

CITY OF BRIGHTON
CITY COUNCIL MEETING
CITY HALL
August 20, 2015

Regular Blue Sky: 7:00 p.m.: Review of Agenda Items for this evening's meeting

REGULAR SESSION - 7:30 P.M.

1. Call to order
2. Pledge of Allegiance
3. Roll Call
4. Consider approval of the Agenda
5. Approval of minutes: [Special Meeting of August 6th](#), Closed Session Minutes of August 6th, and [Regular Meeting of August 6, 2015](#)
6. Call to the Public

Consent Agenda

7. Consider approval of an [MDOT required Resolution authorizing the Mayor and City Manager to sign the Contract between the City of Brighton and MDOT](#) (Contract Number and Title stated in Resolution) which is for the MDOT Category A Grant Funding for Brighton Interiors Drive project
8. Receive and approve [Quarterly Investment report](#) from the Finance Director

Policy Development & Customer Communications' action item

9. Consider actions as may be recommended by the City Attorney regarding Springhill
10. Consider discussion of the former Lindbom school property and then consider giving any related direction to the City staff with respect to how to respond to future inquiries about the property
11. Consider approvals of actions as requested by the City Manager with respect to the City's Planning, Zoning, and Development Services / functions and related staffing
12. Consider discussion of a staff-proposed sidewalk repair program as referenced in the adopted FY 15-16 City Budget and that would utilize the enforcement of existing City ordinances requiring sidewalk repairs by abutting property owners
13. City Council's report on the August 6, 2015 City Council's performance evaluation of the City Manager

Other Business

14. Information for City Customers including reports on responses to Citizens Inquiries to City Council received since the last Council Meeting
15. Receive updates from Council Member Liaisons to other Boards and Commissions
16. Call to the Public
17. Closed sessions as may be recommended or requested by the City Attorney
18. Adjournment

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL OF BRIGHTON
HELD ON AUGUST 6, 2015 AT THE BRIGHTON CITY HALL
200 N. 1ST STREET, BRIGHTON, MICHIGAN

REGULAR SESSION

Mayor Muzzin called the Special meeting to order at 6:00 p.m. Following the Pledge of Allegiance, the roll was called, there being present were Mayor Muzzin, Councilmembers Bandkau, Bohn, Tobbe, Pipoly and Gardner. Also in attendance were Staff members Dana Foster and Jennifer Burke and an audience of 3.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 6:01 p.m. The following comments were heard:

Susan Walters-Steinacker, 907 Brighton Lake Road, explained several alleged violations to the City Charter by City Manager, Dana Foster, in reference to his Annual Review.

Hearing no further comment, Mayor Muzzin closed the Call to the Public was closed at 6:07 p.m.

CITY MANAGER ANNUAL REVIEW

City Manager, Dana Foster requested to have his evaluation in Closed Session.

It was moved by Councilmember Tobbe, seconded by Gardner to go into Closed Session for the City Manager's annual evaluation. A roll call vote was taken. Yes: Bohn, Pipoly, Muzzin, Bandkau, Tobbe, Gardner. No: none. Absent: Willis. Motion passed 6-0-1.

The Council convened into Closed Session at 6:07 p.m.

The Council reconvened the Special Meeting at 6:57 p.m.

ADJOURNMENT

It was moved by Councilmember Bandkau , seconded by Tobbe to adjourn the meeting at 6:58 p.m. Motion passed 6-0-1.

Jennifer Burke, Deputy City Clerk

Jim Muzzin, Mayor

MINUTES OF THE MEETING OF THE CITY COUNCIL OF BRIGHTON
HELD ON AUGUST 6, 2015 AT THE BRIGHTON CITY HALL
200 N. 1ST STREET, BRIGHTON, MICHIGAN

BLUE SKY SESSION

The Council conducted a Blue Sky Session at 7:03 p.m. Present were Mayor Muzzin, Councilmembers Bandkau, Pipoly, Tobbe, Bohn and Gardner. The Council reviewed the agenda items.

REGULAR SESSION

Mayor Muzzin called the regular meeting to order at 7:31 p.m. Following the Pledge of Allegiance, the roll was called. Present were Mayor Muzzin, Councilmembers Pipoly, Bandkau, Bohn, Tobbe and Gardner. Also in attendance were Attorney Paul Burns, City Engineer Gary Markstrom, Staff members Dana Foster, Jennifer Burke, Paty Thomas, Rob Bradford and an audience of 15. Press and media included Tom Tolen from WHMI.

It was moved by Mayor Pro-Tem Pipoly, seconded by Tobbe to excuse Councilmember Willis from the evening's meeting. Motion passed 6-0-1.

AGENDA APPROVAL

It was moved by Mayor Pro-Tem Pipoly, seconded by Bandkau to approve the agenda as presented. Motion passed 6-0-1.

MINUTE APPROVAL

It was moved by Councilmember Bandkau, seconded by Gardner to approve the Regular Meeting minutes of July 16, 2015 as presented. Motion passed 6-0-1.

CALL TO THE PUBLIC

Mayor Muzzin opened the Call to the Public at 7:34 p.m. The following comments were heard:

Nancy Durance Spring Mountain Drive, stated her neighborhood experienced power outages on Sunday night, a tree was struck directly behind her property and fell over on line which caused a small fire. She called 911 to report the fire and received no response for two hours.

Randy Clifton expressed his concerns with City allocating additional funds to SELCRA.

Jerry Joseph, Joseph Properties on Advance Street, opposes the 30,000 gallon proposed propane tank on Corrigan property.

Mike Anderson, Genoa Township Resident, 7918 Berry Drive (Dillon Street Area) owns a house near railroad, expressed his concerns regarding Corrigan's proposed propane tank.

Hearing no further comment, the Call to the Public was closed at 7:46 p.m.

CONSENT AGENDA

It was moved by Mayor Pro-Tem Pipoly seconded by Bandkau to approve the Consent Agenda as presented. Motion passed 6-0-1.

The following items were approved:

1. Approved the biennial City Service Survey questions.
2. Approved the proposal for the update of the Administrative Non-Union Pay Plan and related group of comparable City governments by the Michigan Municipal League.
3. Approved the CROP Hunger Walk and Walk for Freedom Civic Events.
4. Approved First Reading and set Public Hearing and Second Reading for September 3, 2015 for the proposed amendment to Chapter 66 Signs, Article I. In General, Sec. 66-2 Definitions, Chapter 66 Signs, Article IV. Regulations, Sec. 66-91 All zoning districts, (14) Prohibited signs (a) animated and intensely lighted signs, Chapter 66 Signs, Article IV. Regulations, Sec. 66-94. Community shopping center zone, add (12) Drive-in/drive through restaurant menu boards and (13) changeable message signs or digital/electronic signs, Chapter 66 Signs, Article IV. Regulations, Sec. 66-95. General business and limited intensity business/office zones, add (13) Drive-in/drive through restaurant menu boards and (14) changeable message signs or digital/electronic signs, Chapter 66 Signs, Article IV. Regulations, Sec. 66-96. Limited business zone. Add (12) changeable message signs or digital/electronic signs, Chapter 66 Signs, Article IV. Regulations, Sec. 66-100. Downtown business district. Add (15) changeable message signs or digital/electronic signs.
5. Approved First Reading and set Public Hearing and Second Reading for September 3, 2015 for the proposed amendment to Chapter 98 Zoning, Article. VI. A-1 Districts, Sec. 98-152. Use regulations (3), Chapter 98 Zoning, Article. VII. A-2 Districts, Sec. 98-177. Use regulations (2) and Chapter 98 Zoning, Article. VIII. R-1 Districts, Sec. 98-202. Use regulations (3).
6. Approved First Reading and set Public Hearing and Second Reading for September 3, 2015 for the proposed amendment to Chapter 66 Signs, Article IV. Regulations, Sec. 66-100. Downtown business district. (13) sidewalk/sandwich board signs (b)(d) add (e).
7. Approved the MTT settlement for Walgreen Company.

NORTHRIDGE WOODS SITE PLAN COMPLIANCE

It was moved by Councilmember Bohn, seconded by Pipoly to direct City Attorney to perform a legal analysis of the Northridge woods site plan concerns. Motion passed 6-0-1.

SELCRA BUDGET ALLOCATION

It was moved by Councilmember Bohn, seconded by Gardner to increase the SELCRA budget allocation to the amount originally requested \$51,908. Motion passed 5-1-1, with Mayor Muzzin voting “no”.

DOMINO’S PIZZA CONDITIONAL SITE PLAN

It was moved by Councilmember Tobbe, seconded by Bandkau to approve the Site Plan for Domino’s Pizza at 222 W. Grand River #15-007 as depicted on plans prepared by Desine, Inc., project #71208, sheet SP, last dated 6-16-15 subject to the following:

1. That all signage comply with applicable ordinances or variances obtained.

Motion passed 6-0-1.

BIG APPLE BAGEL CONDITIONAL SITE PLAN

It was moved by Councilmember Tobbe, seconded by Pipoly to approve the Site Plan for Big Apple Bagel at 9864 E. Grand River Suite 120 #15-019 as depicted on plans prepared by Nudell Architects, project #2015-062.02, sheet A100, last dated 7-15-15 subject to the following:

1. That all signage comply with applicable ordinances or variances obtained.

Motion passed 6-0-1.

800 WHITNEY STREET CONDITIONAL SITE PLAN

Manager Foster briefed the Council on Mr. Corrigan’s proposal and stated that Mr. Corrigan sent a letter and an email of today’s date regarding this project.

Mike Corrigan stated that he would remove the proposed 30,000 gallon propane tank.

Motion by Mayor to authorize to release the privileged communication regarding 800 Whitney Street Site Plan, supported by Tobbe. Motion passed 6-0-1.

It was moved by Councilmember Tobbe, seconded by Gardner to approve the site plan for 800 Whitney Street as depicted on plans prepared by Desine, Inc, sheets EX, SP, GR, LA, SE1, SE2, and DT1, project #9142429, last dated 7-15-15 and plans prepared by Lindhout Associates, sheets A1 and A2, project #1501, last dated 1-14-15 subject to the following:

1. The applicant must monitor and report to the City Planning Department in 2 month increments to determine when the soil has settled to a point where the area can be paved. Paving must be completed by June 30, 2017.
2. That right of way permits be obtained from the Department of Public Services for work within the right of way.
3. Legal access easement documents are properly filed with Livingston County.

4. The construction shall meet all applicable City Engineering Design Standards.
5. That the building materials used to enclose the covered warehouse be similar and harmonious with the existing buildings and be reviewed with an administrative approval during the construction plan review.
6. Removal of the 30,000 propane tank by January 1, 2016.

Motion passed 6-0-1.

THE BACK LOT CONDITIONAL SITE PLAN AMENDMENTS

It was moved by Councilmember Gardner, seconded by Pipoly to approve the Site Plan for The Back Lot Parking behind 775 N. Second Street as depicted on plans prepared by Desine, Inc, sheets EX, SP, GR, SE1, SE2, DT1, DT2, and project #91585, last dated July 15, 2015 subject to the following:

1. The applicant must monitor and report to the City Planning Department in 2 month increments to determine when the soil has settled to a point where the area can be paved. Paving must be completed by June 30, 2017.
2. That right of way permits be obtained from the Department of Public Services for work within the right of way.
3. Legal access easement documents are properly filed with Livingston County.
4. The construction shall meet all applicable City Engineering Design Standards.
5. That the building materials used to enclose the covered warehouse be similar and harmonious with the existing buildings and be reviewed with an administrative approval during the construction plan review.

Motion passed 6-0-1.

CITY CUSTOMER INFORMATION

Mayor Muzzin read a Council Inquiry from Patricia Cole regarding Blue Sky Sessions not being televised.

Manager Foster stated that this item was addressed in 2013 and historically a decision made in the 1990's not to televise blue sky meetings as decisions are not made during these sessions.

Attorney Burns stated that the Blue Sky is "prep" time for the meeting.

Manager Foster stated Amy Cyphert resigned from her position as Planning/Zoning Director and highlighted aspects of her job and thanked her for her service over the last 10 years.

Mayor Pro-Tem Pipoly gave a Principal Shopping District update.

Councilmember Gardner gave a SELCRA update.

Councilmember Tobbe gave a Brighton Arts & Culture Commission update and thanked Amy Cyphert for her service to the City.

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Councilmember Bohn gave a Planning Commission update. He asked about the Lindbom School and Christian School inquiring about usage of the site and asked for an agenda item for the August City Council meeting to discuss this topic. He stated the railroad tracks at Brighton Lake Road need to be evaluated by CSX.

Mayor Muzzin gave a DDA update.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 9:08 p.m.

Patricia Cole, Devonshire Boulevard, thanked Council for considering the viewing of blue sky sessions. She disagrees with additional SELCRA funding and thanked Amy Cyphert for her service to the City.

Hearing no further comment, Mayor Muzzin closed the Call to the Public at 9:11 p.m.

ADJOURNMENT

It was moved by Councilmember Bohn, seconded by Bandkau to adjourn the meeting at 9:11 p.m. Motion passed 6-0-1.

Jennifer Burke, Deputy City Clerk

Jim Muzzin, Mayor

RESOLUTION 15-13

BE IT RESOLVED THAT Contract No. 15-5402, Control Section EDA 47522, Job Number 127446A by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION and the CITY OF BRIGHTON, MICHIGAN is hereby accepted.

The following City Officials are authorized to sign the said contract:

James Muzzin, Mayor
Dana W. Foster, City Manager

AYES:

NAYS:

ABSTAIN:

ABSENT:

This Resolution was _____ this day of _____.

Diana Lowe, City Clerk

I, Diana Lowe, City Clerk for the City of Brighton, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by City Council at the Regular meeting held on August 20, 2015.

Diana Lowe, City Clerk

MEMORANDUM

To: Dana Foster, City Manager

From: Kelly Hanna, Finance Director



Date: July 23, 2015

Subject: The City's Quarterly Investment Report as of June 30, 2015

Attached you will find the City's Quarterly Investment Report as of June 30, 2015.

In comparison to the quarter ended March 31, 2015, the City's total investment/bank balance has decreased by \$846,605 or 17% to \$4,208,935, which is generally indicative of the fact that the majority of the City's tax revenue levied is collected in the first quarter of the fiscal year, while expenditures are relatively more constant throughout the year. In comparison to the same quarter a year ago, i.e., the quarter ended June 30, 2014, the City's total investment/bank balance has increased by \$513,360 or 14%. This is reflective of higher fund balance than the previous year.

In comparison to the quarter ended March 31, 2015, the City's average rate of return on investments increased from 0.56% to 0.62%. The increase is reflective of an increase in interest rates for money market accounts. The City continues to earn more than the benchmark 3-month Treasury Bill Rate and Fed Funds Rate.

Since March 31, 2015, the City's investment in FDIC insured CD's decreased by \$647,790. The City's deposits/investments with Flagstar Bank totaled approximately \$1,534,940 or approximately 36% of the City's overall portfolio.

Attached you will find a quarterly investment report per the Adopted Investment Policy (also attached). We continue to work within the primary objectives of the City's Investment Policy, which, in priority order, are; safety, liquidity and return on investment.

Let me know if you have any questions.

MEMO

To: City Council
From: Laura Hoshaw, Treasurer *LH*
Subject: Quarterly Investment Report
Date: July 15, 2015

The City of Brighton currently has 4 certificates of deposits with various Michigan banks with a 12-month maturity or less. There were no certificates of deposit purchased this quarter. We will begin purchasing additional Certificate of Deposits the first quarter of the new fiscal year and will continue to review keeping our funds liquid vs. the lower rate of return from pooled money market accounts.

The interest rates of these outstanding certificates range from .61% to a maximum of .85% and vary in amounts from \$250,000 to \$251,776. This also protects the interest revenue from market declines in the money market accounts. The general fund currently holds 3 CD's in the amount of \$754,860 which is from the tax revenue received from the tax bills due August 15. The Utilities Reserve fund holds 1 CD in the amount of \$250,000. Staggering the investments out provides an on-going steady interest income, which is additional revenue to the City budget.

Our current financial institutions hold 76% of our total investments and are providing .15% to 1% interest rates on our money market, savings, and checking accounts. These funds are completely liquid in nature and are available to use on demand. Certificates of Deposit require a penalty in interest; normally one month is forfeited, if they are needed prior to their maturity. Municipalities are allowed to only use Michigan banks for investment purposes.

The national unemployment rate dropped to 5.3% in June, according to the Bureau of Labor and Statistics. That's the lowest unemployment has been since May 2008. Approximately 223,000 jobs were created in June. The latest report was far from positive, however. It may even have been disappointing. The government revised down its estimate of prior months hiring by a combined 60,000 jobs. The labor force actually shrank last month as job seekers quit looking for work. Wages were stagnant.

Not only are more Americans taking out a mortgage to purchase a home, but after seven years of decline, debt outstanding on single-family properties is increasing on a year-over-year basis. This is yet another sign the economy and housing markets are pivoting toward normalcy.

A hat trick of growth forecasting measures suggests the economy picked up in the spring after its winter slump. Estimates of growth in U.S. gross domestic product from the Federal Reserve Bank of Atlanta, private research firm Macroeconomic Advisers and Barclays Capital all show the economy expanded in the second quarter at an annual rate above 2% after shrinking in the first three months of the year at a 0.2% pace. Together they bolster the broadly held view among economists and policy makers that the economy's winter weakness reflected temporary factors such as bad weather and West Coast port closings.

Citing an improving economy, the Federal Reserve signaled it's on track to raise historically low interest rates as early as September, but that rates are likely to climb more gradually than it previously anticipated. After a two-day meeting, Fed policymakers didn't explicitly say when they plan to boost the central bank's benchmark rate for the first time since 2006. Although Fed officials have said they expect to act this year the statement reiterated that the timing will depend on the economy's performance in the coming months.

CITY OF BRIGHTON
 QUARTERLY INVESTMENT REPORT
 AS OF JUNE 30, 2015

<u>Investment Account</u>	<u>Account Balance</u>	<u>Maturity Date</u>	<u>Current % Interest Rate</u>	<u>Average R.O.R.</u>
TALMER WEST-Juvenile	2,291	Immediate	0.00%	0.00%
Total Talmer West Bank	<u>2,291</u>			
1ST NATIONAL BANK	154,434	Immediate	0.15%	0.01%
Total 1st National Bank	<u>154,434</u>			
FIRST NATIONAL BANK OF AMERICA	230,393	Immediate	0.50%	0.03%
Total First National Bank of America	<u>230,393</u>			
FIRST MERIT - Money Market	18,870	Immediate	0.15%	0.00%
Total First Merit Bank	<u>18,870</u>			
FLAGSTAR BANK-Refundable Deposit	300,545	Immediate	0.55%	0.04%
FLAGSTAR BANK-Combined Savings	599,492	Immediate	0.55%	0.08%
FLAGSTAR BANK-Flexible Spending	10,640	Immediate	0.35%	0.00%
FLAGSTAR BANK-A/P Checking	624,263	Immediate	0.40%	0.06%
Total Flagstar Bank	<u>1,534,940</u>			
CD-CHIEF FINANCIAL CREDIT UNION	251,776	8/27/2015	0.85%	0.05%
CHIEF FINANCIAL CREDIT UNION-money market	856,697	Immediate	1.00%	0.20%
Total Chief Financial Credit Union	<u>856,697</u>			
HUNTINGTON BANK-money market	352,522	Immediate	0.30%	0.03%
Total Huntington National Bank	<u>352,522</u>			
INDEPENDENT BANK UTILITY LB-Checking	3,893	Immediate	0.00%	0.00%
INDEPENDENT BANK UTILITY LB-MM	50,036	Immediate	0.20%	0.00%
Total Independent Bank	<u>53,928</u>			
CD-THE STATE BANK	251,755	9/11/2015	0.75%	0.04%
CD-HURON VALLEY STATE BANK	251,329	8/15/2015	0.70%	0.04%
CD-THE PRIVATE BANK	250,000	7/30/2015	0.61%	0.04%
Total Certificate of Deposits	<u>1,004,860</u>			
TOTAL	<u><u>4,208,935</u></u>		7.06%	0.62%
Three Month Treasury Bill Rate*				0.02%
Average Fed Funds Rate**				0.13%
City's Avg. R.O.R. over/(under) the 3-month T-Bill Rate				0.60%
City's Avg. R.O.R. over/(under) the Avg. Fed Funds Rate				0.49%

**CITY OF BRIGHTON
INVESTMENT POLICY
Adopted 10/6/11**

It is the policy of the City of Brighton to invest its public funds in a manner that will provide the highest investment return within the guidelines of maximum security and optimal liquidity while conforming to all State of Michigan statutes governing the investment of public funds.

Scope:

This investment policy applies to all financial assets of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report and include the:

- * General Fund
- * Special Revenue Funds
- * Debt Service Funds
- * Capital Project Funds
- * Enterprise Funds
- * Trust & Agency Funds
- * Component Units
- * Any New Fund or Component Unit Created by the City Council, Unless Specifically Exempted

Prudence:

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 probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by the City Treasurer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The City Treasurer acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's risk or market price changes.

Objective:

The primary objectives, in priority order, of the City's investment activities shall be:

1. **Safety/Diversification** - Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity** - The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

3. Return on Investment - The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout the budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority:

The City Treasurer's authority to manage the City's investment program is derived from the City Charter and Ordinances. The City Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, depository agreements and banking service contracts. Such procedures shall include explicit delegation of investment implementation responsibility to the City's designated employees and financial institutions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer. The City Treasurer shall be responsible for all investment transactions undertaken and shall establish a system of controls to regulate the activities of the authorized financial institutions to ensure that they are in compliance with this policy.

Ethics and Conflicts of Interest:

All City and financial institution 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. City employees involved in the investment process shall disclose to the City Manager any material financial interests in any financial institution that conducts business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. City employees involved in the investment process shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

Authorized Financial Institutions:

The City Treasurer will maintain a list of financial institutions authorized to provide investment services. No City deposit shall be made except in a qualified financial institution as established by State of Michigan law. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the City Treasurer with audited financial statements and certification of having read the City's investment policy and depository contracts. The Treasurer for all current financial institutions used by the City will conduct a quarterly review of the FDIC Insurance Certification and Financial Report 10. A current audited financial statement is required to be on file for each financial institution in which the City invests.

No City investment should be made in financial institutions with a Bauer Rating of less than 3 stars unless the investment has been backed with collateral to 102% or the Investment is 100% FDIC Insured.

Authorized & Suitable Investments:

Pursuant to the authority granted to the City of Brighton by Act 20 of the Public Acts of 1943 as amended by Act 217 of Public Acts of 1982 and Act 196 of Public Acts of 1997, and the standards established by the City Treasurer, the City approves the following investment instruments for use:

- a. U.S. Treasury securities;
- b. Bonds or other direct short-term obligations of U.S. government agencies and instrumentalities for which principal and interest payments are guaranteed by the U.S. government and are approved for investment purposes by the City Treasurer;
- c. Certificates of deposits at commercial banks, savings and loan associations and credit unions which are members of Federal Insurance programs;
- d. A-1/P-1, A-2/P-2 rated commercial paper secured by an irrevocable line of credit or collateralized by government securities;
- e. Banker's acceptances issued by the ten largest domestic banks, provided the City Treasurer approves collateral;
- f. Repurchase agreements collateralized by U.S. Treasury securities (market to market), with a Master Repurchase Agreement signed with the financial institution;
- g. Money market funds whose portfolios consist of government securities which are legal for direct investment by local units of government in the State of Michigan, with any investments in mutual funds limited to securities whose intention is to maintain a net asset value of \$1 per share;
- h. Government short-term investment trust funds, i.e., investment pool fund (as established by Act 367 of 1982).
- i. Certificate of Deposit Account Registry Service (CDARS)

Maturity:

Surplus monies of the City on deposit with financial institutions, as determined by the City, shall be invested by financial institutions with maturities scheduled to coincide with projected cash flow needs, taking into consideration large routine expenditures (payroll, accounts payable, bond payments) and sizable blocks of anticipated revenue (property taxes, state shared revenue).

Diversification by Institution

Holdings at any given financial institution shall not exceed one percent of the institution's net equity capital.

Safekeeping and Custody:

To protect against potential fraud and embezzlement, all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. A third party custodian designated by the City Treasurer and evidenced by safekeeping receipts will hold

securities. For purposes of this policy, third party shall be defined as a separate financial institution or a separate and distinct division or department of the same financial institution whose function is safekeeping and/or trust activities.

Internal Control:

The City Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The basis to be used by the City Treasurer to determine whether market yields are being achieved shall be the three month U.S. Treasury Bill and the average Federal Funds rate. The City Treasurer is charged with the responsibility of including a market report on investment activity and returns in the City's Comprehensive Annual Financial Report.

Savings Clause:

In the event any state or federal legislation or regulation should further restrict instruments or institutions authorized by this policy, such restrictions shall be deemed to be immediately incorporated in this policy. If new legislation or regulation should liberalize the permitted instruments or institutions, such changes shall be available and included in this policy only after written notification to the City Council.

Reporting:

The Treasurer shall provide the City Council quarterly investment reports, which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the current economic conditions, possible changes in the portfolio structure going forward and thoughts on investment strategies. Schedules in the quarterly report should include the following:

1. A listing of individual securities held at the end of the reporting period by authorized investment category.
2. Average life and final maturity of all investments listed.
3. Coupon, discount or earnings rate.
4. Average Treasury Bill Rate and Average Federal Funds Rate
5. Average rate of return on total city portfolio at report date.

Investment Policy Adoption:

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed on an annual basis and any modifications made thereto must be approved by the City Council.

Acknowledgment/Agreement:

I have read and fully understand Act 20 PA 1943, as amended, and the Invest Policy of the City of Brighton. Any investment advice or recommendation given by _____, representing _____, to the City of Brighton shall comply with the requirements of Act 20 PA 1943, as amended, and the Investment Policy of the City of Brighton. Any existing investment not conforming to the statute or the policy will be disclosed promptly.

By:

Title:

Date: