Parenting Awareness Month seeks to promote education and resources for developing parent skills throughout the year; and

WHEREAS, Parenting Awareness Month encourages the development of local parenting networks; and

WHEREAS, Parenting Awareness Month encourages everyone to participate in the lives of all our children.

NOW, THEREFORE, I, Kurt Metzger, on behalf of the entire City Commission do hereby proclaim March as Parenting Awareness Month in the City of Pleasant Ridge to support and recognize all efforts and resources, particularly local, that promote, encourage, and educate the community on parenting issues.

BE IT FURTHER RESOLVED, that all citizens of the City of Pleasant Ridge uphold the vision that every person, everywhere, everyday understands their responsibility in raising our children.

*Signed this 10th day of March, 2015, in the City of Pleasant Ridge
State of Michigan in witness whereof the official seal
and signature of the city.*

Kurt Metzger, Mayor



CLEAN WATER ACTION

MICHIGAN

To Whom It May Concern:

Since we have worked in your community before, you will remember that Clean Water Action is a national environmental organization working for clean and safe water, waste prevention and funding for enforcement of environmental protection. The purpose of this letter is to again provide background information on Clean Water Action and our canvass so that you are aware of our activities and have the information you need to respond to any inquiries about our work.

As in previous years, our program includes informing residents in your community of our work and asking them to become involved in our campaigns. We conduct a door-to-door canvass asking residents to make contributions and sign support statements. We may also ask them to write letters, make phone calls, volunteer time and vote.

We will be conducting our canvass in your community beginning ASAP and completing our work by June 1, 2015 (depending on the size of the community). We will be out in the community from 4pm-9pm, Monday – Friday; 10am-7pm, Saturdays.

As a courtesy to all communities in which we canvass, we notify each township or city before starting work there. Our canvassers also carry photo identification cards from our organization. A list of the names of our canvass staff is provided with this letter as well as a letter from the IRS recognizing our tax-exempt status under section 501(c4) of the Internal Revenue Code.

Because Clean Water Action is engaged in constitutionally-protected political speech in its canvass operation, it is not required to obtain a permit prior to engaging in this activity. *Watchtower Bible & Tract Society of New York v. Village of Stratton*, 536 U.S. 150 (2002).

Please notify all police officers and dispatch of our presence so that they are aware of our constitutionally-protected right to engage in our membership drive. I have enclosed organizational documents and supporting materials of our state regulations. You will note that the last page of this packet of information is a verification form that states we have made you aware of our activities. Please sign and return the "Canvass Verification" form so that both the residents and law enforcement officers in your area will know that we have contacted your office should any questions arise. Should you need additional information, please call me at (734) 222-6347. Thank you for your time.

Sincerely,

Emily Woodcock
Staff Director

2272 Michigan Ave., Suite 201, Lansing, MI 48912 – (517) 203-0754 – (517) 203-0760 (fax) – elansingcwa@cleanwater.org

320 Miller Ave., Suite 180, Ann Arbor, MI 48103 – (734) 222-6347 – (734) 222-6473 (fax) – annarbor@cleanwater.org

4455 Connecticut Ave., NW, Suite A-300, Washington, DC 20008 – (202) 895-0420 – (202) 895-0438 (fax) – www.cleanwateraction.org

Department of the Treasury

Internal Revenue Service
Washington, DC 20224

Date:

NOV 7 1973

In reply refer to:

T:MS:EO:R:2-4



Fishermen's Clean Water Action
Project, Inc.
1832 M Street, N.W. - Suite 101
Washington, D.C. 20036

Internal Revenue Code: Section 501(c)(4)
Key District: DD, Baltimore
Social Security or
Employer Identification Number: 23 7128611
Accounting Period Ending: August 31

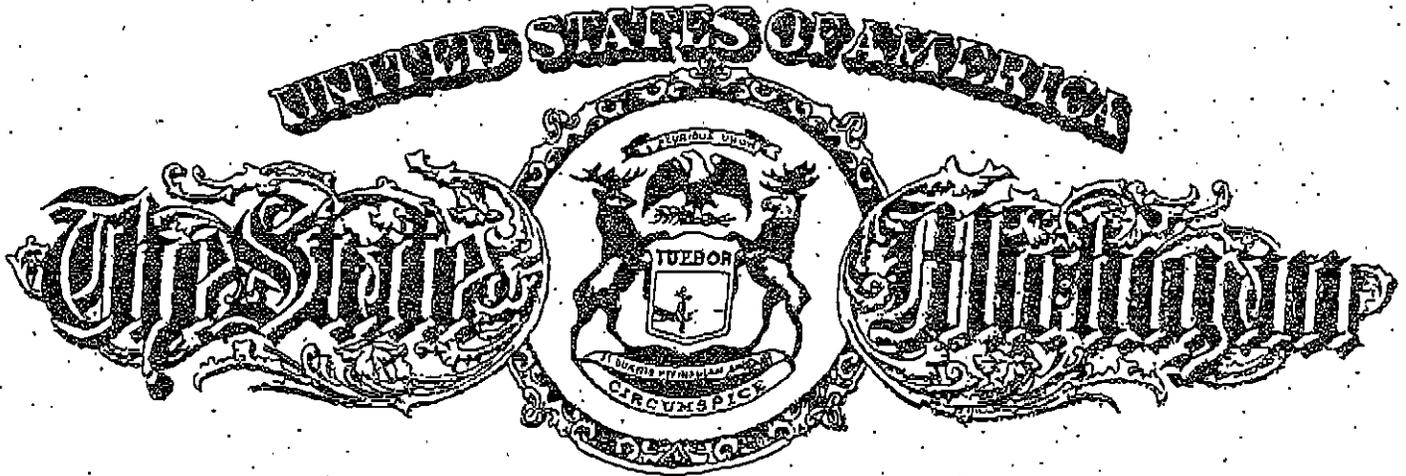
Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$50 or more to each of your employees during a calendar quarter. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act on remuneration of \$50 or more to each of your employees during a calendar quarter if, during the current or preceding calendar year, you have one or more employees at any time in each of 20 calendar weeks or pay wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to your key District Director.

If your purposes, character, or method of operation is changed, you should let your key District Director know so he can consider the effect of the change on your exempt status. Also, you must inform him of all changes in your name and address.

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$5,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file the return on time.



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify That

Clean Water Action

a(n) DISTRICT OF COLUMBIA nonprofit corporation, was validly authorized on July 25, 1988, to conduct affairs in Michigan, and that said corporation holds a valid certificate of authority to conduct affairs in this state.

This certificate is issued pursuant to the provisions of 1982 PA 162, as amended, to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to conduct affairs in this state any business of the character set forth in its application which a domestic corporation formed under this act may lawfully conduct.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 12th day of February, 2004.

Andrew S. [Signature] Director
Bureau of Commercial Services

STATE OF MICHIGAN

FRANK J. KELLY, ATTORNEY GENERAL

CONSTITUTIONAL LAW: Freedom Of Speech

CONSTITUTION OF MICHIGAN: Art. 1, § 5 (Freedom of Speech)

MUNICIPALITIES: Ordinance restricting canvass

CANVASSING & SOLICITATION: Statute or ordinance restrict

Neither the state nor its municipal corporations may prohibit door-to-door solicitation or the distribution of handbills on behalf of a citizen organization.

Neither the state nor its municipal corporations may require a citizen organization to provide information about its political goals and activities for evaluation by a public official before its members and agents may canvass door-to-door.

Neither the state nor its municipal corporations may impose a tax or fee upon the activity of canvassing door-to-door by a citizen organization; nor may the state or its municipal corporations require the posting of a bond as a condition of engaging in this activity.

Neither the state nor its municipal corporations may impose a residency requirement upon canvassers of a citizen organization.

The state or its subdivisions may, however, require canvassers of citizen organizations to identify themselves in writing to state or municipal authorities.

Neither the state nor its municipal corporations may impose a requirement of fingerprinting of canvassers going door-to-door.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: March 5, 2015
Re: Property Assessed Clean Energy (PACE) District Adoption

Overview

Attached to this memo you will find a resolution to create a property assessed clean energy program and to designate Levin Energy Partners as the City's PACE administrator. The City Commission may consider the resolution following the public hearing.

Background

What Is PACE?

PACE is a form of financing that eliminates a few problems which have made financing energy efficiency and clean energy projects difficult, with the most notable one being that many such projects have payback periods longer than the typical 5-year term on a commercial property loan. By using the property assessment approach, these projects can be financed over longer terms (10-20 years) under a PACE program, making them cash-flow positive from day one. The PACE assessment also runs with the land, meaning that if the building is sold the new owner simply picks up the payments on the PACE loan.

Public Act No. 270 of 2010 ("Act 270") is the law that authorizes local units of government to adopt PACE programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

A key consideration is that establishing a PACE program does not obligate the City or any property owner. It simply provides an additional financing method for private property owners who may choose to take advantage of it or not. Under a PACE program, projects must be cash flow positive from day one in order to be financed.

How Does a PACE Program Operate?

There are two basic options for a local government interested in starting a PACE program. The first is to self-finance it. This would entail the local government putting up its own money, or floating a bond to provide loan capital for the PACE program. The local government then takes applications, loans out the money, and collects repayment over time through the property tax assessment.

The second option is to partner with a private sector entity to administer the program. One such entity is Lean & Green Michigan (“LAGM”), which has developed a collaborative approach to PACE programs for local units of government by standardizing the administrative and legal process under which PACE programs are created and managed. Many local units of government throughout the state joined have or are in the process of joining LAGM utilizing a “shared services” approach to eliminate upfront and ongoing program costs and duplication. Further, this approach creates one efficient statewide market, allowing property owners, lenders and clean energy contractors to utilize a standardized process as they employ PACE financing in multiple jurisdictions throughout the state.

LAGM has a pool of private sector investors who are looking to fund PACE projects. When a property owner is interested in exploring doing a PACE project, the City puts them in touch with LAGM who walks the property owner through the process and helps to line up private sector financing. The City’s only role is to collect the assessments through the property tax assessment and to then pay the private-sector entity who loaned the money. The City incurs only minimal administrative functions, and provides no money of its own to the PACE program. LAGM is paid through a small percentage that is included in the loan terms.

If the City Commission wishes to move forward with establishing a PACE program, it is my recommendation that we designate LAGM as administrator of our program.

LAGM currently has established and administers PACE districts across the State, including Eaton, Genesee, Grand Traverse, Huron, Ingham, Macomb, Saginaw, Washtenaw, and Wayne Counties, and the Cities of Rochester Hills, Royal Oak, and Southfield.

For more information on LAGM, and on PACE in general, please refer to LAGM’s website at: <http://www.leanandgreenmi.com/index.htm>

Next Steps

Act 270 sets forth a specific process by which a City can adopt a PACE district. Those include:

1. City Commission adopts of a resolution of intent and scheduling a public hearing (tonight’s requested action) **(COMPLETED FEBRUARY 10, 2015)**
2. The City places the PACE program document on the City’s website (will occur by the end of the week, if the resolution of intent is passed) **(POSTED TO THE WEBSITE FEBRUARY 11, 2015)**
3. City Commission holds a public hearing at an upcoming meeting **(OCCURS MARCH 10, 2015)**
4. City Commission adopts a resolution establishing the PACE program **(MAY OCCUR AS EARLY AS MARCH 10, 2015)**

Requested Action

Consideration of the attached resolution to create a PACE District and to designate Levin Energy Partners as the City’s PACE administrator.

**CITY OF PLEASANT RIDGE
STATE OF MICHIGAN**

**RESOLUTION APPROVING THE ESTABLISHMENT
OF A PROPERTY ASSESSED CLEAN ENERGY PROGRAM**

Minutes of a regular meeting of the City Commission of City of Pleasant Ridge, Michigan (the "City"), held on March 10, 2015 at 7:30 pm prevailing Eastern Time.

PRESENT: Commission Members _____

ABSENT: Commission Members _____

WHEREAS, the City Commission of City of Pleasant Ridge, Michigan previously has adopted a Resolution of Intent to authorize the establishment of a property assessed clean energy program ("PACE Program") and create a PACE district pursuant to Act No. 270, Public Acts of Michigan, 2010 ("Act 270"), for the purpose of promoting the use of renewable energy systems and energy efficiency improvements by owners of certain real property; and

WHEREAS, the City Commission hereby finds that financing energy projects is a valid public purpose because it stimulates economic development, improves property values, reduces energy costs, reduces greenhouse gas emissions, and increases employment in the City; and

WHEREAS, the types of energy projects, either energy efficiency improvements or renewable energy systems, that may be financed under the PACE Program include, but are not limited to: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Commission; a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one or more renewable energy resources to generate electricity. Renewable energy resources include, but are not limited to: biomass (includes a biomass stove but does not include an incinerator or digester); solar and solar thermal energy; wind energy; geothermal energy and methane gas captured from a landfill; and

WHEREAS, the City Commission conducted a public hearing on March 10, 2015 at Pleasant Ridge City Hall, 23925 Woodward Avenue, Pleasant Ridge, MI 48069, to receive

comments on the proposed PACE Program, including the Report referenced in Section 9(1) of Act 270 (the “PACE Report”); and

WHEREAS, the City Commission intends to establish a PACE Program as described in the PACE Report, so as to provide a property owner based method of financing and funds for energy projects, including owner-arranged financing from a commercial lender, which funds and financing shall be secured and repaid by assessments on the property benefited, with the agreement of the record owners, such that no City monies, general City taxes or City credit of any kind whatsoever shall be pledged, committed or used in connection with any project as required by, and subject to Act 270.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The PACE Program for the City is established and approved.
2. The PACE district, having the same boundaries as the City’s jurisdictional boundaries, is established.
3. The PACE Program constitutes a valid public purpose because it stimulates economic development, improves property values, reduces energy costs, reduces greenhouse gas emissions, and increases employment in the City.
4. The PACE Report is incorporated herein in full by reference, and is approved and adopted.
5. The City formally joins Lean & Green Michigan™ and Levin Energy Partners, LLC is designated as PACE administrator to administer the PACE Program.
6. In accordance with the PACE Report, amendments to the PACE Program shall not require a public hearing.
7. In accordance with Act 270, an assessment imposed under the PACE Program, including any interest on the assessment and any penalty, shall constitute a lien against the property on which the assessment is imposed until the assessment, including any interest or penalty, is paid in full. The lien runs with the property and has the same priority and status as other property tax and assessment liens. The City has all rights in the case of delinquency in the payment of an assessment as it does with respect to delinquent property taxes. When the assessment, including any interest and penalty, is paid, the lien shall be removed from the property. The City Manager or his/her designee is authorized and directed to execute and deliver any special assessment agreement, document or certificate necessary or appropriate to create, establish and record an assessment under the PACE Program.
8. In accordance with Act 270, installments of assessments due under the PACE Program may be included in each summer and winter tax bill issued under the General Property Tax Act, 1893 PA 206, MCL 211.1 to 211.155 (“Act 206”), and may be collected at the same time and in the same manner as taxes collected under Act 206. Under owner-arranged financing, the

City may impose an assessment and forward payments to the commercial lender or the record owner may pay the commercial lender directly. In all projects where the property owner will pay the installments of assessments through periodic payments to the City, the PACE special assessment agreement will provide for the City to be reimbursed for the actual costs of administering the billing and payment process.

9. The City may join with any other local unit of government, or with any person, or with any number or combination thereof, by contract or otherwise as may be permitted by law, for the implementation of the City's PACE Program, in whole or in part, and the City Manager or his/her designee is authorized to execute and deliver such documents, agreements or certificates as may be necessary or advisable to permit the cooperative implementation of the PACE Program as provided by Act 270 or other applicable law.

10. The City Manager or his/her designee is authorized to sign necessary documents, agreements or certificates, and to take all other actions necessary or convenient to implement a PACE Program consistent with the PACE Report.

11. All resolutions and parts of resolutions inconsistent with this Resolution are repealed to the extent of such inconsistency.

YEAS: Commission Members _____

NAYS: Commission Members _____

RESOLUTION DECLARED ADOPTED.

Amy Drealan
City Clerk

I HEREBY CERTIFY that the attached is a true and complete copy of a resolution adopted by the City Commission of the City of Pleasant Ridge, Michigan, at a regular meeting held on March 10, 2015 and that public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by Act 267.

Amy Drealan
City Clerk



**CITY OF PLEASANT RIDGE, MICHIGAN
PACE PROGRAM**

DATE



LEVIN
ENERGY
PARTNERS

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	1
PACE PROGRAM REPORT	2
PACE SPECIAL ASSESSMENT AGREEMENT	8
Appendix A: Special Assessment Parcel	30
Appendix B: Descriptions of Improvements	31
Appendix C: Payment Schedule	32
Appendix D: Program Eligibility.....	33
Appendix E: Special Assessment Roll.....	34
Appendix F: Certification of Assignment.....	35

Lean & Green Michigan™ PACE Program

Executive Summary

Public Act No. 270 of 2010 (“Act 270”) authorizes local units of government to adopt Property Assessed Clean Energy (“PACE”) programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

Lean & Green Michigan™ (“LAGM”) has developed a collaborative approach to PACE programs for local units of government by standardizing the administrative and legal process under which PACE programs are created and managed. Many local units of government throughout the state joined have or are in the process of joining LAGM utilizing a “shared services” approach to eliminate upfront and ongoing program costs and duplication. Further, this approach creates one efficient statewide market, allowing property owners, lenders and clean energy contractors to utilize a standardized process as they employ PACE financing in multiple jurisdictions throughout the state.

This documentation package includes the report required by Section 9 of Act 270 and provides model forms of documents for the PACE program. As many of the details of a PACE transaction are determined on a project-specific basis, adjustments to the model documents may be required to fit a particular transaction. Additionally, there are several blanks left in the documents that should be filled in when the corresponding information is known.



CITY OF PLEASANT RIDGE, MICHIGAN

PACE PROGRAM REPORT

This Lean & Green Michigan™ PACE Program Report contains the information required by Section 9 of Act 270. Additional information is available from the City of Pleasant Ridge. The PACE Program and Report were approved by the City of Pleasant Ridge City Commission on _____, subsequent to a public hearing held on _____.

INTRODUCTION

In order to encourage economic development, improve property valuation, increase employment, reduce energy costs, reduce greenhouse gas emissions and contribute to the public health and welfare in City of Pleasant Ridge, the City Commission established the City of Pleasant Ridge Property Assessed Clean Energy Program pursuant to Public Act No. 270 of 2010 (“Act 270”) by joining Lean & Green Michigan™ (“LAGM,” the “PACE Program” or “Program”). The PACE Program has identified specific sources of commercial funding to finance the implementation of energy efficiency improvements, renewable energy systems and energy projects within the City of Pleasant Ridge PACE district (which is coterminous with City of Pleasant Ridge jurisdictional boundaries).

The City of Pleasant Ridge City Commission passed a Resolution of Intent to create a PACE district by joining the Lean & Green Michigan statewide PACE program on [REDACTED]. The City Commission published its first version of this PACE Report thereafter, and held a public hearing on [REDACTED]. The City Commission passed a Final Resolution adopting this PACE program on [REDACTED].

The purpose of this PACE Report (hereinafter the “Report”) is to fulfill the requirements of Act 270. Section 9 of Act 270 requires a Report that includes: a form of contract between City of Pleasant Ridge and the record owner; identification of an official authorized to enter into program contracts on behalf of City of Pleasant Ridge; a maximum aggregate amount for financing under the program; an application process and eligibility requirements; a method for determining interest rates, repayment periods and the maximum amount of assessment; explanation of how assessments will be made and collected; a plan for raising capital; information regarding reserve funds and fees of the program; a requirement that the term of the assessment not exceed the useful life of the energy project; a requirement of an appropriate ratio of the amount of assessment to the assessed value of the property; requirement of consent from the mortgage holder; provisions for marketing and participant education; provisions for adequate debt service reserve fund; quality assurance and antifraud measures; and a requirement for baseline energy audits, ongoing savings measurements and performance guarantees for projects over \$250,000 in assessments.

1. Form of PACE Contract

A form of model PACE Special Assessment Agreement is attached as **Appendix A**. Individual property owners may negotiate project-specific terms to be included in an actual agreement based upon the specific energy efficiency and renewable energy improvements to be financed through the individual agreement, subject to the limitations set forth herein.

2. Authorized Official/PACE Administrator

The City Manager of the City of Pleasant Ridge, or his/her designee (the “Authorized Official”) is authorized to enter into PACE Program contracts on behalf of City of Pleasant Ridge in consultation with Levin Energy Partners, LLC (“LEP”). The Authorized Official is further authorized to sign any agreement, documents or certificates necessary to facilitate the participation of property owners and to facilitate the purposes hereunder.

As part of Lean & Green Michigan™, LEP will act as PACE administrator and will manage City of Pleasant Ridge's PACE Program. LEP is authorized to negotiate with credit providers and PACE project participants to facilitate the use of the PACE Program and to assist PACE project applicants in obtaining owner-arranged financing.

3. Financing Parameters

In establishing its PACE district, City of Pleasant Ridge intends for PACE projects to be funded through owner-arranged private financing. The maximum aggregate annual amount of financing provided by City of Pleasant Ridge in 2015 shall be zero dollars. The maximum aggregate dollar amount for financing provided by the City may be adjusted and/or amended on an annual basis or more frequently by the City Commission and will remain at zero dollars unless and until it is changed.

Owner-arranged and other financing from commercial lenders, as allowed under Act 270, Section 9(1)(g)(iii), are separate sources of financing from the financing provided by City of Pleasant Ridge. Owner-arranged and other financing from commercial lenders are not included under the maximum aggregate annual dollar amount for financing provided by City of Pleasant Ridge under the Program. There is no limit on the maximum aggregate annual amount of financing provided by private commercial lenders under the program. The dollar amount for financing of a particular project will be established by the property owner seeking to make the property improvement and the commercial lender seeking to finance the energy improvements, as approved by LEP and the Authorized Official.

4. Application Process/Eligibility Requirements

Application Process:

The application process for financing projects under the Program shall be that of LAGM. The current application form is attached as **Appendix B**. This form may be changed or amended as necessary by LEP.

Eligibility Requirements:

The eligibility requirements for financing projects under the Program shall be those of LAGM. Eligibility requirements may be changed or amended as necessary by LEP. The current list of eligibility requirements is attached as **Appendix C**.

5. Financing Terms of Assessments

For funds supplied by City of Pleasant Ridge, the interest rate on a PACE special assessment shall be sufficient to pay principal and interest on the financing as determined by the Authorized Official. Additional financing terms shall be negotiated between the property owner and entity providing the financing.

For funds supplied by commercial lenders, the interest rate for PACE special assessment installments shall be negotiated by the parties based on current market conditions.

The maximum allowable repayment period of a PACE special assessment must be included in the PACE Special Assessment Agreement and will be determined on a project-specific basis and shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years.

The maximum dollar amount of a PACE special assessment shall be negotiated on a project-specific basis between the property owner and the entity providing the financing based upon the specific energy efficiency improvement(s) and/or renewable energy system(s) included in the individual PACE Special Assessment Agreement.

6. Assessment Collection Process

Within the parameters set forth herein, the Authorized Official will determine to:

- i. Finance energy projects by the issuance of bonds to defray all or part of the cost of the energy improvements by special assessment upon the Special Assessment Parcel, which the Authorized Official will find is especially benefited in proportion to the costs of the energy improvements; or
- ii. Authorize one or more commercial lenders to provide financing to defray all or part of the cost of the energy improvements by special assessment upon the Special Assessment Parcel, which the Authorized Official will find is especially benefited in proportion to the costs of the energy improvements.

The Special Assessment Roll, attached as **Appendix E**, will be spread by the Authorized Official on behalf of City of Pleasant Ridge and without objection by the property owner to allocate one hundred percent (100%) of the PACE special assessment levy created hereby to the Special Assessment Parcel.

The PACE special assessment, as allocated by the Authorized Official on behalf of City of Pleasant Ridge without objection by the property owner, will be finally established against the property and the energy projects to be constructed on the Special Assessment Parcel. The PACE special assessment will be effective immediately upon the execution and delivery of the PACE Special Assessment Agreement by the property owner. The PACE special assessment may be paid in semi-annual installments pursuant to Section 13(2) of Act 270. The Authorized Official, on behalf of City of Pleasant Ridge, will confirm the Special Assessment Roll.

If the project is financed with bonds, the Special Assessment Roll shall bear interest at a rate sufficient to pay principal and interest on the bonds. If funds are supplied by commercial lenders, the interest rate for the PACE special assessment will be negotiated by the parties based on current market conditions.

7. Financing Program

LAGM has developed and will continue to develop an active roster of financial institutions, institutional investors and other sources of private capital available to finance PACE projects in Michigan. By participating in LAGM, City of Pleasant Ridge helps its constituent property owners gain access to private capital made available through the statewide program. City of Pleasant Ridge authorizes the use of owner-arranged financing from commercial lenders to finance qualified energy projects under the Program.

City of Pleasant Ridge may also raise capital to finance qualified energy projects from the sale of bonds or notes, or may finance qualified energy projects under the Program from funds available to it from any other source.

8. Reserve Fund

In the event City of Pleasant Ridge decides to issue bonds to provide financing for a PACE Program, City of Pleasant Ridge can determine at that time to fund a bond reserve account from any legally available funds, including funds from the proceeds of bonds.

By participating in LAGM, City of Pleasant Ridge assists its constituent property owners in taking advantage of any and all appropriate loan loss reserve and gap financing programs of the Michigan Economic Development Corporation (“MEDC”). Such financing mechanism can similarly be used to finance a reserve fund.

9. Fee Schedule

Application, administration and program fees for record owners shall be those of LAGM. Administration and program fees will be determined on a project-specific basis and will depend on the size, nature and complexity of the energy project(s) and financing mechanism(s) involved.

10. Useful Life

The maximum length of time allowable for repayment of a PACE assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years and will be determined on a project-specific basis by LEP. Projects involving multiple energy efficiency improvements and/or renewable energy systems may aggregate the useful life of each improvement to determine an overall useful life figure for financing purposes. In aggregating the improvements, the property owner must appropriately weigh each improvement’s dollar cost.

11. Property Eligibility Parameters

As set forth in the PACE Special Assessment Agreement, energy projects shall generally not exceed 25% of two times the State Equalized Value; and the lien to value ratio of the clean energy project to the property generally shall not exceed 80% of two times the State Equalized Value (not including the energy assessment amount). LEP and the Authorized Official may permit projects that exceed these values for reasonable cause on a case-by-case basis.

12. Mortgage Consent Requirement

If a property is subject to a mortgage the record owner must obtain written consent from the mortgagee to participate in the Program. Proof of lender consent must be submitted before a Special Assessment Agreement may be executed. A form of model lender consent to participate in a PACE Program is attached as **Appendix G**.

13. Marketing Program

LAGM has developed an ongoing marketing and participant education program. By joining LAGM, City of Pleasant Ridge gains access to this program and agrees to partner with LAGM in educating businesses in City of Pleasant Ridge about opportunities to save energy, save money and improve their property value. The City authorizes the use of City of Pleasant Ridge's logo by LAGM to be incorporated into the LAGM website and other communication vehicles. More information regarding the Program can be obtained at LAGM's website: www.leanandgreenmi.com; or at City of Pleasant Ridge's website at <http://www.cityofpleasantridge.org/>.

14. Quality Assurance and Antifraud Measures

LAGM includes the following quality assurance and antifraud measures:

- i. Business integrity review on clean energy contractors conducted by Michigan Saves;
- ii. Background check process on clean energy contractors conducted by Michigan Saves; and
- iii. Other general due diligence as may be necessary or required.

15. Audit Requirement

As set forth in the PACE Program Application, a baseline energy audit must be completed before an energy project is undertaken. Each contract will require and provide adequate funding for monitoring and verification of energy savings throughout the life of the special assessment.

16. Projects Over \$250,000

As set forth in the PACE Special Assessment Agreement, energy projects financed with more than \$250,000 require ongoing measurements to establish energy savings and a guarantee from the contractor that the energy project will achieve a savings to investment ratio greater than one.

17. Amendments to the Program

A public hearing shall not be required to amend this Program. LEP may amend the City of Pleasant Ridge PACE program as necessary from time to time.

SPACE ABOVE FOR RECORDING PURPOSES_____

PACE SPECIAL ASSESSMENT AGREEMENT

by and among

CITY OF PLEASANT RIDGE, MICHIGAN

and

INSERT NAME OF BORROWER

and

INSERT NAME OF LENDER

Dated: _____

TABLE OF CONTENTS

	<u>Page</u>
SPECIAL ASSESSMENT AGREEMENT	10
Recitals.....	10
Definitions.....	11
Descriptions of Improvements.....	13
Covenants of the Property Owner.....	14
PACE Special Assessment.....	15
Conditions Precedent	21
Representations and Warranties.....	23
Default.....	24
Miscellaneous	25
APPENDIX A: SPECIAL ASSESSMENT PARCEL.....	30
APPENDIX B: DESCRIPTION OF IMPROVEMENTS	31
APPENDIX C: PAYMENT SCHEDULE.....	32
APPENDIX D: PROGRAM ELIGIBILITY REQUIREMENTS.....	33
APPENDIX E: SPECIAL ASSESSMENT ROLL	34
APPENDIX F: CERTIFICATION OF ASSIGNMENT	35

PACE SPECIAL ASSESSMENT AGREEMENT

THIS PACE SPECIAL ASSESSMENT AGREEMENT (this “Agreement”) is made this _____ day of _____, 2015, by and among the City of Pleasant Ridge, a Michigan municipal corporation (the “City of Pleasant Ridge”), whose address is 23925 Woodward Ave., Pleasant Ridge, MI 48069, _____ (the “Property Owner”), whose address is _____, and _____ (the “Lender”), whose address is _____.

RECITALS:

A. Pursuant to Act 270 and a resolution adopted by the City Commission of the City of Pleasant Ridge on INSERT DATE, the City of Pleasant Ridge has established the PACE Program as described in the PACE Program Report and has created the Special Assessment District under the PACE Program for the purpose, *inter alia*, of assisting a record owner of property within the Special Assessment District in obtaining Owner-Arranged Financing from a commercial lender to defray the costs of one or more Energy Projects on the property.

B. Under Act 270, the City of Pleasant Ridge is authorized, pursuant to an agreement with the record owner of property within the Special Assessment District, to impose a special assessment on the property to be benefitted by the Energy Projects in order to secure and provide for the repayment of the Owner-Arranged Financing.

C. The Property Owner desires to undertake certain Energy Projects on commercial property of the Property Owner located within the Special Assessment District, as described herein, and has obtained a commitment from the Lender to make the Loan to the Property Owner to defray a portion of the cost thereof.

D. In order to induce the Lender to make the Loan to the Property Owner, the Property Owner has requested that the City of Pleasant Ridge enter into this Agreement for the purpose of imposing a special assessment on the property to be benefitted by the Energy Projects, in accordance with Act 270, which special assessment will secure and provide for repayment of the Loan from the Lender.

E. Pursuant to Act 270 and the PACE Program, the City of Pleasant Ridge is authorized to enter into this Agreement.

In consideration of the foregoing and the mutual covenants contained in this Agreement, the City of Pleasant Ridge, the Property Owner and the Lender hereby enter into this Agreement and covenant and agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Capitalized terms used in this Agreement, including the Recitals hereto, shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) “**Act 270**” means Act 270 of the Michigan Public Acts of 2010, commonly referred to as the Property Assessed Clean Energy Act.

(b) “**Agreement**” means this PACE Special Assessment Agreement as same may be amended and/or restated.

(c) “**Applicable Interest Rate**” means _____ percent (___%) per annum.

(d) “**Authorized Official**” means the INSERT TITLE OF AUTHORIZED OFFICIAL, or her designee, who is authorized to exercise the authority of an Authorized Official under the terms of the PACE Program Report.

(e) “**City**” or “**City of Pleasant Ridge**” means the City of Pleasant Ridge, County of Oakland, State of Michigan, a Michigan municipal corporation.

(f) “**County**” means the County of Oakland, State of Michigan.

(g) “**Default Rate**” means the lesser of (i) eighteen percent (18%) per annum and (ii) the maximum allowable rate of interest under the laws of the State of Michigan.

(h) “**Energy Efficiency Improvement**” means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; and any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Commission of the City of Pleasant Ridge.

(i) “**Energy Project**” means the installation or modification of an Energy Efficiency Improvement or the acquisition, installation, or improvement of a Renewable Energy System.

(j) “**Event of Default**” has the meaning set forth in Section 7.01 hereof.

(k) “**Force Majeure**” means unforeseeable events beyond a party’s reasonable control and without such party’s failure or negligence including, but not limited to, acts of God, acts of public or national enemy, acts of the federal government, fire, flood, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, and delays of contractors due to such causes, but only if the party seeking to claim Force Majeure takes reasonable actions necessary to avoid delays caused thereby.

(l) “**General Property Tax Act**” means the General Property Tax Act, Act 206, Public Acts of Michigan, 1893, as amended.

(m) “**Improvements**” means the [Energy Efficiency Improvements and the Renewable Energy System Improvements] being undertaken by the Property Owner on the Special Assessment Parcel as described in **Appendix B** attached hereto.

(n) “**Lean & Green Michigan™**” means a consortium of local units of government and private entities involved in facilitating property assessed clean energy program-financed transactions.

(o) “**Lender**” means INSERT NAME OF LENDER, a INSERT DESCRIPTION OF LENDER, I.E. COMPANY TYPE

(p) “**LEP**” shall mean Levin Energy Partners, LLC, a Michigan limited liability company.

(q) “**Loan**” means the loan obtained by the Property Owner from the Lender pursuant to Owner-Arranged Financing to defray a portion of the cost of the Improvements under the terms of the Loan Documents.

(r) “**Loan Documents**” means the Loan Agreement, dated as of December _____, 2014, between the Property Owner and the Lender and any and all exhibits or attachments thereto, including any documents amending, restating, replacing, extending or otherwise modifying the Loan Agreement and all documents provided to the Lender from time to time by the Property Owner to evidence or secure the Loan as required pursuant to the terms of the Loan Agreement.

(s) “**Owner-Arranged Financing**” means the process by which a property owner secures financing for improvements to its property that does not involve bonds or any other form of funding provided by the City of Pleasant Ridge.

(t) “**PACE Program**” shall mean the property assessed clean energy program implemented by the City of Pleasant Ridge pursuant to Act 270 and the PACE Program Report to stimulate energy efficiency and renewable energy projects in conformity with Act 270.

(u) “**PACE Program Report**” means the Lean & Green Michigan™ Pace Program Report approved by the City Commission of the City of Pleasant Ridge on INSERT DATE.

(v) “**Payment Schedule**” has the meaning set forth in Section 4.01 hereof.

(w) “**Property Owner**” means INSERT NAME OF PROPERTY OWNER

(x) “**Renewable Energy System Improvement**” means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer’s side of the meter that use one (1) or more Renewable Energy Resources to generate electricity. Renewable Energy System Improvement includes a biomass stove but does not include an incinerator or digester.

(y) “**Renewable Energy Resource**” has the meaning set forth in Act 270.

(z) “**Special Assessment**” means the money obligation created pursuant to this Agreement with respect to the Special Assessment Parcel used to defray the cost of the Improvements and which shall, together with all interest, charges and penalties which may accrue thereon, be a lien upon the Special Assessment Parcel of the same priority and status as other property tax liens and other assessment liens as provided in Act 270 until such amounts have been paid in full.

(aa) “**Special Assessment District**” means the Special Assessment District established as part of the PACE Program pursuant to Act 270.

(bb) “**Special Assessment Parcel**” means the property located in the Special Assessment District to which one hundred percent (100%) of the Special Assessment has been spread by the City of Pleasant Ridge and which is more particularly described on the attached **Appendix A**.

(cc) “**Special Assessment Roll**” has the meaning set forth in Section 4.01 hereof.

ARTICLE II DESCRIPTION OF IMPROVEMENTS

Section 2.01 Description of Improvements. The Improvements to be acquired, constructed, installed and financed by the Property Owner under the PACE Program are described in **Appendix B** attached hereto. If after project approval, the Property Owner seeks to undertake additional Improvements, **Appendix B** may be amended or supplemented from time to time. Such additional Improvements must meet all the eligibility criteria of the PACE Program and the PACE Program Report and may be added to the original application as a modification, or submitted as a new project, at the discretion of LEP and the Authorized Official.

ARTICLE III
COVENANTS OF THE PROPERTY OWNER

Section 3.01 Acquisition, Construction and Installation of Improvements.

(a) The Property Owner covenants and agrees to acquire, construct and install the Improvements as described in **Appendix B** on the Special Assessment Parcel described on **Appendix A** in full conformity with all applicable laws and regulations and in compliance with the PACE Program eligibility requirements set forth in **Appendix D**. If the proceeds of the Loan are not sufficient to pay the costs of the Improvements as aforesaid, the Property Owner agrees to complete the Improvements and to pay that portion of the costs of the Improvements in excess of the amount of the Loan. The Property Owner acknowledges and agrees that the City of Pleasant Ridge makes no representation, either express or implied, that the proceeds of the Loan will be sufficient to pay the total costs of the Improvements, and the Property Owner agrees that that if, after exhaustion of the proceeds of the Loan, the Property Owner shall be required to pay any portion of the costs of the Improvements from its own funds, the Property Owner shall not be entitled to any reimbursement therefor from the City of Pleasant Ridge or from the Lender, nor shall the Property Owner be entitled to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges or penalties which may accrue thereon.

(b) The Property Owner acknowledges and agrees that the City of Pleasant Ridge (i) has no liability, obligation or responsibility whatsoever with respect to the Improvements, (ii) makes no representation or warranty whatsoever with respect to the Improvements, and (iii) is not a party to, nor has it approved or consented to, any contract or other agreements between (A) the Property Owner and any contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee) or (B) the Property Owner and the Lender. The Property Owner covenants and agrees to indemnify and hold harmless the City of Pleasant Ridge and its officers, agents, attorneys and employees from and against any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with: (i) the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements; (ii) any contract or other agreement between the Property Owner and any contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee); or (iii) any contract or agreement between the Property Owner and the Lender. The provisions of this Section 3.01(b) shall survive the termination of this Agreement and the discharge of the lien of the Special Assessment as herein provided.

(c) The Property Owner further acknowledges and agrees that no breach or default or failure to perform on the part of any contractor, subcontractor or other person under any contract or other agreement between the Property Owner and any such contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy

performance or energy savings guarantee), nor any claim or dispute relating thereto, shall entitle the Property Owner to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges or penalties which may accrue thereon.

ARTICLE IV PACE SPECIAL ASSESSMENT

Section 4.01 PACE Special Assessment Created.

(a) At the request of the Property Owner, the City of Pleasant Ridge hereby determines to assist the Property Owner in obtaining the Loan to defray a portion of the cost of the Improvements on the Special Assessment Parcel by the levy of the Special Assessment upon the Special Assessment Parcel, which the Authorized Official on behalf of the City of Pleasant Ridge finds is especially benefitted in proportion to the cost of the Improvements. The Special Assessment created hereby has been spread by the Authorized Official on behalf of the City of Pleasant Ridge on the Special Assessment Roll attached hereto as **Appendix E** (the “Special Assessment Roll”), with the consent of the Property Owner, to allocate one hundred percent (100%) of the Special Assessment to the Special Assessment Parcel.

(b) The Special Assessment, as allocated by the Authorized Official with the consent of the Property Owner, is hereby finally established and levied against the Special Assessment Parcel as described on the attached **Appendix A** in the principal amount of _____ Dollars (\$_____) as stated on the Special Assessment Roll. The Special Assessment is effective immediately upon the execution and delivery of this Agreement by the Property Owner. The Special Assessment shall be paid by the Property Owner in forty (40) semi-annual installments on the dates and in the amounts set forth in the payment schedule attached hereto as **Appendix C** (the “Payment Schedule”). The Special Assessment Roll and the Payment Schedule are hereby approved and confirmed by the Authorized Official on behalf of the City of Pleasant Ridge. The unpaid amount of the Special Assessment Roll shall bear interest from the date of execution and delivery of this Agreement at the Applicable Interest Rate, as calculated by the Lender in accordance with the terms of the Loan Documents, payable semi-annually on each date on which any installment of the Special Assessment is due in accordance with the Payment Schedule. Notwithstanding the foregoing, (i) if any installment of the Special Assessment or any interest due and payable on the Special Assessment Roll is not paid by the Property Owner when and as the same shall become due and payable in accordance with the provisions of this Section 4.01 or (ii) any “event of default” under the Loan Documents has occurred and is continuing, the unpaid amount of the Special Assessment Roll shall bear interest at the Default Rate as calculated by the Lender in accordance with the terms of the Loan Documents, for so long as such amounts remain unpaid or for so long as such “event of default” under the Loan Documents exists and is continuing. The City of Pleasant Ridge, the Property Owner and the Lender agree that the Lender shall be solely responsible for the determination from time to time of the Applicable Interest Rate and the Default Rate and the amount of interest due and payable by the Property Owner on the Special Assessment Roll on each day on which interest thereon is due and payable as provided in this Agreement, and the Lender’s determination thereof shall be binding on the Property Owner absent manifest error. The Property Owner and the Lender agree that the City of Pleasant Ridge shall under no

circumstance have any obligation to determine the Applicable Interest Rate or the Default Rate or to calculate the amount of any interest payment due on the Special Assessment Roll as provided in this Agreement, and the City of Pleasant Ridge may conclusively rely upon the Lender's determinations thereof for the purpose of exercising and discharging all of the City of Pleasant Ridge's rights and obligations under this Agreement. The Lender agrees to provide, or cause to be provided, notice to the Property Owner and the City of Pleasant Ridge of the determinations of the Applicable Interest Rate and the Default Rate, as applicable, pursuant to this Section 4.01(b) at such times, and from time to time, as the Property Owner or the City of Pleasant Ridge may request.

Section 4.02 Assignment of Special Assessment Payments to Lender. At the request of the Property Owner and the Lender, and pursuant to Section 9(g)(iii) of Act 270, the City of Pleasant Ridge hereby irrevocably assigns to the Lender its right to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement. In pursuance of the foregoing, the City of Pleasant Ridge, the Property Owner and the Lender agree that, except as provided in Section 4.05 of this Agreement, (i) all installments of the Special Assessment, whether payable in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable upon the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, shall be paid by the Property Owner directly to the Lender when due at such address in the United States as may be designated by the Lender in writing to the Property Owner and the City of Pleasant Ridge, (ii) the City of Pleasant Ridge shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the City of Pleasant Ridge or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll, and (iii) absent receipt by the City of Pleasant Ridge of written notice from the Lender of a payment default in accordance with Section 4.05 hereof, the City of Pleasant Ridge shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Lender to the Property Owner when due as required by the terms of this Agreement.

Section 4.03 Property Owner's Consent to Special Assessment; Waiver.

(a) The Property Owner hereby irrevocably consents to and confirms the creation of the Special Assessment Roll and the levy of the Special Assessment established pursuant to this Agreement and EXPRESSLY WAIVES ANY AND ALL CLAIMS CHALLENGING, AND DEFENSES TO, THE LEGALITY, VALIDITY, ENFORCEABILITY OR COLLECTABILITY OF THE SPECIAL ASSESSMENT, including, without limitation, all claims, causes of action and defenses arising from, relating to or otherwise based upon any theory of procedural defect concerning the approval of the Improvements, the establishment of the Special Assessment District, confirmation of the Special Assessment Roll and the Payment Schedule, the City of Pleasant Ridge's right to place the Special Assessment lien on the Special Assessment Parcel, the

collectability and due dates of the Special Assessment installments and interest due and payable on the Special Assessment Roll, or any other theory, claim, cause of action or defense arising at law or in equity. The Property Owner further waives notice of hearing and the right to file objections if and to the extent such rights exist under the City Charter or any special assessment ordinance of the City of Pleasant Ridge.

(b) Following the signing of this Agreement, no suit or action of any kind shall be instituted or maintained for the purpose of contesting or enjoining the collection of the Special Assessment, and the Property Owner, for itself and its successors in interest, lessees, purchasers, and assigns with respect to all or any part of the Special Assessment Parcel, hereby irrevocably waives its rights to contest the Special Assessment with any adjudicative body having jurisdiction over the subject matter, including, but not limited to, the Michigan Tax Tribunal.

(c) In addition to the conditions, covenants, warranties and representations contained in the Loan Documents, the Property Owner shall not sell, transfer, alienate or convey any of its interest in the Special Assessment Parcel without first having given written notice of the Special Assessment to any successors in interest, lessees, purchasers or assigns and having made a copy of this Agreement part of any purchase contract, sale contract, lease agreement, deed or any other conveyancing instrument by which the Property Owner purports to assign all or any part of its interest in the Special Assessment Parcel to any successors in interest, lessees, purchasers, licensees, transferees and any other assigns. This Agreement shall be recorded against the real property constituting the Special Assessment Parcel by the City of Pleasant Ridge with the Register of Deeds of the County of Oakland, State of Michigan.

(d) The Property Owner agrees that it, its successors and assigns shall, during the term of this Agreement and the Special Assessment, pay all ad valorem real property taxes and assessments levied against the Special Assessment Parcel when due and the Property Owner specifically waives, irrevocably for itself, its successors and assigns as to any and all portions of the Special Assessment Parcel, the right to pay ad valorem real property taxes and assessments on any other installment method which may be available to property owners in the City of Pleasant Ridge.

(e) The City of Pleasant Ridge agrees that following (i) payment by the Property Owner in full of the Special Assessment, together with all accrued interest on the Special Assessment Roll, and all other interest, charges and penalties which may accrue thereon, and (ii) receipt by the City of Pleasant Ridge of written acknowledgment from the Lender that the Special Assessment, together with all accrued interest on the Special Assessment Roll, has been paid to the Lender in full, it will promptly execute and deliver documentation discharging the lien of the Special Assessment on the Special Assessment Parcel. Until the Special Assessment liability has been fully satisfied and the lien discharged, each purchaser of all or any part of the Special Assessment Parcel, as a condition of closing on such purchase, shall execute and deliver to the City of Pleasant Ridge a written notice: (i) acknowledging the principal amount unpaid and outstanding on the Special Assessment; (ii) agreeing to the assumption of the liability to pay the Special Assessment, and any interest thereon, on a timely basis, when due, until the remaining balance and interest on said Special Assessment has been paid in full; and (iii) agreeing to pay to the Lender at or prior to the close of the purchase all past due installments of the Special Assessment and all past due payments of interest on the Special Assessment Roll.

The representations set forth in such written notice shall be enforceable at law and in equity, including without limitation, by way of specific performance.

Section 4.04 Lien. The Special Assessment is an obligation with respect to the Special Assessment Parcel, and shall, until paid, be and continue to be a lien upon the Special Assessment Parcel for the amount of the Special Assessment and all interest, charges and penalties which may accrue thereon. Such lien shall be of the same character and effect as liens created pursuant to the City Charter of the City of Pleasant Ridge for City taxes and shall be treated as such with respect to procedures for collection as set forth in the General Property Tax Act and the City Charter of the City of Pleasant Ridge, including accrued interest, charges and penalties. The Special Assessment confirmed hereby is a debt to the City of Pleasant Ridge from the Property Owner and its successors in interest, lessees, purchasers and assigns. The right of the City of Pleasant Ridge to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01, has been irrevocably assigned by the City of Pleasant Ridge to the Lender in accordance with the provisions of Section 4.02 of this Agreement. No judgment or decree shall destroy or impair any lien of the City of Pleasant Ridge upon the premises assessed for such amount of the Special Assessment as may have been equitably or lawfully charged and assessed thereon. Failure of the Property Owner or any subsequent property owner to receive any notice required to be sent under the provisions of the City Charter or this Agreement shall not invalidate the Special Assessment or the Special Assessment Roll and shall not be a jurisdictional requirement.

Section 4.05 Payment Default.

(a) If any installment of the Special Assessment or interest due on the Special Assessment Roll shall not have been paid by the Property Owner to the Lender, as assignee of the City of Pleasant Ridge, at the time and in the amount required by Section 4.01 hereof (a "Payment Default"), the Lender shall, not later than [thirty (30)] days following the date such sums were due and payable (the "Payment Default Date"), deliver written notice to the Treasurer of the City of Pleasant Ridge by registered or certified mail, with a copy to the notice parties of the City of Pleasant Ridge set forth in Section 8.03 hereof, stating all of the following: (i) that a Payment Default has occurred under this Agreement; (ii) the Payment Default Date; (iii) the amount of the installment of the Special Assessment that was due and payable on such Payment Default Date and which remains unpaid and the amount of interest on the Special Assessment Roll that was due and payable on such Payment Default Date and which remains unpaid (collectively, the "Payment Default Amount"); and (iv) an attestation by an authorized representative of the Lender that (x) no portion of the Payment Default Amount specified in the foregoing notice has been included in any previous notice delivered to the City of Pleasant Ridge pursuant to this Section 4.05(a) and (y) the statements contained in the foregoing notice are true, correct and complete as of the date of such notice. Upon receipt of such notice from the Lender, the City of Pleasant Ridge shall take such actions as may be required to cause the Payment Default Amount to be certified for collection and to be included on the summer or winter tax bill next succeeding the Payment Default Date, and such Payment Default Amount shall be collected at the same time and in the same manner as is prescribed for the collection by the City of Pleasant Ridge of property taxes under the General Property Tax Act and the City Charter of the

City of Pleasant Ridge. Notwithstanding the foregoing provisions of this Section 4.05(a), if the notice of the Lender described in this Section 4.05(a) is not received by the Treasurer of the City of Pleasant Ridge at least forty-five (45) days prior to the date of the summer or winter tax bill next succeeding the Payment Default Date, then the City of Pleasant Ridge shall not be obligated to place the Payment Default Amount for collection on the summer or winter tax bill next succeeding the Payment Default Date, but shall instead place the Payment Default Amount for collection on the first summer or winter tax bill issued thereafter for which the Treasurer of the City of Pleasant Ridge has received at least forty-five (45) days prior notice of the Payment Default as provided in this Section 4.05(a). The City of Pleasant Ridge shall be entitled to conclusively rely upon any notice of the Lender delivered pursuant to this Section 4.05(a) as to the existence of a Payment Default and as to the Payment Default Amount, and shall not be liable to the Property Owner or to any other person for any action taken by the City of Pleasant Ridge pursuant to the terms of this Agreement or otherwise in reliance upon the information contained in such notice. Absent receipt by the City of Pleasant Ridge of written notice from the Lender of a Payment Default in accordance with this Section 4.05(a), the City of Pleasant Ridge shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Property Owner to the Lender when due as required by the terms of this Agreement, and the City of Pleasant Ridge shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the City of Pleasant Ridge or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll.

(b) The City of Pleasant Ridge hereby agrees that, pursuant to the irrevocable assignment set forth in Section 4.04, it will cause to be paid over to the Lender all amounts received by the City Treasurer as collections of any Payment Default Amount that has been placed on any summer or winter tax bill in accordance with Section 4.05(a) hereof, and that has not been returned to the County Treasurer of the County as delinquent, within forty-five (45) days of the date such sums are received by the City Treasurer. The parties hereto expressly acknowledge and agree that in no event shall the City of Pleasant Ridge advance to the Lender the amount of any unpaid Payment Default Amount, and the City of Pleasant Ridge shall be obligated to pay over to the Lender only such sums as are actually received by the City Treasurer as collections of any Payment Default Amount that has been placed on a summer or winter tax bill as provided in this Section 4.05, without interest thereon (other than interest on the Special Assessment Roll payable by the Property Owner pursuant to Section 4.01(b) that has been collected by the City Treasurer as part of the Payment Default Amount).

(c) If any Payment Default Amount included in a summer or winter tax bill in any year shall remain unpaid as of the last day of February of the following year (the "Delinquent Payment Amount"), the City of Pleasant Ridge shall return the Delinquent Payment Amount to the County Treasurer of the County for collection pursuant to the General Property Tax Act in the same manner and with like effect as returns by the City of Pleasant Ridge of delinquent City taxes. If the Treasurer of the County shall thereafter pay to the Treasurer of the City of Pleasant Ridge all or any portion of the Delinquent Payment Amount from the delinquent tax revolving fund established by the County pursuant to the General Property Tax Act, the Treasurer of the City of Pleasant Ridge shall hold the funds received from the County with respect to the

Delinquent Payment Amount in escrow in a separate account established on the books of the City of Pleasant Ridge for such purpose (the “Escrow Account”). All funds credited to the Escrow Account shall be applied by the Treasurer of the City of Pleasant Ridge for the following purposes and in the following order of priority:

(i) Until such time as the Treasurer of the County shall receive payment in full of the total amount of all unpaid delinquent taxes on the Special Assessment Parcel (including all Delinquent Payment Amounts), together with the total amount of all interest, penalties and fees payable thereon pursuant to the General Property Tax Act, all funds credited to the Escrow Account shall be maintained in the Escrow Account and shall be paid out only for the purposes described in this Section 4.05(c)(i). In the event that all or any portion of any Delinquent Payment Amount that has been paid to the City of Pleasant Ridge from the County delinquent tax revolving fund as described in Section 4.05(c) is subsequently recovered from or charged back to the City of Pleasant Ridge by the Treasurer of the County pursuant to Section 87b of the General Property Tax Act, the Treasurer of the City of Pleasant Ridge shall be authorized to withdraw from the Escrow Account funds in an amount sufficient, as determined by the Treasurer of the City of Pleasant Ridge, to reimburse the City of Pleasant Ridge for all or any portion of any Delinquent Payment Amount that has been recovered from or charged back to the City of Pleasant Ridge and for all interest and other amounts payable thereon. Funds withdrawn from the Escrow Account in accordance with the provisions of this Section 4.05(c)(i) shall be deposited in the General Fund of the City of Pleasant Ridge or as otherwise determined by the Treasurer of the City of Pleasant Ridge, and the Lender shall have no right or interest in any of such funds.

(ii) If (A) the Treasurer of the County shall receive payment in full of the total amount of all unpaid delinquent taxes on the Special Assessment Parcel (including all Delinquent Payment Amounts), together with the total amount of all interest, penalties and fees payable thereon pursuant to the General Property Tax Act, whether as a result of payment of such amounts by the Property Owner, redemption of the Special Assessment Parcel after forfeiture to the Treasurer of the County, sale of the Special Assessment Parcel at auction by the Treasurer of the County following the entry of a judgment foreclosing the Special Assessment Parcel, or otherwise, and (B) if the City of Pleasant Ridge shall have been reimbursed in full for all Delinquent Payment Amounts that have been recovered from or charged back to the City of Pleasant Ridge, together with all interest and other amounts payable thereon, as provided in Section 4.05(c)(i), then the balance remaining in the Escrow Account, if any, net of any amounts on deposit in the Escrow Account representing investment earnings on funds in the Escrow Account, shall be paid over to the Lender. [All amounts received by the Lender pursuant to the provisions of this Section 4.05(c)(ii) shall be credited against unpaid installments of the Special Assessment and interest due on the Special Assessment Roll in the manner specified in the Loan Documents.]

(iii) All investment earnings on funds credited to the Escrow Account shall be deposited in the General Fund of the City of Pleasant Ridge or as otherwise determined by the Treasurer of the City of Pleasant Ridge, and the Lender shall have no right or interest in any of such investment earnings.

It is understood and agreed by the Lender that the County is not obligated to maintain or continue a delinquent tax revolving fund for the payment of delinquent taxes or assessments, and that the City of Pleasant Ridge can make no representation that such a delinquent tax revolving fund will be maintained or continued or that the Treasurer of the County will purchase any Delinquent Payment Amount returned by the City of Pleasant Ridge in accordance with the provisions of the City Charter and the General Property Tax Act.

(d) In the event that any interest (other than interest on the Special Assessment Roll payable by the Property Owner pursuant to Section 4.01(b)), penalties, fees or other charges shall be imposed upon the Special Assessment Parcel or against the Special Assessment Roll or the amount of any unpaid Special Assessment pursuant to the City Charter of the City of Pleasant Ridge or the General Property Tax Act, either by the City of Pleasant Ridge or by the County, for the administration, billing, collection or enforcement of the Special Assessment created hereby, such amounts shall remain a debt of the Property Owner to the City of Pleasant Ridge or the Treasurer of the County, as their interests may appear, and shall not be deemed to have been assigned to the Lender pursuant to the terms of this Agreement or otherwise.

Section 4.06 Prepayment of Special Assessment. Subject to the provisions of the Loan Documents, including, without limitation, applicable prepayment penalties, the Property Owner may, upon sixty (60) days' written notice to the Lender and the City of Pleasant Ridge, prepay any installment of the Special Assessment specified in the Payment Schedule by causing to be paid to the Lender the amount of the installment to be prepaid, together with accrued interest thereon to the date of prepayment. If such prepayment of any installment is not received by the Lender on the date specified for prepayment, the Lender shall promptly deliver written notice to the City of Pleasant Ridge that such prepayment was not received by the Lender.

Section 4.07 Invalidity; Cure. In the event of any invalidity of the Special Assessment, the Authorized Official, at the request of the Lender, and if the City of Pleasant Ridge shall have received indemnity satisfactory to the Authorized Official for its costs and expenses (including reasonable attorneys' fees), shall, to the extent permitted by law, cause a new Special Assessment to be made for all or any part of the Improvements in accordance with Act 270 and the PACE Program, and the Property Owner, on behalf of itself and its successors in interest, lessees, purchasers, and assigns, hereby waives any objections to and agrees to the imposition of such new Special Assessment; *provided, however*, that the amount of the new Special Assessment shall not exceed the unpaid principal amount of the Loan at the time the new Special Assessment shall be established.

ARTICLE V CONDITIONS PRECEDENT

Section 5.01 Conditions Precedent to the City of Pleasant Ridge's Obligations.

The obligations of the City of Pleasant Ridge under this Agreement shall be subject to the satisfaction of the following conditions precedent prior to or contemporaneously with the execution and delivery of this Agreement by the City of Pleasant Ridge:

(a) The City of Pleasant Ridge, the Property Owner and the Lender shall have authorized, executed and delivered this Agreement and all approvals required hereby shall have been secured.

(b) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Property Owner or the City of Pleasant Ridge is a party, or shall be threatened in writing against the Property Owner or the City of Pleasant Ridge, contesting the validity or binding effect of this Agreement, the Special Assessment or the Owner-Arranged Financing contemplated hereby, or which, if adversely decided, could have a material adverse effect upon the ability of the Property Owner to pay or the City of Pleasant Ridge to levy the Special Assessment or to assign to the Lender the right to receive payments of the Special Assessment, or which could have a material adverse effect on the ability of the Property Owner of the City of Pleasant Ridge to comply with any of the obligations and terms of this Agreement.

(c) There shall be no ongoing breach of any of the covenants and agreements of the Property Owner required to have been observed or performed by the Property Owner under the terms of this Agreement and no Event of Default by the Property Owner, and no event which, with the passage of time or the giving of notice or both could become an Event of Default by the Property Owner under this Agreement, shall have occurred.

(d) All documents, schedules, materials, maps, plans, descriptions and related matters which are contemplated to be made Appendices to this Agreement shall have been fully completed by the Property Owner to the City of Pleasant Ridge's reasonable satisfaction and such Appendices shall be true, accurate and complete.

(e) The Property Owner shall meet all eligibility requirements as set forth in **Appendix D**.

(f) The Property Owner and the Lender shall have authorized, executed and delivered the Loan Documents, and the Lender shall have funded the Loan in accordance with the terms of the Loan Documents.

(g) The City of Pleasant Ridge shall have received an opinion of counsel to the Property Owner, acceptable in form and substance to the City of Pleasant Ridge, as to the matters set forth in the representations of the Property Owner contained in subsections (a) through (d) of Section 6.02 hereof.

(h) The Property Owner shall not have filed for bankruptcy or sought the protections of any state or federal insolvency law providing protections to debtors.

(i) All fees of the City of Pleasant Ridge's counsel, and the fees of any other professional engaged by the City of Pleasant Ridge with respect to the execution and delivery of this Agreement, shall have been paid by the Property Owner.

(j) The Property Owner shall have obtained the consent of each holder of a mortgage interest in the Special Assessment Parcel prior to or contemporaneously with the execution and delivery of this Agreement in substantially the form set forth in the PACE Program Report.

**ARTICLE VI
REPRESENTATIONS AND WARRANTIES**

Section 6.01 Representations and Warranties of the City of Pleasant Ridge.

The City of Pleasant Ridge represents and warrants to the Property Owner and the Lender that:

(a) The execution and delivery of this Agreement has been duly authorized by the City of Pleasant Ridge, and this Agreement constitutes a valid and binding agreement of the City of Pleasant Ridge, enforceable against the City of Pleasant Ridge in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principals of equity, including those relating to equitable subordination.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated herein is in violation of any provision of any existing law, ordinance, rule, resolution or regulation to which the City of Pleasant Ridge is subject, or any agreement to which the City of Pleasant Ridge is a party or by which the City of Pleasant Ridge is bound, or any order or decree of any court or governmental entity by which the City of Pleasant Ridge is subject.

Section 6.02 Representations and Warranties of the Property Owner.

The Property Owner represents and warrants to the City of Pleasant Ridge and the Lender that:

(a) The Property Owner is duly organized and validly existing as a Michigan limited liability company in good standing under the laws of the State of Michigan, with power under the laws of the State of Michigan to carry on its business as now being conducted, and is duly qualified to do business in the State of Michigan; and the Property Owner has the power and authority to own the Special Assessment Parcel and to carry out its obligation to complete the Improvements.

(b) The execution and delivery of this Agreement will not result in a violation or default by the Property Owner of any provision of its Articles of Organization or Operating Agreement, or under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject.

(c) The Property Owner is the sole and exclusive legal and equitable title owner of fee simple title to the Special Assessment Parcel and the Improvements located, or to be located, thereon and has full legal power and authority to consent to the finalization and levying of the Special Assessment as provided herein.

(d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action, and this Agreement has been duly executed and delivered by the Property owner and constitutes a valid

and binding agreement enforceable against the Property Owner in accordance with its terms, except as enforceability may be limited 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.

(e) The Property Owner, the Special Assessment Parcel and the Improvements satisfy all of the PACE Program eligibility requirements set forth in **Appendix D**.

Section 6.03 Representations and Warranties of the Lender.

The Lender represents and warrants to the City of Pleasant Ridge that:

(a) The Lender is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and is capable of evaluating the merits and risks of its participation in the Owner-Arranged Financing contemplated by this Agreement.

(b) The Lender has made its own independent investigation of the Property Owner, the terms of this Agreement, the nature of the Special Assessment created hereby and the procedures for the collection and enforcement of the Special Assessment under this Agreement and the laws of the State of Michigan, and is not relying on the City of Pleasant Ridge, its officers, agents, attorneys or employees for any of such information or with respect to the sufficiency and scope of such investigation. The Lender has not received, and is not relying on, any representations of the City of Pleasant Ridge with respect to the Property Owner.

**ARTICLE VII
DEFAULT**

Section 7.01 Property Owner Event of Default. If the Property Owner shall default in the performance of any covenant or agreement contained in this Agreement and such default shall continue for a period of ten (10) days after written notice thereof has been given to the Property Owner by the City of Pleasant Ridge, an "Event of Default" shall be deemed to have occurred under this Agreement.

Section 7.02 Remedies for Property Owner Event of Default. Upon the occurrence of an Event of Default as provided in Section 7.01 hereof, the City of Pleasant Ridge, after giving written notice as required, without further notice of any kind, and in addition to all other rights and remedies provided at law or in equity, shall be entitled to seek and obtain a decree of specific performance of this Agreement from a court of competent jurisdiction or to recover from the Property Owner any damages incurred by the City of Pleasant Ridge and any costs incurred by the City of Pleasant Ridge in enforcing or attempting to enforce this Agreement or the Special Assessment, including attorneys' fees and expenses. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the City of Pleasant Ridge shall not be obligated to institute any of the actions or proceedings or to exercise any of the remedies authorized by this Section 7.02 upon the occurrence of an Event of Default hereunder, and that its obligations with respect to the billing, collection and enforcement of the Special Assessment or any installment thereon shall be limited to those obligations set forth in Article IV of this Agreement. The Lender

acknowledges that neither the Special Assessment nor any installment thereon can be accelerated, and that the amount payable to the Lender under the terms of this Agreement is limited to the amount of the installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement.

Section 7.03 City of Pleasant Ridge Default. If the City of Pleasant Ridge shall default in the performance of any covenant or agreement on its part contained in this Agreement and shall fail to proceed in good faith to cure such default within sixty (60) days after written notice thereof has been received by the City of Pleasant Ridge from the Property Owner or the Lender, a “City Default” shall be deemed to have occurred under this Agreement.

Section 7.04 Remedy for City Default. Upon the occurrence of a City Default as provided in Section 7.03 hereof, and if the Lender shall have otherwise fully performed all of its obligations hereunder, the Lender, after giving written notice as required, without further notice or demand, shall be entitled to seek and obtain a decree of specific performance from a court of competent jurisdiction; but neither the Property Owner nor the Lender shall have the right to seek to recover money damages against the City of Pleasant Ridge, including any costs or fees (including attorneys’ fees) incurred by the Property Owner or the Lender in enforcing or attempting to enforce this Agreement. Neither the occurrence of a City Default nor the institution of any proceeding or the exercise of any remedy upon the occurrence of a City Default shall negate or diminish the obligations of the Property Owner hereunder to pay the installments of the Special Assessment and interest accrued on the Special Assessment Roll and all other costs hereunder when the same shall become due and payable.

Section 7.05 Waiver. Failure of any party hereunder to act upon discovery of a default or to act upon the existence of an Event of Default shall not constitute a waiver of the right to pursue the remedies provided herein.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Term. Except as otherwise provided in this Agreement, the terms of this Agreement shall commence on the date first written above and shall terminate at such time as the Special Assessment liability shall have been fully satisfied as provided in Section 4.03(e) hereof.

Section 8.02 Assignment.

(a) Except as otherwise provided herein and as provided in Section 8.02(b) hereof, no party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of the other parties hereto excepting as otherwise expressly provided herein.

(b) The Lender and its successors and assigns may assign its rights in this Agreement and in the Special Assessment, in whole but not in part; *provided, however*, that any such assignment shall be made only in accordance with applicable law; *and provided further, however*, that no such assignment shall be effective unless the City of Pleasant Ridge shall have first received (i) notice of the assignment disclosing the name and the address of the assignee, which shall be an address in the United States and (ii) a Certificate of Assignment executed by the assignee in the form attached to this Agreement as **Appendix F**. Any costs or fees (including reasonable attorneys' fees) incurred by the City of Pleasant Ridge in connection with any assignment made pursuant to this Section 8.02 shall be paid to the City of Pleasant Ridge by the Lender or its assignee as a condition to the effectiveness of the assignment. From and after the date of satisfaction of the conditions for the assignment of this Agreement as provided in this Section 8.02(b), the assignee of the Lender shall be a party hereto and shall have the rights and obligations of the Lender specified hereunder, and such assignee shall be deemed to be the "Lender" for all purposes of this Agreement.

Section 8.03 Notices. All notices, certificates or communications required by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to the City: City of Pleasant Ridge
23925 Woodward Ave.
Pleasant Ridge, MI 48069
Attn: INSERT TITLE OF AUTHORIZED OFFICIAL

With a copy to: City of Pleasant Ridge
23925 Woodward Ave.
Pleasant Ridge, MI 48069
Attn: City Attorney

If to the Property Owner: INSERT NAME OF PROPERTY OWNER
INSERT ADDRESS OF PROPERTY OWNER
Attn:

With a copy to: The Lender

If to the Lender: INSERT NAME OF LENDER
INSERT ADDRESS OF LENDER
Attn:

With copies to: INSERT NAME OF LENDER'S COUNSEL
INSERT ADDRESS OF LENDER'S COUNSEL
Attn:

or to such other address as such party may specify by written notice to the other parties hereto.

Section 8.04 Amendment and Waiver No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by each party hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 8.05 Entire Agreement. This Agreement constitutes the entire agreement between the City of Pleasant Ridge, on the one hand, and the Lender and the Property Owner, on the other hand. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, between the City of Pleasant Ridge, on the one hand, and the Lender or the Property Owner, on the other hand.

Section 8.06 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 8.07 Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 8.08 Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 8.09 Mutual Cooperation. Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement. Each party to this Agreement shall exercise reasonable diligence in reviewing, approving, executing and delivering all documents necessary to accomplish the purposes and intent of this Agreement. Each party to this Agreement also shall use its best efforts to assist the other parties to this Agreement in the discharge of its obligations hereunder and to assure that all conditions precedent to the financing arrangements are satisfied.

Section 8.10 Binding Effect; No Third-Party Beneficiary. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns. In no event shall the provisions of this Agreement be deemed to inure to the benefit of or be enforceable by any third party.

Section 8.11 Force Majeure. No party hereto shall be liable for the failure to perform its obligations hereunder if said failure to perform is due to Force Majeure. Said failure to perform shall be excused only for the period during which the event giving rise to said failure to perform exists; *provided, however*, that the party seeking to take advantage of this Section shall notify the other party in writing, setting forth the event giving rise to said failure to perform, within ten (10) business days after the occurrence of said event.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the City of Pleasant Ridge, INSERT NAME OF LENDER, and INSERT NAME OF BORROWER/PROPERTY OWNER have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

Witnessed:

INSERT NAME OF PROPERTY OWNER

By: _____

Its:

Signature of:

Witnessed:

City of Pleasant Ridge, Michigan
Municipal corporation

By: _____

Its: Mayor

Signature of:

By: _____

Its: City Clerk

Signature of:

By: _____

Its: INSERT TITLE OF AUTHORIZED OFFICIAL

Signature of:

Witnessed:

INSERT NAME OF LENDER

By: _____

Its:

Signature of:

State of Michigan)
) ss
County of Oakland)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by _____ the Authorized Signatory of INSERT NAME OF PROPERTY OWNER.

Notary Public
_____ County, Michigan
My commission expires _____

State of Michigan)
) ss
County of Oakland)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by Kurt Metzger, the Mayor of the City of Pleasant Ridge, Amy Drealan, the City Clerk of the City of Pleasant Ridge, and James Breuckman, the City Manager of the City of Pleasant Ridge, on behalf of the City of Pleasant Ridge.

Notary Public
_____ County, Michigan
My commission expires _____

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by _____ the Authorized Signatory of INSERT NAME OF LENDER, on behalf of INSERT NAME OF LENDER.

Notary Public
_____ County, _____
My commission expires _____

APPENDIX A

**SPECIAL ASSESSMENT PARCEL WHICH IS
ENCUMBERED BY THE SPECIAL ASSESSMENT ROLL**

Parcel

Tax Parcel I.D. No.: _____.

APPENDIX B

DESCRIPTION OF IMPROVEMENTS

APPENDIX C

PAYMENT SCHEDULE*

Date of
Principal
Installment

Amount of
Principal
Installment

*This schedule includes principal of the Special Assessment only. Interest will be calculated as set forth in the Loan Documents and the City of Pleasant Ridge is entitled to conclusively rely on the amount due on each payment date as determined by the Lender in accordance with this Agreement.

APPENDIX D

PROGRAM ELIGIBILITY REQUIREMENTS

Property is privately owned commercial or industrial real property within City of Pleasant Ridge's jurisdictional boundaries, which may be owned by any individual or private entity, whether for-profit or non-profit. MCL 460.933(g). Multi-family residential property is included in the definition of commercial property.

There are no delinquent taxes, special assessments, or water or sewer charges on the property. The Authorized Official at his or her discretion, may disqualify properties that although not currently delinquent, have been delinquent within six months of the application's submission. MCL 460.941(2)(a).

There are no delinquent assessments on the property under a PACE program. MCL 460.941(2)(b).

The term of assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years. Projects that consist of multiple energy efficiency improvements or renewable energy systems with varying lengths of useful life may blend the lengths to determine an overall assessment term that does not exceed the useful life of the improvements in aggregate. MCL 460.939(i).

An appropriate ratio must be determined for the amount of assessment in relation to the assessed value of the property. The ratio will be determined on a project-by-project basis by LEP and shall not exceed 25% of two times the State Equalized Value without written approval. MCL 460.939(j).

Written consent from the mortgage holder must be obtained if the property is subject to a mortgage. MCL 460.939(k).

A baseline energy audit must be conducted for the property that is approved by LEP and the Authorized Official. Such approval may be granted retroactively if the audit meets the standards of LEP. MCL 460.939(o).

For projects financed for more than \$250,000, a performance guarantee must be provided by the contractor(s) to guarantee a savings to investment ratio greater than one (1). MCL 460.939(p). The performance guarantee must meet the standards set by LEP.

For projects financed for more than \$250,000, an agreement for ongoing verification and measurement of energy savings that meet standards set by LEP. MCL 460.939(p).

APPENDIX E

SPECIAL ASSESSMENT ROLL

APPENDIX F

CERTIFICATE OF ASSIGNMENT

[FORM TO BE ATTACHED]

Act No. 270
Public Acts of 2010
Approved by the Governor
December 14, 2010
Filed with the Secretary of State
December 14, 2010
EFFECTIVE DATE: December 14, 2010

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010**

Introduced by Reps. Warren, Smith, Scripps, Robert Jones, Roberts, Liss, Bauer and Meadows

ENROLLED HOUSE BILL No. 5640

AN ACT to authorize local units of government to adopt property assessed clean energy programs and to create districts to promote the use of renewable energy systems and energy efficiency improvements by owners of certain real property; to provide for the financing of such programs through voluntary property assessments, commercial lending, and other means; to authorize a local unit of government to issue bonds, notes, and other evidences of indebtedness and to pay the cost of renewable energy systems and energy efficiency improvements from the proceeds thereof; to provide for the repayment of bonds, notes, and other evidences of indebtedness; to authorize certain fees; to prescribe the powers and duties of certain governmental officers and entities; and to provide for remedies.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the “property assessed clean energy act”.

Sec. 3. As used in this act:

(a) “District” means a district created under a property assessed clean energy program by a local unit of government that lies within the local unit of government’s jurisdictional boundaries. A local unit of government may create more than 1 district under the program, and districts may be separate, overlapping, or coterminous.

(b) “Energy efficiency improvement” means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following:

(i) Insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems.

(ii) Storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption.

(iii) Automated energy control systems.

(iv) Heating, ventilating, or air-conditioning and distribution system modifications or replacements.

(v) Caulking, weather-stripping, and air sealing.

(vi) Replacement or modification of lighting fixtures to reduce the energy use of the lighting system.

(vii) Energy recovery systems.

(viii) Day lighting systems.

(ix) Installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity.

(x) Measures to reduce the usage of water or increases the efficiency of water usage.

(xi) Any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the governing body.

(c) "Energy project" means the installation or modification of an energy efficiency improvement or the acquisition, installation, or improvement of a renewable energy system.

(d) "Governing body" means the county board of commissioners of a county, the township board of a township, or the council or other similar elected legislative body of a city or village.

(e) "Local unit of government" means a county, township, city, or village.

(f) "Person" means an individual, firm, partnership, association, corporation, unincorporated joint venture, or trust, organized, permitted, or existing under the laws of this state or any other state, including a federal corporation, or a combination thereof. However, person does not include a local unit of government.

(g) "Property" means privately owned commercial or industrial real property located within the local unit of government.

(h) "Property assessed clean energy program" or "program" means a program as described in section 5(2).

(i) "Record owner" means the person or persons possessed of the most recent fee title or land contract vendee's interest in property as shown by the records of the county register of deeds.

(j) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:

(i) Biomass.

(ii) Solar and solar thermal energy.

(iii) Wind energy.

(iv) Geothermal energy.

(v) Methane gas captured from a landfill.

(k) "Renewable energy system" means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use 1 or more renewable energy resources to generate electricity. Renewable energy system includes a biomass stove but does not include an incinerator or digester.

Sec. 5. (1) Pursuant to the procedures provided in section 7, a local unit of government may establish a property assessed clean energy program and may, from time to time, create a district or districts under the program.

(2) Under a program, the local unit of government may enter into a contract with the record owner of property within a district to finance or refinance 1 or more energy projects on the property. The contract may provide for the repayment of the cost of an energy project through assessments upon the property benefited. The financing or refinancing may include the cost of materials and labor necessary for installation, permit fees, inspection fees, application and administrative fees, bank fees, and all other fees that may be incurred by the record owner pursuant to the installation on a specific or pro rata basis, as determined by the local unit of government.

Sec. 7. (1) To establish a property assessed clean energy program, the governing body of a local unit of government shall take the following actions in the following order:

(a) Adopt a resolution of intent that includes all of the following:

(i) A finding that the financing of energy projects is a valid public purpose.

(ii) A statement of intent to provide funds for energy projects, which may be repaid by assessments on the property benefited, with the agreement of the record owners.

(iii) A description of the proposed arrangements for financing the program.

(iv) The types of energy projects that may be financed.

(v) Reference to a report on the proposed program as described in section 9(1) and a location where the report is available pursuant to section 9(2).

(vi) The time and place for a public hearing on the proposed program.

(b) Hold a public hearing at which the public may comment on the proposed program, including the report required by section 9.

(c) Adopt a resolution establishing the program and setting forth its terms and conditions, including all of the following:

(i) Matters required by section 9 to be included in the report. For this purpose, the resolution may incorporate the report or an amended version thereof by reference.

(ii) A description of which aspects of the program may be amended without a new public hearing and which aspects may be amended only after a new public hearing is held.

(2) A property assessed clean energy program may be amended by resolution of the governing body. Adoption of the resolution shall be preceded by a public hearing if required pursuant to subsection (1)(c).

Sec. 9. (1) The report on the proposed program required under section 7 shall include all of the following:

(a) A form of contract between the local unit of government and record owner governing the terms and conditions of financing and assessment under the program.

(b) Identification of an official authorized to enter into a program contract on behalf of the local unit of government.

(c) A maximum aggregate annual dollar amount for all financing to be provided by the local unit of government under the program.

(d) An application process and eligibility requirements for financing energy projects under the program.

(e) A method for determining interest rates on assessment installments, repayment periods, and the maximum amount of an assessment.

(f) Explanation of how assessments will be made and collected consistent with section 13(2).

(g) A plan for raising capital to finance improvements under the program. The plan may include any of the following:

(i) The sale of bonds or notes, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(ii) Amounts to be advanced by the local unit of government through funds available to it from any other source.

(iii) Owner-arranged financing from a commercial lender. Under owner-arranged financing, the local unit of government may impose an assessment pursuant to section 11 and forward payments to the commercial lender or the record owner may pay the commercial lender directly.

(h) Information regarding all of the following, to the extent known, or procedures to determine the following in the future:

(i) Any reserve fund or funds to be used as security for bonds or notes described in subdivision (g).

(ii) Any application, administration, or other program fees to be charged to record owners participating in the program that will be used to finance costs incurred by the local unit of government as a result of the program.

(i) A requirement that the term of an assessment not exceed the useful life of the energy project paid for by the assessment.

(j) A requirement for an appropriate ratio of the amount of the assessment to the assessed value of the property.

(k) A requirement that the record owner of property subject to a mortgage obtain written consent from the mortgage holder before participating in the program.

(l) Provisions for marketing and participant education.

(m) Provisions for adequate debt service reserve fund.

(n) Quality assurance and antifraud measures.

(o) A requirement that a baseline energy audit be conducted before an energy project is undertaken, to establish future energy savings. After the energy project is completed, the local unit of government shall obtain verification that the renewable energy system or energy efficiency improvement was properly installed and is operating as intended.

(p) For an energy project financed with more than \$250,000.00 in assessments, both of the following:

(i) A requirement for ongoing measurements that establish the savings realized by the record owner from the energy project.

(ii) A requirement that, in the contract for installation of the energy project, the contractor guarantee to the record owner that the energy project will achieve a savings-to-investment ratio greater than 1 and agree to pay the record owner, on an annual basis, any shortfall in savings below this level.

(2) The local unit of government shall make the report available for review on the local unit of government's website or at the office of the clerk or the official authorized to enter contracts on behalf of the local unit of government under the property assessed clean energy program.

Sec. 11. (1) A local unit of government may impose an assessment under a property assessed clean energy program only pursuant to a written contract with the record owner of the property to be assessed.

(2) Before entering into a contract with a record owner under a program, the local unit of government shall verify all of the following:

(a) That there are no delinquent taxes, special assessments, or water or sewer charges on the property.

(b) That there are no delinquent assessments on the property under a property assessed clean energy program.

Sec. 13. (1) An assessment imposed under a property assessed clean energy program, including any interest on the assessment and any penalty, constitute a lien against the property on which the assessment is imposed until the assessment, including any interest or penalty, is paid in full. The lien runs with the property and has the same priority and status as other property tax and assessment liens. The local unit of government has all rights in the case of delinquency in the payment of an assessment as it does with respect to delinquent property taxes. When the assessment, including any interest and penalty, is paid, the lien shall be removed from the property.

(2) Installments of assessments due under a program shall be included in each summer and winter tax bill issued under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and shall be collected at the same time and in the same manner as taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. Alternatively, installments may be billed and collected as provided in a special assessment ordinance of general applicability adopted by the local unit of government pursuant to state law or local charter.

Sec. 15. (1) A local unit of government may issue bonds or notes to finance energy projects under a property assessed clean energy program.

(2) Bonds or notes issued under subsection (1) shall not be general obligations of the local unit of government, but shall be secured by 1 or more of the following as provided by the governing body in the resolution or ordinance approving the bonds or notes:

(a) Payments of assessments on benefited property within the district or districts specified.

(b) Reserves established by the local unit of government from grants, bond or note proceeds, or other lawfully available funds.

(c) Municipal bond insurance, lines or letters of credit, public or private guaranties, standby bond purchase agreements, collateral assignments, mortgages, and any other available means of providing credit support or liquidity, including, but not limited to, arrangements described in section 315 of the revised municipal finance act, 2001 PA 34, MCL 141.2315.

(d) Tax increment revenues that may be lawfully available for such purposes.

(e) Any other amounts lawfully available for such purposes.

(3) A pledge of assessments, funds, or contractual rights made by a governing body in connection with the issuance of bonds or notes by a local unit of government under this act constitutes a statutory lien on the assessments, funds, or contractual rights so pledged in favor of the person or persons to whom the pledge is given, without further action by the governing body. The statutory lien is valid and binding against all other persons, with or without notice.

(4) Bonds or notes of 1 series issued under this act may be secured on a parity with bonds or notes of another series issued by the local unit of government pursuant to the terms of a master indenture or master resolution entered into or adopted by the governing body of the local unit of government.

(5) Bonds or notes issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(6) Bonds or notes issued under this act, and interest payable on such bonds and notes, are exempt from all taxation by this state and its political subdivisions.

(7) Bonds or notes issued under this act further essential public and governmental purposes, including, but not limited to, reduced energy costs, reduced greenhouse gas emissions, economic stimulation and development, improved property valuation, and increased employment.

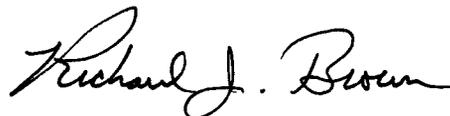
Sec. 17. A commercial or industrial electric customer that installs or modifies an electric energy efficiency improvement under a property assessed clean energy program is exempt from the energy optimization charges the customer would otherwise incur under section 89 or 91 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1089 and 460.1091, if the customer conducts a self-directed energy optimization plan under and subject to the applicable requirements of section 93 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1093. These requirements include, but are not limited to, the requirement that the plan provide for aggregate energy savings that each year meet or exceed the energy optimization standards based on the electricity purchases in the previous year for the site or sites covered by the self-directed plan.

Sec. 19. (1) A local unit of government may join with any other local unit of government, or with any person, or with any number or combination thereof, by contract or otherwise as may be permitted by law, for the implementation of a property assessed clean energy program, in whole or in part.

(2) If a property assessed clean energy program is implemented jointly by 2 or more local units of government pursuant to subsection (1), a single public hearing held jointly by the cooperating local units of government is sufficient to satisfy the requirements of section 7(1)(b).

Enacting section 1. This act does not take effect unless Senate Bill No. 1502 of the 95th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
To: Jim Breuckman, City Manager
Date: March 10, 2015
Re: Item 11 a-b - Code of Ordinance Recodification Adoption

OVERVIEW

The Pleasant Ridge City Code has not been updated and bound since 1994. Several years ago, the City undertook the project of a new City Code. This means that all the ordinances the City Commission has adopted since 1994 are placed into a new code publication and any obsolete or outdated sections are replaced or updated. Since it has been so long since the code has been updated, it was recommended that the code be republished. The cost to republish the code was spread over several budget years. At the time, the bid was awarded to Municipal Code Corporation (MCC).

Looking towards the future, the City will contract with MCC for Supplementation services for the code. When the City Commission adopts an ordinance, which modifies the code, the update would be sent to MCC, they would reprint 25 copies of the altered pages, and these new, updated pages would be distributed for inclusion in all the codebooks.

MCC also offers a "Code on the Internet" program. MCC can provide the electronic version of the code, on their website, www.municode.com, which will allow users to log-onto the site and not only view the code, but also search the code by specific sections or keywords. When the City website is complete, the link to our code in the MCC website can be included. As the code is modified and updated, MCC will make the appropriate changes. Supplemental updates could be upon receipt, monthly, quarterly, semi-annually or annually as requested by the City. The cost for placing the code on the Internet and maintaining it with supplements is a fixed yearly fee. This amount has been budgeted to allow for this service.

REQUESTED ACTION

At the February meeting, the City Commission scheduled a public hearing to consider the ordinance to adopt the newly revised code. This is considered a routine item when the City updates its Code Book. Ordinances approved by the City Commission through December 9, 2014 have been included in the revised code. I will be electronically providing updates to MCC for inclusion in the supplements and online versions of the code. I will be providing all of you a hard copy bound code, once it is approved, for your use during your term on the City Commission.



ORDINANCE NO. 411

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF PLEASANT RIDGE ; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

THE CITY OF PLEASANT RIDGE ORDAINS:

Section 1. The Code entitled "Pleasant Ridge City Code," published by Municipal Code Corporation, consisting of chapters 1 through 82, each inclusive, is adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before December 9, 2014, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. Whenever in this Code or any ordinance of the City an act is prohibited or is made or declared to be a misdemeanor or a municipal civil infraction, or whenever in this Code or any ordinance of the City the doing of any act is required or the failure to do any act is declared to be a misdemeanor or a municipal civil infraction, the violation of any such provision shall be subject to the following penalties. Except as otherwise provided by law, this Code, or ordinance, a person found responsible for a municipal civil infraction shall be subject to a sanction of a civil fine in the following amount, plus any costs, damages, expenses and other sanctions, as authorized by chapter 87 of the Revised Judicature Act of 1961 (MCL 600.8701 et seq.):

- (1) Unless otherwise specifically provided for a particular civil infraction, the civil fine for a violation shall be not less than \$50.00, plus costs and other sanctions, for each infraction.
- (2) Increased civil fines may be imposed for repeat offenses. In this subsection “repeat offense” means a second or any subsequent municipal civil infraction violation of the same requirement or provision committed by the same person and for which the person has admitted responsibility or is determined responsible. Unless specifically provided for a particular civil infraction violation, the increased fine for a repeat offense shall be as follows:

- a. For the first repeat offense within one year of the prior offenses, a fine of not less than \$250.00, plus costs.
- b. For a second repeat offense or any subsequent repeat offense within one year of the prior offense, a fine of not less than \$500.00, plus costs.

Except as otherwise provided by law this Code, or ordinance, a person convicted a violation of this Code that is declared to be a misdemeanor shall be punished by a fine not to exceed \$500.00, imprisonment for a period of not more than 90 days, or both.; however, unless otherwise provided by law, a person convicted of a violation of any of the provisions of this Code that substantially correspond to a violation of state law that is a misdemeanor for which the maximum period of imprisonment is 93 days shall be punished by a fine of not more than \$500.00, imprisonment for a term of not more than 93 days or both. A person convicted of a violation of this Code shall be responsible for costs. Except as otherwise provided by law or ordinance, as to violations of this Code that are continuous with respect to time, each day that the violation continues is a separate offense and as to other violations, each violation constitutes a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the city may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 5. Additions or amendments to the Code when passed in such form as to indicate the intention of the city to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 6. Ordinances adopted after December 9, 2014, that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

Section 7. This ordinance shall be effective 15 days after enactment and upon publication.

Introduced: Tuesday, February 10, 2015
Public Hearing: Tuesday, March 10, 2015
Adopted:
Published:
Effective:

Amy M. Drealan, CMC
City Clerk



City of Pleasant Ridge

Darren Humphreys, Water Clerk

From: Darren Humphreys, Water Clerk
 To: Mayor and City Commission
 Date: March 4, 2015
 Re: Delinquent Accounts to Tax Roll

Section 74-187 of the Pleasant Ridge City Code authorizes the City Manager to enforce the payment of charges for water service by collection, disconnection of service or by placing the delinquent amount on the tax roll for collection. By May 1 of each year, the Water Clerk must certify all unpaid water and sewer charges to the City Commission. Delinquent charges for water and sewer constitute a lien on the property and the City Commission may require the City Treasurer to place such charges on the next tax roll of the city.

There are forty nine (49) properties with delinquent water and sewer charges this year:

1 Amherst	\$2,358.93	47 Kensington	\$282.76	20 Woodward Heights	\$436.17
52 Amherst	\$823.65	59 Kensington	\$506.87	28 Woodward Heights	\$117.59
64 Amherst	\$69.78	82 Kensington	\$61.23	44 Woodward Heights	\$333.77
67 Amherst	\$129.96	98 Kensington	\$336.13	54 Woodward Heights	\$211.11
46 Cambridge	\$1,120.26	104 Kensington	\$83.99	58 Woodward Heights	\$938.97
111 Cambridge	\$277.27	22 Maplefield	\$180.00	73 Woodward Heights	\$610.65
30 Devonshire	\$159.78	14 Maywood	\$891.80	74 Woodward Heights	\$174.46
42 Devonshire	\$315.40	44 Maywood	\$486.64	78 Woodward Heights	\$180.35
59 Devonshire	\$518.94	48 Maywood	\$116.89	7 Woodside Park	\$119.34
21 Elm Park	\$151.06	6 Millington	\$38.64	51 Wellesley	\$451.24
4 Fairwood	\$337.40	48 Oakdale	\$227.22	53 Wellesley	\$71.99
21 Fairwood	\$377.44	90 Oakdale	\$235.31	57 Wellesley	\$492.24
29 Hanover	\$729.11	36 Oakland Park	\$26.65	74 Wellesley	\$145.72
17 Kenberton	\$2,400.93	36 Ridge Road	\$203.05	23900 Woodward	\$105.81
3 Kensington	\$142.57	54 Ridge Road	\$84.32	24060 Woodward	\$805.46
10 Kensington	\$46.62	6 Sylvan	\$88.94		
33 Kensington	\$691.22	11 Woodward Heights	\$183.77		

Further Section 34.57 of the Pleasant Ridge City Code authorizes any and all costs incurred by the City in the abatement of a nuisance shall constitute a lien against the property upon which the nuisance existed.

There are two properties with outstanding invoices:

48 Maywood \$1,783.94 – Blight cleanup and removal

29 Hanover \$4,050.00 – Nuisance tree removal and sidewalk restoration

Therefore, it is my recommendation that the delinquent charges be certified and placed on the next tax roll of the City. The total amount to be collected is \$25,713.34.

Please feel free to contact me should you wish to discuss the matter further.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: March 5, 2015
Re: 2015 City Commission Goals and Objectives Adoption

Overview

The attached Goals and Objectives are a statement of the City Commission's priorities in governance for the coming year.

Background

The City Commission has been working on the attached Goals and Objectives statement over the past few months. This statement of Goals and Objectives will stand as a communication of what this City Commission wishes to accomplish. These Goals and Objectives will also be included in the City's upcoming FY15-16 budget document, which is a budgeting best practice.

Being included in the budget document means that these Goals and Objectives will serve as a basis for making budget decisions and work priorities for City Staff over the coming year. When considering various projects and funding decisions during the budget process, the City Commission may evaluate the various options and determine which ones to fund based on how well each project or line item aligns with the Goals and Objectives statement.

Requested Action

City Commission consideration of adoption of the attached 2015 Goals and Objectives statement.



City of Pleasant Ridge

Annual Goals and Objectives 2015

Note that the order in which these goals are presented is not intended to convey importance.

A. Maintain a Safe and Secure Community

Objectives:

1. Preserve effective levels of police staffing and equipment to ensure high quality public safety service delivery.
2. Maintain or improve existing fire/EMS service delivery.
3. Review any strategies possible to improve police, fire/EMS, and dispatch service.
4. Implement traffic calming measures where necessary to ensure appropriate vehicle travel speeds.

B. Ensure Good Stewardship of Municipal Infrastructure

Objectives:

1. Continue the City's ongoing street reconstruction program.
2. Implement a continuing maintenance program for previously reconstructed streets and alleys to extend their useful life.
3. Implement continuing maintenance and monitoring program for previously rehabilitated combined sewers to extend their useful life.
4. Improve bike and pedestrian infrastructure (sidewalks) throughout the City.
5. Complete capital projects identified in the Capital Improvements Plan.

C. Maintain Financial Sustainability

Objectives:

1. Maintain a competitive property tax rate position relative to other cities in the region.
2. Achieve and maintain an unrestricted fund balance of 20-25% and a total fund balance of 25-30% of annual general fund expenses.
3. Maintain a capital outlay reserve of 75% to 100% of expenditures in the Water and Sewer Enterprise Fund.

4. Continue to explore other revenue sources. Aggressively identify and pursue grant opportunities.
5. Increase funding for the defined benefit pension to reduce the City's unfunded liability.
6. Maintain property values by preserving Pleasant Ridge's status as a first class community.

D. Maintain Excellent Parks and Recreation Program

Objectives:

1. Develop Gainsboro Park as a premier community park.
2. Complete necessary maintenance tasks at the community center, pool, and parks.
3. Achieve excellence in the offering and delivery of recreation services to residents of all ages.
4. Encourage active, healthy lifestyles for City residents.

E. Preserve and Enhance Community & Neighborhood Character

Objectives:

1. Improve City code enforcement efforts to effectively preserve the character of the City's neighborhoods.
2. Protect the City's established historic character from destruction or erosion by inappropriate additions or modifications to existing buildings, or inappropriate construction of new buildings.
3. Work to influence future changes and enhancements to Woodward Avenue to reflect Pleasant Ridge's preferred plan.
4. Ensure that planning, development, and infrastructure projects enhance Pleasant Ridge as a walkable, bikeable community.

F. Foster Community Trust & Participation

Objectives:

1. Use a variety of outlets, including the City's website, traditional media, social media, town hall meetings, and the Ridger to communicate and engage residents.
2. Ensure that all residents are informed about activities, initiatives, and events occurring in the City.
3. When more than one feasible choice exists for issues of major consequence, consult or collaborate with residents prior to making decisions.

4. Encourage, support, and recognize volunteers and community members who do good work in the community.
5. Conduct a statistically valid community survey at least bi-annually to measure City performance in delivering services and public sentiment on important issues facing the community.
6. Support resident-driven and managed initiatives.

G. Strive for Excellence in Governance

Objectives:

1. Develop and maintain a first-rate workforce by supporting the continued training and professional development for City employees.
2. Continue to pursue excellence in customer service by exploring alternative methods for improving delivery of services.
3. Facilitate increased use of technology during City meetings.
4. Continue to look for new ways to partner with nearby communities or private partners to improve the delivery of City services.
5. Continually evaluate and adjust the City's goals and objectives, Master Plan, Recreation Master Plan, and Capital Improvements Plan to ensure that policy decisions are being made that further the long-term interest of the City.

H. Protect the Environment

Objectives:

1. Reduce the City's carbon footprint through energy conservation, efficiency, and renewable generation measures.
2. Invest in maintaining the City's tree canopy by maintaining existing trees and planting new trees to fill gaps.
3. Explore ways to incorporate green infrastructure to infiltrate stormwater in place and reduce the amount of runoff that enters the City's sewer system.
4. Convert all public streetlights to LED fixtures.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
 To: City Commission
 Date: March 5, 2015
 Re: Gainsboro Park Plan Consultant Selection Committee Appointment

Overview

The City is preparing to release a Request for Proposals for professional design consulting services for the Gainsboro Park plan. Staff is asking the City Commission and Recreation Commission to each appoint two members to serve on a consultant selection committee.

Background

The City will be soliciting proposals from qualified firms or individuals to provide professional design and construction management services for the upcoming Gainsboro Park project. The selected consultant will work with the City and our residents to prepare the final design plan for the park, prepare construction documents, and provide construction oversight and administration services.

The City's Parks and Recreation Master Plan will serve as the starting point for preparing the final design plan. However, now that the City has a funding source via the recently approved parks and recreation millage, we can prepare a final consensus plan that matches our project budget. Additionally, the projects that have been completed with Pleasant Ridge Foundation support since the Parks and Recreation Master Plan was completed mean that the City has additional flexibility to explore which park improvements make the most sense for Gainsboro.

City Staff is asking the Recreation and City Commissions to each appoint two members to serve on an RFP evaluation and selection committee. This ad hoc committee will only serve to review and score the received proposals, to identify which firms to interview, to conduct the interviews, and to recommend a firm or individual to the City Commission for final selection and approval of contract.

For reference, the anticipated Gainsboro Park process from inception to completion is as follows:

- Monday, March 23 Release RFP
- Thursday, April 2, 10am Pre-Proposal Meeting
- Monday, April 6 Last date for questions
- Wednesday, April 8 Question responses released
- Tuesday, April 14, 4pm Proposals due
- Week of April 20 & April 27 Selection Committee reviews proposals and decides on consultants to interview
- Week of May 4 Consultants notified

- Week of May 25..... Consultant interviews
- June 9, 2015 City Commission selection of consultant based on Selection Committee recommendation
- July, 2015 Project kick-off
- Late fall, 2015 Design plans completed
- Winter, 2016..... Construction plans completed and construction bid released
- Spring, 2016..... Construction of park improvements begins
- Fall, 2016..... Park improvements completed

As with any project schedule, there will be adjustments as the project proceeds. However, it is and will remain our goal to have the park completed by the fall of 2016.

Requested Action

City Commission consideration of the appointment of two members to the Gainsboro Park consultant selection committee.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: March 5, 2015
Re: City Attorney Appointment and Contract

Overview

With the resignation of Charlie Cooper as City Attorney, the City Commission must appoint a new attorney or law firm to serve as the City's City Attorney.

Background

Greg Need, of Adkison, Need & Allen, PLLC has been serving as the City's Interim City Attorney for the past 8 months (and has served the City as our Zoning Attorney for years before that). With the formal resignation of Charlie Cooper, the position now needs to be filled on a permanent basis.

The City Attorney position is a City Commission appointment. Staff has been very happy with Mr. Need's work on our behalf, and it is our recommendation that the City Commission appoint Mr. Need to the position of our City Attorney.

A formal letter of engagement is attached for your review.

Requested Action

Consideration of the appointment of Greg Need as the City of Pleasant Ridge City Attorney, and approval of the terms of the attached letter of engagement.



LAW OFFICES

ADKISON, NEED & ALLEN

PROFESSIONAL LIMITED LIABILITY COMPANY

PHILLIP G. ADKISON
KELLY A. ALLEN
SALAM F. ELIA
LINDA S. MAYER
GREGORY K. NEED
G. HANS RENTROP

40950 Woodward, Suite 300
Bloomfield Hills, Michigan 48304
Telephone (248) 540-7400
Facsimile (248) 540-7401
www.ANAfirm.com

OF COUNSEL:
KEVIN M. CHUDLER

March 3, 2015

SENT VIA ELECTRONIC MAIL

Mr. James Breuckman, City Manager
City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

**Re: City of Pleasant Ridge – City Attorney Services
Engagement of Adkison, Need & Allen P.L.L.C.**

Dear Mr. Breuckman:

The purpose of this letter is to set forth our mutual understanding of the terms and conditions under which the City of Pleasant Ridge (“City”) retains Adkison, Need & Allen, P.L.L.C., to provide the legal services set forth below, and under which Adkison, Need & Allen, P.L.L.C. agrees to perform those services (the “Agreement”).

1. **Scope of Representation.** Adkison, Need & Allen, P.L.L.C. agrees, subject to the terms of this Agreement, to provide the legal services necessary or appropriate to serve as City Attorney for the City of Pleasant Ridge. I would continue to serve as the primary contact for the City and would attend the Commission meetings and other meetings upon request. Salam Elia and Hans Rentrop would be available to assist in my absence. The City Manager would be our primary contact with the City.

2. **Client Confidentiality.** In providing those services, we are obligated to exercise our independent professional judgment on the City’s behalf, and to preserve its confidences and secrets. Please note that this requirement for client confidentiality extends only to matters discussed in confidence between the client and the attorney and does not extend to all information which you may be required to provide in connection with our representation.

3. **Fees.**

- a. Attendance at City Commission meetings: \$200 flat rate per meeting
- b. All other work: \$145 per hour

Time is charged for work performed on the City's behalf, whether it takes the form of in-person meetings, telephone consultations, research, drafting, negotiations, discussions with third parties, travel on your behalf, or other activities that require our absence from the office on the City's behalf.

4. **Costs.** The City will also be billed for our out-of-pocket expenses, such as copying costs, postage, court fees, on-line computer research time, court reporters, appraisals, photocopying of documents and mileage, if any. We will seek advance approval from the City Manager for any such charges over \$100.

5. **Statements.** At the conclusion of each calendar month, we will provide you with detailed statements so you will have an accurate record of fees, costs, and payments. You should feel free to contact me at any time to discuss our billing procedure, the description of the legal services appearing on your bill, and the charges for services

Your statement will show the following:

- a. The fees and costs charged to your account.
- b. Payments received from you.

The City agrees to pay Adkison, Need & Allen, P.L.L.C. promptly upon receipt of each monthly statement. Accounts, which are not paid within thirty (30) days, will be charged a time price differential at the rate of \$7.00 per \$100.00 per year.

6. **Record Retention.** Our representation of the City is subject to our firm's Record Retention Policy, a copy of which is attached.

7. **Electronic Signatures and Counterpart Execution.** For purposes of this Agreement, a signature transmitted by facsimile communication equipment or electronic mail shall be deemed an original. This Agreement may be executed by the parties in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute a single document. The Agreement shall become effective when one or more counterparts have been signed by all of the parties.

8. **Termination.** Adkison, Need & Allen may terminate this agreement upon thirty days written notice to the City. The City may terminate this agreement at any time upon written notice. Termination shall be effective as of the date stated in the notice, subject to any requirements of the Code of Professional Responsibility (e.g. if engaged in litigation that the Court has approved withdrawal and/or substitution of other counsel). Upon termination, all amounts then owing to Adkison, Need & Allen, P.L.L.C. shall be promptly paid.

9. **Acceptance.** If these terms are acceptable to the City Commission, please sign below, retain a copy for your files and return the original to our office.

*Mr. James Breuckman
City Manager
March 3, 2015
Page 3 of 3*

Very truly yours,

ADKISON, NEED & ALLEN, P.L.L.C.



Gregory K. Need

/mms

The above is accepted:

Dated: _____

James Breuckman



ADKISON, NEED & ALLEN, P.L.L.C.

RECORD RETENTION POLICY

The following is the Client File Retention Policy of Adkison, Need & Allen, 40950 Woodward, Suite 300, Bloomfield Hills, MI 48304, established pursuant to Michigan Rules of Professional Conduct 5.1.

Application of Policy. This policy shall apply to all active client files placed in inactive status and is to be followed by all attorneys and staff of the Firm and by all independent contractors working on client matters for the Firm.

Confidentiality. Unless waived by the client in writing or by operation of law, all materials contained within client files maintained by the Firm shall be confidential in nature, which confidentially shall be maintained by all those associated with the Firm including independent contractors who may be involved in the storage and/or destruction of files.

Release of Information from Client Files. Absent written permission from the client to release all or part of the client's file and authorization of an attorney in the office, no materials or information contained therein shall be released to any person. In unusual circumstances, a Firm attorney may release information contained in a file upon verbal permission from the client to do so or when confidentiality is waived or no longer exists by operation of law.

Work Product of Attorney. Certain documents in client files may represent the work product of the Firm and, as such, remain the property of the Firm. The Firm may properly retain and/or destroy such documents without consultation with the client. All such work product shall not be considered part of the client's file even if contained therein.

Client Materials. Staff converting files to closed or inactive status will review each file for materials belonging to the client such as abstracts, insurance policies, deeds and documents that have legal significance such as original wills, trusts, powers of attorneys, etc. The client will be notified to either pick up these materials at the Firm's office or they will be mailed to the client at the address in the file with a letter enclosed identifying the materials returned. They will be mailed via certified mail with a return receipt requested.

Location and Storage of Files. All active client files shall be maintained in file cabinets within the main office of the Firm. Closed and inactive files shall be kept in a designated storage area within the Firm's office premises or in electronic form on its computer system. Files may be removed from the Firm's offices only by its attorneys should such removal be required for court appearances, depositions, conferences, etc., or for work to be performed elsewhere. With notification to and approval of a Firm attorney, members of the Firm staff may remove files from the office for evening or weekend work. Any person so removing a file is responsible for its security, safekeeping, and return, and for maintaining such file from view of other persons.

Destruction of Client Files. The time period for destruction or disposition of client files shall be determined by the attorney in charge of such file. The Firm reserves the right to destroy property belonging to the client after the passage of five (5) years from the completion of all work thereupon. If information regarding the retention policy is not given to the client at either the commencement of representation or the conclusion of representation, notice of the intent to destroy client property must be given to the client prior to its destruction.

Notice to Clients. Unless otherwise directed by client, when a file is placed in closed or inactive status, notice shall be sent by the Firm to the client that the client may, within thirty (30) days from date of notice and at no charge, obtain any papers, not previously furnished to the client, from the file and that the file may thereafter, without additional notice to the client, be destroyed by the Firm or otherwise disposed in a manner that preserves the confidential and secret nature of the Firm's representation of the client. A copy of the notice, containing the date, the address to which sent, and the signature of the person so sending, shall be maintained by the Firm.

Method of Destruction or Disposition. Any paper material will be destroyed by either shredding the material or burning the material. Any material stored on tape, floppy disk will be deleted from the same. Any material stored in a form that cannot be destroyed by the forgoing methods will be sent to a service specializing in the destruction of such material.

Monitoring System. This policy shall be discussed semiannually at a staff meeting to assure that it is operating properly. All staff personnel shall be responsible for application of the policy to the files of the attorney with whom the person primarily works.