

CITY OF BRIGHTON
CITY COUNCIL MEETING
CITY HALL
April 5, 2012

EARLY BLUE SKY: 6:00 PM: Budget Review Worksession

Regular Blue Sky - 7:00 pm: 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: Regular Meeting** and Closed Sessions of **March 15th** and **Worksessions of February 23rd, March 20th, 22nd and 27th.**
6. Eagle Scout award proclamation presentation
7. Mayor's Reading of Citizen Inquiries received since the last City Council Meeting
8. Call to the Public

Consent Agenda

9. Consider approval of a motion as recommended by the City Attorney to ratify a recent administrative staff proposal to a citizen for a modified location of City cemetery plots
10. Consider approval of an **amendment to the Genoa-Dillon Street intergovernmental water utility service agreement** as proposed by the Genoa Charter Township Board of Trustees subject to final approval by the City Attorney
11. Consider approval of a local support **resolution for a charitable gaming license for a raffle at the SELCRA golf outing**
12. Consider approval of **annual civic event permit applications** as recommended by staff
13. Consider approval of a **resolution to allow the purchase of MERS Service Credits by an employee at the employee's expense**
14. Consider approval of a motion to set a date of April 19, 2012 Conduct public hearing to receive public input for the close-out of the work on a MSHDA grant as required by the MEDC

Policy Development & Customer Communications' action item

15. Consider approval of recommended rental fee adjustments received from the SELCRA staff for the Community Center usage/rentals (City Manager is recommending approval to help generate more usage & revenue)
16. Conduct first reading of a **proposed ordinance to amendments to Chapter 66, Article I, Section 66-2, Definitions, Section 66-4, Exempt Signs and the addition of 66-100, Downtown Business District (DBD) signage requirements** as recommended by the Planning Commission
17. Consider approval of the staff-proposed **updated Debt Management Policy**
18. Consider approval of a motion directing staff to publish a notice for the annual public hearing on the City Council's proposed City Budget for Fiscal Year 12-13 (motion to include direction to staff on what changes to make to the City Manager's Proposed Budget that would then be reflected in the public hearing notice)

Other Business

19. Information for City Customers
20. Receive updates from Council Member Liaisons to other Boards and Commissions
21. Call to the Public
22. Adjournment

MINUTES OF THE MEETING OF THE CITY COUNCIL OF BRIGHTON
HELD ON MARCH 15, 2012 AT THE BRIGHTON CITY HALL
200 N. 1ST STREET, BRIGHTON, MICHIGAN

BLUE SKY SESSION

The Council conducted a Blue Sky Session at 7:00 p.m. Present were Mayor Muzzin, Councilmembers Schillinger, Bandkau, Bohn, Pipoly and Roblee. 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, there being present were Mayor Muzzin, Councilmembers Schillinger, Bandkau, Pipoly, Roblee and Bohn. Also in attendance were Attorney Paul Burns and Brad Maynes, Special Legal Counsel Dennis Gabrian and Staff members Dana Foster, Kelly Hanna, Jennifer Burke, Diana Lowe, Amy Cyphert, Dave Blackmar, Tom Wightman and an audience of 12. Press and Media included Jim Totten from the Livingston Press & Argus and Tom Tolen from WHMI.

AGENDA APPROVAL

It was moved by Councilmember Roblee, seconded by Schillinger to approve the Agenda as amended. Add item #7a, Eagle Scout Proclamations, #7b, Eagle Scout Proclamation, #16a, Possible Litigation Closed Session, #16b, Possible Closed Session Action. Motion passed 6-0-1.

MINUTES APPROVAL

It was moved by Councilmember Bandkau, seconded by Pipoly to approve the Regular Meeting minutes of March 1, 2012 as presented. Motion passed 6-0-1.

It was moved by Councilmember Bandkau, seconded by Roblee to approve the Closed Session minutes of March 1, 2012 as presented. Motion passed 6-0-1.

It was moved by Councilmember Pipoly, seconded by Bandkau to approve the three sets of Closed Session minutes of February 16, 2012 as presented. Motion passed 6-0-1.

CITIZEN INQUIRIES

Mayor Muzzin read the following Citizen Inquiries:

Susan Walters-Stienacker - many members of the Downtown Development Authority never took their legal Oath of Office. Without taking the Oaths of Office, were members votes legal? Should members, legally, been allowed access to attorney client documents?

Patricia A. Cole – In regards to the Veterans Memorial, Please explain exactly who the "Veterans" are? Where was the meeting held? What made the meeting "Very productive, very positive"? Please explain why a City

City Council
March 15, 2012
Page 2

Council person is appointed to a "private Veteran's Committee"? By what authority is any Councilperson appointed as liaison to any "private citizen's committee"?

Paul Burns stated it depends on what level the City Council wants to report to the public.

Mayor Muzzin stated if the City Council wants to have a liaison attend a meeting on a regular basis, there is nothing legal stopping them.

Councilmember Bandkau stated she will not be seeking any per diem payment for any of the meetings that she will be attending for the Veteran's Memorial Committee.

CALL TO THE PUBLIC

Mayor Muzzin opened the Call to the Public at 7:36 p.m. Hearing no comment, the Call to the Public was closed.

EAGLE SCOUT

Mayor Muzzin read an Eagle Scout Proclamation for Matthew Hill and presented it to him.

Matthew Hill stated his Eagle Scout project was to build eight rifle-shooting benches at the Livingston Conservation and Sports Association on McClements Road.

Mayor Muzzin read an Eagle Scout Proclamation for Harrison Jones and presented it to him.

Harrison Jones stated his Eagle Scout project was to build a 90-foot fence, retaining wall and steps to an entrance into the Howell Nature Center.

City Manager, Dana Foster congratulated Dennis Kalio for the many Eagle Scouts he has produced over the years.

CONSENT AGENDA

It was moved by Councilmember Roblee, seconded by Bandkau to approve the Consent Agenda as presented.
Motion passed
6-0-1.

The following item was approved on the Consent Agenda:

1. Approved a one-year site plan extension for the City of Brighton North and West Streetscape Projects as depicted on the site plan prepared by Lindhout Associates Architects, job #1035, sheets C1, C2, C3, C4, C5, C6, C7, C8 & E1 last dated 12-17-2010 and site plan prepared by Kem-Tec & Associates, job #10-02422, sheet C9, last dated 7/12/10. The approval is subject to the following condition:
 1. That the Fire Department and City Engineers review the plans during the building permit process.

SELCRA AWARDS

Linda Walter, Past President of SELCRA, presented a Website Marketing award and Recreation Leadership award to Derek Smith.

Derek Smith thanked Linda Walter, the SELCRA Board and the Council.

MML TECHNOLOGY COMMITTEE SMARTMETER REPORT

It was moved by Councilmember Roblee, seconded by Bandkau to table the MML Technology Committee's recent review of the Smart-meters until later in the meeting. Motion passed 6-0-1.

PROPOSED FISCAL YEAR 12-13 CITY BUDGET PRESENTATION

City Manager, Dana Foster presented the proposed Fiscal Year 12-13 City Budget to Council on DVD. He discussed a PowerPoint presentation stating Reasons for the Cautious Optimism.

Finance Director, Kelly Hanna discussed a PowerPoint presentation: General Fund Revenues: What's Improved Since a Year Ago and Why?, Projected Property Tax Revenues from Each Property Classification, Taxable Value History, Utilities Fund: what's improved and why?, Millage Rate and Utility Rate Changes Effective July 1, 2012, Updated 6-year General Fund Forecast, Key Assumptions for the General Fund 6-year forecast, Fund Balance trend chart has improved again, Updated 6-year DDA Fund Forecast, Key Assumptions for the DDA Fund 6-year forecast for the out years, Service Ranking Matrix: with Cost Data, Operating Assumptions for Fixed Vs. Variable Costs', General Fund: Fixed vs. Variable Costs' Analysis and Fixed vs. Variable Cost Analysis in a Pie Chart.

City Manager, Dana Foster discussed Fixed vs. Variable Costs, existing staffing, City Manager's Proposed Additional Funding Allocations, recommending approval for Residential Rental Program, Staff position upgrade for Community Development funded by the DDA, possible Utilities Fund allocations, General Fund: "what if" Revised 6-year Forecast Scenario #1 (cut \$500,000), Scenario #2 (wage freezes), Scenario #3 (both combined), Thank You's and Credits and upcoming Budget Worksession dates.

Councilmember Bohn presented a slide describing Scenario #4, Alternative Approach - Allow eligible expenses be paid for by the DDA and Rationale Supporting General Fund Increases.

Councilmember Pipoly stated projects are coming to the City of Brighton because of all the great projects the DDA has done.

Mayor Muzzin requested a copy of Councilmember Bohn's presentation and stated he would like to discuss it at a future Council Worksession.

City Manager, Dana Foster discussed the Updated 6-year DDA Fund Forecast again.

Councilmember Roblee stated business has never been better, even in this economy because of the strength of the DDA.

MML TECHNOLOGY COMMITTEE SMARTMETER REPORT

It was moved by Councilmember Schillinger, seconded by Bohn to remove MML Technology Committee Smartmeter report from the table. Motion passed 6-0-1.

It was moved by Councilmember Schillinger, seconded by Bohn to table to MML Technology Committee Smartmeter report to the next meeting. Motion passed 6-0-1.

CITY CUSTOMER INFORMATION

City Manager, Dana Foster stated the City won the Loss Control Award from the MML Workers' Compensation Fund and the City received the GFOA award for annual financial report on our overall accounting.

Matt Modrack stated the downtown is very vibrant, with much of it being paid for by grants, the residential property values will follow a resurgence of the downtown and all of the financial woes are not derived from the DDA.

Councilmember Bandkau stated she attended the Brighton Area Roll of Honor with Sharon Kisak, Col. Kriste Kibbey Etue, and Nancy Rosso being recognized. Matt Modrack will be doing a presentation for the MML Race for the Cup. The Brighton Veteran's Memorial Committee met and the Bylaws and Articles have been sent to the State of Michigan, Veteran's Day will be the dedication of the new memorial. She thanked Jim Barnas and Piet Lindhout for their work on the memorial and stated the Committee is looking for donations.

Councilmember Roblee stated on March 31st the Imagination Station volunteers will start working at 9:00 a.m. She thanked the City and Renee Pettengill for all of their efforts for the Imagination Station and the Downtown Merchants will be offering incentives and discounts for the volunteers. For volunteers, go to brightonimaginationstation@gmail.com.

Councilmember Pipoly stated the DDA completed a contract with Brighton Area Chamber of Commerce for enhanced marketing for the DDA and the PSD. They completed an agreement with SELCRA for a Day of Magic, Wildlife Safari Day and Family and the Outdoors day at the Millpond. Bids were sent out for 121 W. North Street for the potential parking structure.

Mayor Muzzin thanked Dana Foster, Matt Schindewolf and Tom Wightman for the recent City Council tours. He stated the Brighton Area Fire Authority updated their preliminary budget and there is an article in the Detroit Free Press on The Wooden Spoon.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 10:01 p.m. The following comment was heard:

Pat Cole, Brighton City, thanked Councilmember Bandkau for her Veteran's Memorial update. She stated she would like to help facilitate the project.

Hearing no further comments, the Call to the Public was closed at 10:05 p.m.

ATTORNEY/CLIENT WRITTEN COMMUNICATION CLOSED SESSION

It was moved by Councilmember Bandkau, seconded by Pipoly to go into Closed Session to discuss written Attorney/Client privilege communication pursuant to MCL 15.268(h) at 10:06 p.m. A roll call vote was taken. Yes: Schillinger, Bohn, Muzzin, Bandkau, Roblee, Pipoly. No: none. Absent: Cooper. Motion passed 6-0-1.

The Council convened into Closed Session at 10:06 p.m.

The Council reconvened the Regular Session at 10:35 p.m.

POSSIBLE REAL PROPERTY ACQUISITION CLOSED SESSION

It was moved by Councilmember Pipoly, seconded by Roblee to go into Closed Session to discuss a possible real property acquisition pursuant to MCL 15.628(d). A roll call vote was taken. Yes: Schillinger, Bohn, Muzzin, Bandkau, Roblee, Pipoly. No: none. Absent: Cooper. Motion passed 6-0-1.

The Council convened into Closed Session at 10:35 p.m.

The Council reconvened the Regular Session at 10:49 p.m.

POSSIBLE MICHIGAN TAX TRIBUNAL LITIGATION CLOSED SESSION

It was moved by Councilmember Roblee, seconded by Pipoly to go into Closed Session to discuss possible Tax Tribunal litigation pursuant to MCL 15.628(e). A roll call vote was taken. Yes: Schillinger, Bohn, Muzzin, Bandkau, Roblee, Pipoly. No: none. Absent: Cooper. Motion passed 6-0-1.

The Council convened into Closed Session at 10:49 p.m.

The Council reconvened the Regular Meeting at 10:54 p.m.

CLOSED SESSION ACTION

It was moved by Councilmember Bandkau, seconded by Pipoly to authorize execution of the Consent Judgment for Lodging Enterprises as presented by the City Attorney. Motion passed 6-0-1.

ADJOURNMENT

It was moved by Councilmember Roblee, seconded by Pipoly to adjourn the meeting at 10:55 p.m. Motion passed 6-0-1.

**MINUTES OF THE WORKSESSION OF THE
CITY COUNCIL, HELD ON FEBRUARY 23, 2012 AT THE
BRIGHTON CITY HALL, 200 N. 1ST STREET, BRIGHTON, MICHIGAN.**

Mayor Muzzin called the Worksession to order at 6:30 p.m. Present were Mayor Muzzin, Mayor Pro-Tem Cooper, Councilmembers, Bohn, Pipoly, Roblee and Bandkau. Also in attendance were Attorney Paul Burns, Staff Members: Dana Foster, Kelly Hanna, Matt Schindewolf, Matt Modrack and Diana Lowe and an audience of 0.

It was moved by Councilmember Cooper, seconded by Bandkau to excuse Councilmember Schillinger from the evening's meeting. Motion passed 6-0-1.

AGENDA APPROVAL

It was moved by Councilmember Pipoly, seconded by Roblee to approve the agenda for the evening's Worksession. Motion passed 6-0-1.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 6:31 p.m. Hearing no comment, the Call to the Public was closed.

FOCUS GROUP MEETINGS OUTCOMES

The Council discussed the outcomes of the recent series of Community Improvements related Focus Group Meetings.

Council discussed the following:

- Taxable Value.
- Projected growth.
- Loss of Personal Property Tax.
- Concentrate on maintaining/increasing Commercial/Industrial base.
- The effect on Residential.
- What projects get cut?
- The upcoming Brighton Area Schools bond issue impact on taxpayers.
- Debt Millage Policy.
- Separate Bond proposals and timing.
- The importance of putting a future bond proposal on a ballot.
- On-line interest survey problems.

INTERGOVERNMENTAL UTILITY SERVICE

City Manager, Dana Foster discussed recent intergovernmental utility service related communications with Genoa Township regarding costs, fees, available REU's,

There was Council discussion regarding:

- Largest utility users.
- Significant capacity at the Wastewater Treatment Plant.
- Dillon Water Agreement extension with the payment in lieu of taxes exemption for the original agreement.
- Projected timeframe before we are at maximum.
- The potential of additional capacity at the Wastewater Treatment Plant.
- Projected life of the Plant.
- Bolt formula.
- Increase consumption with out increasing costs.
- Set aside a portion of the potential funds designated towards maintenance.

Finance Director, Kelly Hanna explained the Enterprise Fund is for utilities and it appropriates funds to the general fund for certain expenses. She recommends the potential connection fees be appropriated to Utility Capital Improvements.

Department of Public Services Director, Matt Schindewolf stated the City has better treatment ability and capacity than the Genoa/Oceola plant. We are ready to accept this agreement immediately.

City Attorney, Paul Burns explained the Bolt vs. City of Lansing case regarding the value of an REU, which is different from the commodity charge. They had to provide a study of the value of an REU. The cost/value of the REU must be justified.

CITY COUNCIL REQUESTS

Mayor Muzzin stated the "City Council requests to City Staff" agenda item was driven by him. He recommended City Council be sensitive of the City Manager and Staff's time and Councilmembers need to take care of minor requests, but bring larger issues to City Council for a majority vote.

CALL TO PUBLIC

Mayor Muzzin gave a Call to the Public at 8:00 p.m. Hearing no comment, the Call to the Public was closed.

ADJOURNMENT

It was moved by Councilmember Roblee, second by Bandkau to adjourn the Worksession at 8:00 p.m. Motion passed 6-0-1.

Diana Lowe, City Clerk

Jim Muzzin, Mayor

**MINUTES OF THE BUDGET WORKSESSION OF THE
CITY COUNCIL, HELD ON MARCH 20, 2012 AT THE
BRIGHTON CITY HALL, 200 N. 1ST STREET, BRIGHTON, MICHIGAN.**

ROLL CALL

Mayor Muzzin called the Budget Worksession to order at 6:31 p.m. The roll was called, there being present were Mayor Muzzin, Councilmembers Schillinger, Bohn, Pipoly and Roblee. Also in attendance were Staff members Dana Foster, Kelly Hanna, Jennifer Burke, Diana Lowe, Amy Cyphert and Tom Wightman.

It was moved by Councilmember Schillinger, seconded by Pipoly to excuse Councilmember Bandkau and Cooper from the evening's Worksession. Motion passed 5-0-2.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 6:32 p.m. Hearing no comment, the Call to the Public was closed.

DISCUSSION

Council discussed the following:

- Police Car replacement.
- Body armor was replaced.
- Lack of Front counter staff at Police Department.
- Number of Police calls for service.
- Alternatives to travel.
- Elections.
- Grievances.
- Peddler's permits.
- LDFA.
- Building Inspector Contract with Livingston County.
- Rental Home inspections.
- Homestead exemptions monitoring.
- Contracted inspection fees.
- Zoning Ordinance violations.
- Grant follow-up reporting.
- IT contract transition and possible amendments.
- Usage of the County's fiber optic line.
- Backup server with Howell City.
- Need of in-car Police video.
- Equipment reserve fund.
- Future worksessions.
- Administrative Non-Union Pay and Benefits Study status.

CALL TO PUBLIC

Mayor Muzzin gave a Call to the Police at 8:22 p.m. The following comments were heard:

Dana Foster asked if anyone have trouble opening the electronic budget documents. No.

Councilmember Roblee commended Mr. Foster and Staff on this year's budget presentation and electronic format.

Mayor Muzzin agrees with Councilmember Roblee and it saved paper, time and is easy to navigate through.

Hearing no further comment, the Call to the Public was closed at 8:24 p.m.

ADJOURNMENT

It was moved by Councilmember Roblee, second by Pipoly to adjourn the Budget Worksession at 8:24 p.m. Motion passed 5-0-2.

Diana Lowe, City Clerk

*****Lo 'O w | kp, Mayor

**MINUTES OF THE BUDGET WORKSESSION OF THE
CITY COUNCIL, HELD ON MARCH 22, 2012 AT THE
BRIGHTON CITY HALL, 200 N. 1ST STREET, BRIGHTON, MICHIGAN.**

ROLL CALL

Mayor Muzzin called the Budget Worksession to order at 6:30 p.m. The roll was called, there being present were Mayor Muzzin, Councilmembers Schillinger, Bohn, Bandkau, Pipoly and Roblee. Also in attendance were Staff members Dana Foster, Kelly Hanna, Diana Lowe and Matt Schindewolf.

It was moved by Councilmember Bandkau, seconded by Pipoly to excuse Councilmember Cooper from the evening's Worksession. Motion passed 6-0-1.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 6:31 p.m. Hearing no comment, the Call to the Public was closed.

DISCUSSION

Finance Director, Kelly Hanna discussed the Refuse Contract stating that fees would be increasing 1% next year and 100% is paid for by residents for the full 6-year forecast. She discussed Utility Fee revenue and expenditures, working capital and she cannot recommend a rate increase at this time.

Council discussion:

- Utility Rates
- Utility equipment/camera
- Working capital
- Winter Street Salt
- Parking lot repairs
- Possible DDA funding for unfunded parking lot improvement
- Licenses and certification for Utility personnel
- Privatizing or outsourcing cemetery
- Too many assets to maintain?
- Lease Wastewater Treatment Plant, Water Plant and/or cemetery and retain the employees
- Street lighting and the possibility saving funds
- LED lighting and savings
- Invest in solar or wind power for city buildings

Department of Public Services Director, Matt Schindewolf discussed the City's winter salt purchases through a State contract and running below the recommended staffing standards for Utilities.

City Manager, Dana Foster stated staffing reductions have affected all City departments and we are unable to decrease any more employees without also cutting or eliminating services.

City Council Budget Worksession

March 22, 2012

Page 2

CALL TO PUBLIC

Mayor Muzzin gave a Call to the Public at 8:10 p.m. Hearing no comment, the Call to the Public was closed.

ADJOURNMENT

It was moved by Councilmember Bandkau, second by Roblee to adjourn the Budget Worksession at 8:10 p.m. Motion passed 6-0-1.

Diana Lowe, City Clerk

*****Lo 'O w | kp, Mayor

**MINUTES OF THE BUDGET WORKSESSION OF THE
CITY COUNCIL, HELD ON MARCH 27, 2012 AT THE
BRIGHTON CITY HALL, 200 N. 1ST STREET, BRIGHTON, MICHIGAN.**

ROLL CALL

Mayor Muzzin called the Budget Worksession to order at 6:30 p.m. The roll was called, there being present were Mayor Muzzin, Mayor Pro-Tem Cooper, Councilmembers Schillinger, Bohn, Bandkau, Pipoly and Roblee. Also in attendance were Staff members Dana Foster, Kelly Hanna, Diana Lowe, Matt Modrack and Lauri French and an audience of two.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 6:31 p.m. Hearing no comment, the Call to the Public was closed.

DISCUSSION

City Manager, Dana Foster discussed the Updated 6-year DDA Fund Forecast, \$25,000 DDA Fund allocation to the General Fund to purchase additional Police Department scheduled overtime hours for Directed Police Patrols in our Downtown, Key Assumptions for the General Fund 6-year forecast, bond proposal, curb and gutter, Community Development & Residential Grant Programs for infrastructure and for housing improvements, possible studies by Plante Moran for possible Stormwater Utility User fee idea, utility rate structure update and possible intergovernmental utility services.

Community Development/DDA Director, Matt Modrack discussed the details of the Neighborhood Improvement Program, possible qualification for loans, Home Loan Bank programs, Rental Rehab Program, Brownfield credits, residential rental purchases, rental inspection program, foreclosed properties, Sheriff sales and creating a housing authority for senior housing.

Finance Director, Kelly Hanna discussed the Debt Management Policy.

Council discussion:

- Unreserved Fund Balance
- Limit DDA funded Police patrols to one year
- Impact of new programs on our Attorney
- Protect our housing stock
- Rental inspections
- Pursue the Sheriff sales
- Pursue Ordinance violations
- Is the City Council going to be limited for bond proposals?
- DDA Bonds
- All easy cuts have been made to the General Fund? Yes.

City Manager, Dana Foster discussed General Fund: Fixed vs. Variable Costs' Analysis stating not all of our personnel costs are in the General Fund. What is our personnel percentage with all funds combined?

CALL TO PUBLIC

Mayor Muzzin gave a Call to the Police at 8:17 p.m. The following was heard:

Bob Herbst asked if we are prepared for unexpected situations, such as tornados? He discussed the need to keeping property values up. He asked what the City is going to do with building heights, such as third floor or higher? He stated he appreciates the City's cooperation with the DDA.

Hearing no further comment, Mayor Muzzin closed the Call to the Public at 8:21 p.m.

ADJOURNMENT

It was moved by Councilmember Bandkau, second by Roblee to adjourn the Budget Worksession at 8:22 p.m. Motion passed 7-0.

Diana Lowe, City Clerk

*****Lo 'O w | k, Mayor

**AMENDMENT TO THE
CITY OF BRIGHTON - GENOA TOWNSHIP
WATER SERVICE CONTRACT - DILLON AREA**

This Amendment is between the City of Brighton, a Michigan municipal corporation, whose address is 200 North First Street, Brighton, Michigan 48116 (the "City") and Genoa Charter Michigan 48116 (the "Township") and is effective _____, 2012. This Amendment amends the City of Brighton - Genoa Township Water Service Contract - Dillon Area dated May 4, 1992 (the "Contract"). In the event that any provision of this Addendum and any provision of the Contract is inconsistent or conflicting, the inconsistent or conflicting provision of this Addendum shall have priority over the conflicting provision(s) of the Contract.

The City and the Township hereby agree as follows:

1. Section 9, TERM, is hereby amended as follows:

The Term of the Contract is hereby extended to and shall terminate at the close of business on May 25, 2032, unless the water supply system permanently discontinues operation during this term in which case this Contract shall expire on the date that water service is permanently discontinued. The City shall provide the Township at least 180 days notice before any planned permanent discontinuance of service. The City and the Township may extend the term of this Contract in writing upon mutually agreeable terms prior to the expiration of the Contract.

2. Section 3, paragraph B is hereby deleted effective as of May 31, 2012 and paragraph B shall be left blank.
3. All other terms and conditions of the Contract shall remain in full force and effect.

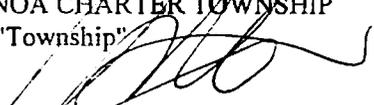
The City and the Township certify by their undersigned authorized agents that they have read this Amendment and agree to be bound by the terms and conditions of the Contract as amended herein.

Witnesses:

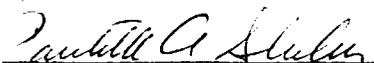




GENOA CHARTER TOWNSHIP
the "Township"

By: 

Its Supervisor

By: 

Its Clerk

CITY OF BRIGHTON
The "City"

By: _____
Its Mayor

By: _____
Its Clerk

STATE OF MICHIGAN)
) SS.
COUNTY OF LIVINGSTON)

On this _____ before me appeared Gary McCririe and Paulette Skolarus, to me known to be the Supervisor and Clerk of Genoa Charter Township, who being by me sworn did say that they executed the foregoing Amendment on behalf of the Township by authority duly invested in them by the Genoa Township Board.

Notary Public

STATE OF MICHIGAN)
) SS.
COUNTY OF LIVINGSTON)

On this _____ before me appeared James Muzzin and _____, to me known to be the Mayor and Clerk of the City of Brighton, who being by me sworn did say that they executed the foregoing Amendment on behalf of the City by authority duly invested in them by the Brighton City Council.

Notary Public



Charitable Gaming Division
 Box 30023, Lansing, MI 48909
 OVERNIGHT DELIVERY:
 101 E. Hillsdale, Lansing MI 48933
 (517) 335-5780
 www.michigan.gov/cg

LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES
 (Required by MCL.432.103(9))

At a _____ meeting of the _____
REGULAR OR SPECIAL TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD

called to order by _____ on _____
DATE

at _____ a.m./p.m. the following resolution was offered:
TIME

Moved by _____ and supported by _____

that the request from _____ of _____,
NAME OF ORGANIZATION CITY

county of _____, asking that they be recognized as a
COUNTY NAME

nonprofit organization operating in the community for the purpose of obtaining charitable

gaming licenses, be considered for _____.
APPROVAL/DISAPPROVAL

APPROVAL	DISAPPROVAL
Yeas: _____	Yeas: _____
Nays: _____	Nays: _____
Absent: _____	Absent: _____

I hereby certify that the foregoing is a true and complete copy of a resolution offered and
 adopted by the _____ at a _____
TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD REGULAR OR SPECIAL
 meeting held on _____.
DATE

SIGNED: _____
TOWNSHIP, CITY, OR VILLAGE CLERK

PRINTED NAME AND TITLE

ADDRESS

COMPLETION: Required.
 PENALTY: Possible denial of application.
 BSL-CG-1153(R10/06)

**POLICY REPORT NO. DPS –12-03
DEPARTMENT OF PUBLIC SERVICE**

Civic Event Schedule, 2012

Prepared by:

Reviewed by:

Matthew J. Schindewolf
Public Service Director

Dana W. Foster
City Manager

ISSUE: To consider the Civic Event Schedule for 2012.

STAFF RECOMMENDATION: To recommend the Civic Event Schedule for 2012 as approved by the Civic Event Committee, with contingent approval on noted events.

BACKGROUND: The City of Brighton Civic Events Committee has reviewed all of the submitted event applications for the 2012 event season. The Committee has recommended approval for all 28 of the events. The 2012 Fine Arts & Acoustic Music Festival was approved by City Council in October of 2011 so that event will not be included in this approval. The total number of events for 2012 is 29.

This year's applications for Civic Events were reviewed using criteria developed for the Civic Events Policy and Application. All applicants for events were e-mailed the adopted application and asked to provide all information as per the policy.

All of the Civic Events for this year were submitted and reviewed by the Civic Event Committee. Many of the events are similar in scope to those held last year, with the exceptions that will follow. The next step in the process will be the City Council approval. Due to the Department of Public Services decreased assistance with Civic Events, there will only be pre-event meetings held for parades, events that are large in scope or occur over multiple days or events that are serving alcohol.

With the exception of the following event, all of the applications received were for previously-held events of the same scope:

- SELCRA's Summer Series at the Millpond. SELCRA is proposing to hold three separate events (June 30th, July 14th, and August 18th), at the Millpond. The titles and descriptions for these events are as follows:
 - Family and the Outdoors Day – Activities include fishing, canoeing demos, camping, geocatching, etc.
 - A Day of Magic – Magic workshops, magic show, etc.
 - Wildlife Safari Day – Display of exotic animals for around the world

Below are listed the events as of the date of this Policy Report:

SELCRA Wildlife Safari Day at the Millpond	Saturday, August 25 th
Smokin' Jazz & BBQ Blues Fest 8 th	Friday and Saturday, September 7 th and 8 th
Brighton Walk to End Alzheimer's	Sunday, September 16 th
BHS Homecoming Parade	Friday, September 28 th
Harvest Fest	Saturday, September 29 th
Pregnancy Helpline Walk	Saturday, October 6 th
Local Live Block Party "Roktoberfest"	Saturday, October 13 th
Crop Walk	Sunday, October 21 st
SELCRA Halloween Spooktacular	Wednesday, October 31 st
Veterans Day Parade	Sunday, November 11 th
Holiday Glow	Saturday, November 17 th

BUDGET IMPACT: As was the case last year, the City Manager's Budget-related Directive whereas, no non-emergency overtime will be approved for Department of Public Services personnel; therefore, these events will have no impact on the City's budget with regard to DPS personnel services, which is a decrease in costs incurred by the City of Brighton from Civic Events in years past. Police presence will be needed at the four parade events— namely, Memorial Day Parade, 4th of July Parade, Homecoming Parade, and Veterans Day Parade as well as events that are serving alcohol – namely, Americana Music Festival, Smokin Jazz & BBQ Blues Festival, and Rocktoberfest. They will also assist with the walks that require intersections to be blocked off for the beginning of the event and those events will use on-duty officers.

RELATIONSHIP TO 2012/2013 GOALS: Continued allowance of various Civic Events under controlled conditions to promote the Downtown City of Brighton area.

COUNCIL ACTION: Approval of the Civic Event Schedule for 2012 as proposed and approved by the Civic Event Committee.

POLICY REPORT
CONSIDER GRANTING A REQUEST FOR THE PURCHASE OF RETIREMENT
SERVICE CREDITS AT THE EMPLOYEE'S COST

March 27, 2012

Prepared by:

Reviewed by:

Jennifer Burke
Human Resources Director/Deputy City Clerk

Dana W. Foster
City Manager

ISSUE/RECOMMENDATION:

Per the attached request of Officer Michael Arntz, Police Department of the City of Brighton, consider granting the employee's purchase of generic retirement service credits. We recommend that City adopt the attached resolution prepared by the Michigan Employee's Retirement System (MERS) to grant Mr. Arntz the purchase of generic retirement service credits, **at his sole expense.**

BACKGROUND:

Historically, the City has allowed such requests, providing the employee pays 100% of the costs. MERS allows, by a majority vote of the governing body, an employee to purchase up to five years of generic credited service.

BUDGET IMPACT:

None. The employee will pay 100% of the cost to purchase his service credits.

RELATIONSHIP TO GOALS:

Not directly related to City's Goals.

COUNCIL ACTION:

Adopt the attached Resolution prepared by MERS to grant Mr. Arntz the purchase of generic retirement service credits at his expense.

Memo

To: Jennifer Burke, Human Resources Director

From: Mike Amtz

Date: 3/21/2012

Re: MERS service purchase

I would like to purchase three years of MERS service. MERS requires City Council's approval. I am asking that my request be added to the agenda for the next City Council meeting.

Respectfully submitted,



Mike Amtz

APPLICATION FOR ADDITIONAL CREDITED SERVICE
Cost Estimate, Member Certification and Governing Body Resolution

MEMBER

Name: Michael Richard Arntz
 SSN:
 DOB:
 Age:
 Spouse's DOB:

CALCULATION DATE - 3/1/2012
 (Estimate Not Valid After 2 Months)

EMPLOYER

Name: Brighton, City of
 Number/Div: 4704 / 02

BENEFIT PROGRAMS

Benefit B-4 (80% max)
 Benefit F50 (With 25 Years of Service)
 Benefit FAC-5 (5 Year Final Average Compensation)
 10 Year Vesting

ESTIMATED FAC ON CALCULATION DATE: \$65,673.84

CREDITED SERVICE

Member's Service Credit as of Calculation Date:

4 years, 6 months

Type of Credited Service to be Granted:

Generic (Plan Section 7)

Amount of Credited Service to be Granted:

3 years, 0 months (may not be used for vesting)

Total Estimated Actuarial Cost of Additional Credited Service:

\$31,634.00 [Payment Options on Reverse]

BENEFIT CALCULATION ASSUMPTIONS

1. It is assumed that the Member will continue working until the earliest date for unreduced retirement benefits. If the Member terminates prior to becoming eligible for unreduced benefits, the Employer understands and accepts that the actuarial cost will be different from the actuarial cost shown above.
2. The Member's Final Average Compensation (FAC) is projected to increase 4.5% annually from the date of purchase to the date of retirement.
3. The Plan's Investment Return is projected to be 8% annually.

MEMBER CERTIFICATION

I certify that the above information is correct and accurate. If this is a purchase of qualifying "other governmental" service, I certify that the service has not and will not be recognized for the purpose of obtaining or increasing a pension under another defined benefit retirement plan.


 Signature of Member

3/22/12
 Date

POLICY REPORT: AMENDMENTS TO CHAPTER 66, ARTICLE I, SECTION 66-2, DEFINITIONS, SECTION 66-4, EXEMPT SIGNS AND THE ADDITION OF 66-100, DOWNTOWN BUSINESS DISTRICT (DBD)

April 5, 2012

Prepared by:

Amy Cyphert
Planning & Zoning Director

Reviewed by:

Dana Foster
City Manager

ISSUE:

To consider the First Read and setting of a public hearing for the proposed ordinance amendments to Chapter 66, Article I, Section 66-2, Definitions, Section 66-4, Exempt Signs and the addition of 66-100, Downtown Business District (DBD) signage requirements pursuant to the Planning Commission recommendation on March 19, 2012.

STAFF RECOMMENDATION:

Staff concurs with the Planning Commission's recommendation.

BACKGROUND:

On February 10, 2011, the Zoning Board of Appeals directed City Staff to begin work on a downtown sign ordinance because our current ordinance is based on the General Commercial district, not the Downtown District.

City Staff researched other communities with downtowns and their downtown signage regulations. City Staff then compiled the existing C2/C4 City of Brighton sign ordinance and the sign ordinances from other communities to create the first draft of the DBD sign ordinance.

On May 5, 2011, City Staff presented the draft DBD sign ordinance to the DDA Design Committee. The Design Committee provided some suggested amendments to the first draft. Those suggestions have been included in the attached proposed ordinance. On May 17, 2011, City Staff presented the proposed DBD sign ordinance to the DDA Board and to the PSD Board on June 7, 2011. Both Boards supported the proposed DBD sign ordinance.

On September 19, 2011, the Planning Commission reviewed the draft ordinance amendments and provided revisions. Those revisions have been included in the attached draft.

A public hearing was held on October 17, 2011. Several comments and potential revisions were made during the public hearing. The Planning Commission requested several revisions which were made to the document.

The City Attorney took the time to review to "button up" the proposed ordinance amendments. The Planning Commission held a second public hearing on March 19, 2012 and no public comments were

made. The Planning Commission then made the motion to forward the amendments and additional ordinance section to City Council for review and adoption.

DISCUSSION

Attached are the proposed ordinance to amendments to Chapter 66, Article I, Section 66-2, Definitions, Section 66-4, Exempt Signs and the addition of 66-100, Downtown Business District (DBD).

BUDGET IMPACT: N/A

RELATIONSHIP TO 2011/2012 GOALS: N/A

COUNCIL ACTION:

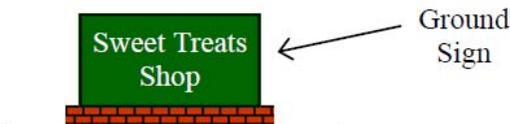
Introduce the proposed amendments to Chapter 66, Article I, Section 66-2, Definitions, Section 66-4, Exempt Signs and the addition of 66-100, Downtown Business District (DBD) recommended by the Planning Commission and set a public hearing for April 19, 2012.

Attachments:

1. Proposed amendments to Chapter 66, Article I, Section 66-2, Definitions, Section 66-4, Exempt Signs and the addition of 66-100, Downtown Business District (DBD)
2. Planning Commission Meeting Minutes

Sec. 66-100. Downtown Business District. All signs permitted in the Downtown Business District (DBD) district shall meet the following special requirements:

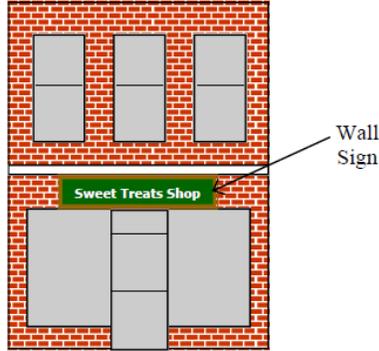
- (1) *Nonconforming Signs.* Signs lawfully erected under Section 66-95 of this Code or other previous ordinance, prior to _____, which do not meet standards of this chapter may be maintained except as hereinafter provided.
 - a. No nonconforming sign shall be changed to another nonconforming sign.
 - b. No nonconforming sign shall have any changes made in the words or symbols used or the message displayed on the sign unless the sign is specifically designed for periodic changes of message.
 - c. No nonconforming sign shall be structurally altered so as to prolong the life of the sign or so as to change the shape, size, or type or design of the sign.
 - d. No nonconforming sign shall have the face or faces changed when such sign is a type of construction so as to permit such a complete change of face.
 - e. No nonconforming sign shall be reestablished or maintained after the activity, business or usage to which it relates has been discontinued for 90 days or longer.
 - f. No nonconforming sign shall be repaired or erected after being damaged if the repair or erection of the sign would cost more than 50 percent of the cost of an identical new sign as determined by the city building inspector and assessor.
- (2) *Pole signs.* No pole signs shall be permitted.
- (3) *Ground signs.* Ground signs shall be permitted as follows



- a. Not more than one ground sign may be erected accessory to any single building, structure, or shopping center regardless of the number of separate parties, tenants or uses contained therein.
- b. The top of a ground sign may be no more than six feet above ground level.
- c. A ground sign shall not extend closer than two feet to any part of the public right-of-way.
- d. No ground sign shall have a single surface area exceeding 40 square feet for a single face sign or 80 square feet for signs of two or more faces.

- e. A ground sign shall be located on the same parcel of property as the building or use to which it is accessory.

(4) *Wall signs.* Wall signs shall be permitted as follows:



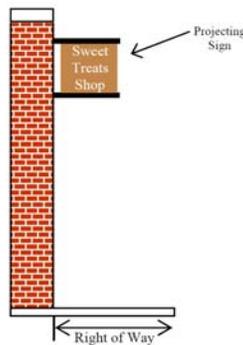
- a. *Multitenant buildings, internal stores.* Each occupant, tenant or user of space whose principal entrance is shared with other tenants and does not allow direct access into the tenant space shall be permitted one wall sign not exceeding 24 square feet in total surface area. This sign may be placed on the main public or primary entrance to the building. In addition, if a wall of the building which does not have a public entranceway is adjacent to a public right-of-way, one wall sign not exceeding 12 square feet in total surface area shall be permitted.
- b. *Multitenant buildings, external stores.* Each occupant, tenant or user of space whose principal entrance is such that a public entrance is provided directly from the outside into the store shall be permitted one wall sign not exceeding 50 square feet in area at that primary entrance or within the plane of the wall where the public entrance is located. Businesses which have in excess of 50 lineal feet of building frontage on a public street, alleyway or parking area, to which there is a public or primary entrance, the wall sign area may be increased by one square foot for each one lineal foot of frontage between 50 and 100 feet not to exceed a total of 100 square feet. In addition, if a wall of the building which does not have a public entranceway or is a secondary entrance, is adjacent to a public right of way, one wall sign not exceeding 50 percent of the total surface area of the above primary wall sign shall be permitted.
- c. *Single tenant building.* The provisions of subsection (4)b. of this section shall apply to single tenant buildings.
- d. *Limitation on placement.* No wall sign shall cover wholly or partially any wall opening, nor project beyond the ends or top of the wall to which it is attached.
- e. *Projection and height.* No wall sign shall have a thickness greater than 18 inches measured from the wall to which it is attached to the outer surface

and shall not be attached to a wall at a height of less than eight feet above any sidewalk.

- f. *Projection into right-of-way.* No wall sign shall project into any public right-of-way more than the thickness permitted as provided in subsection (4)e. of this section.
- g. *Vertical dimensions or height.* The vertical dimension of a wall sign shall not be in excess of six feet.

(5) *Roof signs.* No roof signs shall be permitted.

(6) *Projecting signs.* Projecting signs shall be permitted as follows:



- a. The surface area of a projecting sign shall not exceed twenty (20) square feet on each side or a total of forty (40) square feet, provided, however, that the combined area of any and all wall signs, projecting signs and canopy signs for the business shall not exceed the total amount permitted for wall signs for the relevant district as set forth in Section (4), above.
- b. The bottom of the projecting sign shall be a minimum of eight (8) feet above the surface of the sidewalk or ground area, or otherwise be located so as not to interfere with pedestrian traffic.
- c. A projecting sign shall not project greater than 48 inches beyond the property line. In measuring the sign's projection, the measurement shall be taken from the building from which it protrudes, including any open area between the wall face and the sign face.
- d. A projecting sign shall not project over a public street. For purposes of this section, a public sidewalk is not considered to be a public street.
- e. No projecting/blade/pedestrian/hanging sign shall project into an alley or truck service driveway more than two feet.
- f. If any projecting sign is suspended over a public property, sidewalk or alley, the owner shall at all times carry liability insurance in such amounts as are satisfactory to the City, and issued by companies acceptable to the City, licensed in the State of Michigan naming the City as an additional insured on any such policy. The owner will file with the City certificates or policies evidencing such insurance coverage. The insurance policies or

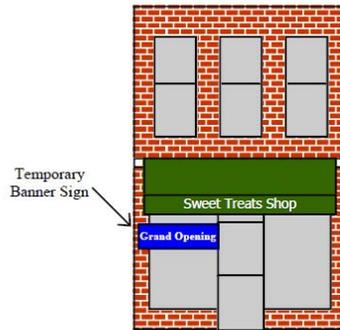
certificates shall provide that the City shall be given thirty (30) days written notice before a cancellation in coverage may occur.

- g. If at any time the insurance policy obtained pursuant to subsection (f), above, is canceled, the projecting sign shall be immediately removed. In the event the sign is not so removed, the City of Brighton shall have the right to remove the sign and repair the facade at the expense of the property owner.

(7) *Canopy signs.* Canopy signs shall be permitted as follows:



- a. There is no maximum permitted size for a canopy sign, provided, however, that the combined area of any and all wall signs, projecting signs and canopy signs for the business shall not exceed the total amount permitted for wall signs for the relevant district as set forth in Section (4), above.
- b. The canopy shall be constructed of durable material, maintained to continue its original appearance and provide proper safety to the persons and the property it may affect.
- c. Canopies shall be compatible with the architectural integrity of the building to which it is attached.
- d. Canopy signs located on the second floor or higher on a building shall not be permitted.
- e. Canopies may not extend from the wall at a height of less than 8 feet, six inches above the public right of way.
- f. A canopy shall not project over a public street. For purposes of this section, a public sidewalk is not considered to be a public street.
- g. If any canopy sign is suspended over a public property, sidewalk or alley, the owner shall at all times carry liability insurance in such amounts as are satisfactory to the City, and issued by companies acceptable to the City, licensed in the State of Michigan naming the City as an additional insured on any such policy. The owner will file with the City certificates or policies evidencing such insurance coverage. The insurance policies or certificates shall provide that the City shall be given thirty (30) days written notice before a cancellation in coverage may occur.



- (10) *Window signs.* Window signs (temporary or permanent) will be permitted but may not exceed 25 percent of the glass area on which they are displayed. Window signage includes signage, other than product or decorative display, affixed to the interior or the exterior of the windows and/or doors or located within 3 feet of the window and/or doors.



- (11) *Indoor Illuminated Open signs.* Indoor Illuminated Open signs are permitted as follows:
- a. No permit required for “open” signs.
 - b. Indoor illuminated open signs shall only be located on the interior of the building window.
 - c. Illumination:
 1. Only illuminated while the business is open to the public and shall be nonilluminated when the business is closed.
 2. The signs shall not flash, blink, oscillate, rotate, intermittently turn on and off, or otherwise vary in illumination, color or intensity.
- (12) *Rear Entry Signs.* Rear Entry Signs are permitted as follows:
- a. Rear entry signs are defined as a wall sign which is located near the rear entry door on a building.
 - b. Each occupant, tenant or user of space is permitted one rear entry sign not exceeding 6 square feet in area at the rear entry door.

(13) *Sidewalk/Sandwich Board Signs.* Sidewalk/Sandwich Board Signs are permitted as follows:

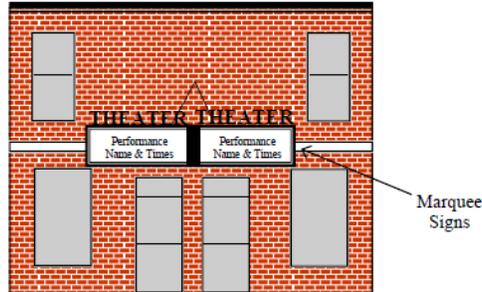
- a. A sidewalk/sandwich board sign must be of A-frame construction with a minimum base spread of two feet and a maximum height of four feet. A sidewalk/sandwich board sign may not exceed eight square feet per side.



- b. Sidewalk/sandwich board signs shall be a quality design that is heavy enough to withstand normal wind and weather conditions. It shall be a writing surface that allows the business to write a message in wet or dry erasable markers or chalk. No plastic changeable lettering or permanent messages are permitted on sidewalk/sandwich board signs.
- c. One sidewalk/sandwich board sign may be permitted per each ground-floor business and shall require an annual sidewalk/sandwich board sign permit application and upon approval of the administrator the applicant shall pay a permit fee as set forth in the annual fee scheduled set by the City Council.
- d. Sidewalk/sandwich board signs on a public right-of-way/sidewalk shall be kept against the building face and within six (6) feet of the building entrance for the business to which the sign pertains and shall not obstruct pedestrian traffic or impede maintenance and/or snow and ice removal.
- e. A sidewalk/sandwich board sign may not be illuminated by any means and may not have any moving parts.
- f. A sidewalk/sandwich board sign must be properly maintained and must not be allowed to become unsightly.
- g. A sidewalk/sandwich board sign may only be in place during the commercial establishment's business hours.
- h. The owner of a sidewalk/sandwich board sign shall at all times carry liability insurance in such amounts as are satisfactory to the City, and issued by companies acceptable to the City, licensed in the State of Michigan naming the City as an additional insured on any such policy. The owner will file with the City certificates or policies evidencing such insurance coverage. The insurance policies or certificates shall provide that the City shall be given thirty (30) days written notice before a cancellation in coverage may occur.
- i. If at any time the insurance policy obtained pursuant to subsection (h), above, is canceled, the sidewalk/sandwich board sign shall be immediately removed. In the event the sign is not so removed, the City of Brighton

shall have the right to remove the sign at the expense of the property owner.

- (13) *Marquee Signs.* Marquee signs are permitted for theaters as follows:



- a. The bottom of the marquee sign shall be a minimum of eight (8) feet, six (6) inches above the surface of the sidewalk or ground area, or otherwise be located so as not to interfere with pedestrian traffic.
- b. A marquee shall not project over a public street. For purposes of this section, a public sidewalk is not considered to be a public street.
- c. A marquee sign shall not project greater than 48 inches beyond the property line. In measuring the signs projection, the measurement shall be taken from the building from which it protrudes, including any open area between the wall face and the sign face.
- d. One (1) marquee shall be permitted per street frontage.
- e. The total size of a marquee sign shall not exceed one and one-half (1-1/2) square feet per lineal foot of building frontage. The total square feet of a marquee sign shall be subtracted from the total allowable wall signage square footage for the district.
- f. No marquee sign shall project into an alley or truck service driveway more than two feet.
- g. If any marquee sign is suspended over a public property, public street, sidewalk or alley, the owner shall at all times carry liability insurance in such amounts as are satisfactory to the City, and issued by companies acceptable to the City, licensed in the State of Michigan naming the City as an additional insured on any such policy. The owner will file with the City certificates or policies evidencing such insurance coverage. The insurance policies or certificates shall provide that the City shall be given thirty (30) days written notice before a cancellation in coverage may occur.
- h. If at any time the insurance policy obtained to subsection (g), above, is canceled, the marquee shall be immediately removed. In the event the marquee is not so removed, the City of Brighton shall have the right to remove the sign and repair the facade at the expense of the property owner.

Proposed Amendments to Sec. 66-2. Definitions:

Deleted definitions – “Area of sign”, “Canopy or marquee”, “canopy or marquee sign”, “projecting sign”, “under canopy or marquee sign”, and “window sign”

Area of Sign. The area of a sign shall be measured within a single, continuous rectilinear perimeter composed of straight lines which encloses the extreme limits of the advertising message, together with any frame or other material or color forming an integral part of the display, message, drawing, or similar device, or used to differentiate same from the background against which it is placed, excluding the necessary supports, braces and/or uprights of the sign. For signs consisting of individual letters, figures, or symbols applied directly onto a building or structure, the sign area shall be that area enclosed within the smallest regular geometric figure needed to completely encompass all letters, figures, or symbols.

Canopy means a permanent roof-like structure extending from part or all of a building face over a public right-of-way and constructed of some durable material such as metal, glass, canvas or plastic.

Canopy sign means any sign attached to a canopy.

Charitable purpose corporation means a nonprofit corporation that meets any of the following: (a) Is exempt or qualifies for exemption under section 501(c)(3) of the internal revenue code, 26 USC 501. (b) Is a corporation whose purposes, structure, or activities are exclusively those that are described in section 501(c)(3) of the internal revenue code, 26 USC 501. (c) Is a corporation organized or held out to be organized exclusively for 1 or more charitable purposes.

Indoor illuminated open signs means an illuminated sign on the interior of the building indicating a commercial/restaurant/office use is open for business.

Marquee means a permanent roof-like structure extending from part or all of a building face over a public right-of-way and constructed of some durable material such as metal, glass or plastic with changeable lettering.

Marquee sign means any sign attached to, part of, or on a marquee.

Non-profit corporation means a corporation incorporated to carry out any lawful purpose or purposes not involving pecuniary profit or gain for its directors, officers, shareholders, or members.

Projecting sign means a sign other than a wall sign, which is perpendicularly attached to, and projects from a structure or building wall not specifically designed to support the sign.

Rear entry sign means a wall sign which is located near the rear entry door on a building.

Sidewalk and sandwich board sign means an a-frame construction designed for placement on the sidewalk in front of the place of business being advertised and is generally two (2) sided.

Temporary banner sign means a sign which is not permanently affixed, is constructed out of cloth, canvas, fabric, plastic, sticker, supergraphics or digital wraps or other light temporary material and intended for a limited period of display.

Under canopy sign means a sign suspended from the underside of a canopy.

Window sign means a temporary or permanent sign that is affixed to the interior or the exterior of the windows and/or doors or located within 3 feet of the window and/or doors. Window signs will be permitted but may not exceed 25 percent of the glass area on which they are displayed. Window signage includes signage, other than product or decorative display.

Proposed Amendments to Sec. 66-4. Exempt signs:

Temporary event signs for non-profit corporation or charitable purpose corporation. Non-profit corporations or charitable purpose corporations, located within the city limits, may advertise an event in any zoning district for a period up to one week prior to the event. All signs shall be removed within seven days after the event. Only one banner per site or property is permitted, and no sign may exceed 32 square feet in area. No sign shall be located in any right-of-way or create a safety hazard by blocking clear vision for motorists and pedestrians. In the case of the Downtown Business District (DBD), the sign can be attached to a building, with the permission of the owner, at a minimum of eight feet, six inches above the right of way.

**City of Brighton
Planning Commission
Minutes
October 17, 2011**

1. Call to Order/Roll Call

Chairperson Monet called the meeting to order at 7:31 pm. The following were present:

Al Wirth	Steve Monet
Larry Schillinger	Dave Petrak
David McLane	Robert Pawlowski

Absent: John Wells, Bill Bryan, Matt Smith

Motion by Mr. McLane, supported by Mr. Wirth, to excuse Commission Members Wells and Bryan from tonight's meeting. **Motion carried 6-0-3.**

Also present were Amy Cyphert and Lauri French from Staff and an audience of four.

2. Call to the Public

The call to the public was made at 7:32 p.m. Susan Tucker, Executive Director for the CoBACH board, asked what remedies would be available if the Livingston Players wanted to put up temporary banners for a longer period of time than the two weeks allowed in the proposed downtown sign ordinance. Their shows run for a two-week period and they would like to put a sign up across the balcony of the building to advertise it at least a week prior to the opening. Chairperson Monet responded that the Commission would answer this question during the meeting. Hearing no further response, call to the public was closed at 7:35 p.m.

3. Approval of the September 19, 2011 Regular Meeting Minutes

Mr. McLane noted a typo in the minutes in the third sentence from the bottom of the first page; the word "one" should be "once". The change will be made to the final meeting minutes. **Motion** by Mr. McLane, supported by Mr. Pawlowski, to approve the September 19, 2011 regular meeting minutes as amended. **The motion carried 6-0-3.**

4. Approval of the October 17, 2011 Agenda

Motion by Mr. McLane, supported by Mr. Petrak, to approve tonight's agenda as presented. **The motion carried 6-0-3.**

Old Business

5. Public Hearing Date for and Possible Action on Amendments to Chapter 66, Article I, Section 66-2, Definitions, and the addition of 66-100, Downtown Business District (DBD) Signage Requirements

Ms. Cyphert reviewed the history of the amendments to the DBD sign ordinance. The request to review and amend the sign ordinance originated with the ZBA due to the number of requests for projecting signs on downtown businesses that required variances. The DDA Design Subcommittee, the DDA Board, the Principal Shopping District (PSD) Board and the Planning Commission have reviewed the draft amendments, and all suggested changes have been incorporated. A notice was published in the paper for tonight's public hearing and an email was sent to the downtown merchants for whom we have email addresses. She only received one question from a downtown business in regard to an existing wall sign,

and the proposed amendments would have no impact. The next step is to send the amendments with any changes from tonight's meeting to the City Attorney for comments and there will probably be one more public hearing at Planning Commission.

Motion by Mr. Pawlowski, supported by Mr. Petrak, to close the regular meeting and open the public hearing at 7:50 p.m. Motion carried 6-0-3.

Susan Tucker, Executive Director for the CoBACH Board, stated that as she stated earlier in the call to the public, she would like to see something worked out for non-profits that would not require having to request a variance each time the CoBACH building tenants want to put a temporary banner up. Also, the last banner that the Brighton Art Guild hung on the building was 3' x 5', which is too small for the space across the balcony.

Ms. Cyphert noted that the amendments could be revised to handle non-profits differently by adding a separate section under general requirements. Mr. Schillinger asked if this could be handled and approved by Staff and Ms. Cyphert responded that it could if it was in the general requirements section of the ordinance. She also noted that Planning Commission could increase the 2-week period of time for temporary signs. The proposed ordinance increases the square footage of the signs from 10 square feet to 20 square feet and allows a sandwich board option.

Hearing no further comments, the public hearing was closed at 7:55 p.m.

Mr. Pawlowski noted that any changes for temporary signs for non-profits should be simple. Ms. Cyphert noted that the language in the downtown sign ordinance could be similar to that in the section for private and public schools (Article I, Section 15) where signs are permitted two weeks prior to the event and for the week of the event and must be removed within seven days of the event. Mr. Schillinger requested that since the request for changes to the sign ordinance was requested by the Zoning Board of Appeals that any changes made as a result of tonight's meeting be reviewed by the ZBA as well as the City Attorney.

Motion by Mr. Schillinger, supported by Mr. Wirth to direct Staff to include a section in general requirements of the ordinance for non-profits and to send the amendments to the Zoning Board of Appeals and City Attorney for review. Motion carried 6-0-3.

New Business - None

Other Business

6. Staff Updates - None

Chairperson Monet requested a motion to excuse Commission Member Smith from tonight's meeting. Motion by Mr. Schillinger, supported by Mr. McLane, to excuse Commission Member Smith from tonight's meeting. Motion carried 6-0-3.

7. Call to the Public

The call to the public was made at 8:05 p.m. Hearing no response, Call to the Public was closed.

8. Adjournment

Moved by Mr. Petrak, supported by Mr. Schillinger, to adjourn the meeting at 8:05 p.m. **The motion carried 6-0-3.**

John Wells, Secretary

Lauri French, Recording Secretary

Mr. Modrack stated that he is disturbed that this request would be considered unethical. He requested that the matter be withdrawn so the Planning Commission doesn't have to act on something they consider unethical, nor would he put the DDA in a position to have their reputation damaged over this issue.

7. Brighton Area Fire Department Informational Presentation on Site Plan Requirements and the Fire Code

Mike O'Brien, Fire Marshall for the Brighton Area Fire Authority, reviewed the handout regarding submittal documents required during construction, which includes a checklist the BAFA uses when reviewing site plans. He wanted the Planning Commission members to be aware of this information. He already works with the City to coordinate site plan issues and to identify red flags, which are usually taken care of before the site plan comes before the Planning Commission for approval. He noted that he encourages developers to install sprinklers. The BAFA's emphasis is on fire prevention, especially at events and because of the number of old buildings in downtown Brighton that may not have enough exits with today's fire code. He also discussed the impact of green building practices on fire prevention and protection. Mr. O'Brien thanked the Planning Commission for the opportunity to speak at tonight's meeting.

8. Discussion and Possibly Setting of a Public Hearing Date for Amendments to Downtown Business District (DBD) Signage Ordinance

Ms. Cyphert reviewed the history of the amendments to the DBD sign ordinance. The request to review and amend the sign ordinance originated with the ZBA due to the number of requests for projecting signs on downtown businesses that required variances. She used our existing C2 and C4 signage and tweaked it for the DBD as well as incorporating the best features of other communities' ordinances. The DDA Design Subcommittee, the DDA Board and the Principal Shopping District (PSD) Board have reviewed the draft amendments.

Ms. Cyphert reviewed the draft amendments and highlighted the proposed changes. There were a few changes suggested that she will incorporate into the final draft for the public hearing, notably changing "indoor neon open signs" in paragraph (11) b. to "indoor illuminated signs" and changing "day" to "night" in paragraph (11) c.2. The "indoor neon open signs" definition on page 10 was also changed to "indoor illuminated open signs".

Motion by Mr. Pawlowski, seconded by Mr. Wirth, to schedule a public hearing date of October 17, 2011 to hear public comments regarding the proposed Amendments to Downtown Business District (DBD) Signage Ordinance. **Motion carried 7-0-2.**

Other Business

9. Staff Updates - None

10. Call to the Public

The call to the public was made at 9:00 p.m. Hearing no response, Call to the Public was closed.

11. Adjournment

Moved by Mr. Petrak, supported by Mr. McLane, to adjourn the meeting at 9:00 p.m. **The motion carried 7-0-2.**

POLICY REPORT -

CONSIDER ADOPTING AN UPDATED DEBT MANAGEMENT POLICY

April 5, 2012

Prepared by:

Reviewed by:

Kelly Hanna
Finance Director

Dana William Foster
City Manager

ISSUE/RECOMMENDATION:

Consider adopting an Updated Debt Management Policy.

BACKGROUND:

The City currently has a Debt Management Policy that was Adopted in 2004. The current policy provides for specific debt burden indicators to be reviewed prior to issuing debt. The current Debt Management Policy provides for the debt burden indicators to determine if debt can be issued for all funds of the City. The measures do not specifically measure the component unit's ability to borrow and repay debt. The current Debt Burden Indicators measure the Governmental Activities on Average and does not provide a specific measurement of the Component Units.

The Updated Debt Management Policy provides for two separate and distinct debt burden indicators. The first set of 6 Debt Burden Indicators specifically measure the Governmental Activities to determine if the Governmental Activities should proceed with the issuance of debt. The updated Debt Burden Indicators do not measure the Governmental Activities on "Average". Management believes these indicators should be more strict and not averaged.

The second set of Debt Burden Indicators, provide for 2 specific measurements of the Component Units to determine if the Component Units have the ability to proceed with issuance of debt. These separate set of measures clarify the current policy and provide for independent measurements of both the Governmental Activities and Component Units. If the Debt Burden Indicators are over for the Governmental Activities, this does not exclude the Component Units from issuing debt. Likewise, if the Component Units Debt Burden Indicators are over their target, this does not exclude the Governmental Activities from issuing debt.

RELATIONSHIP TO GOALS:

Provides updated policy and direction.

BUDGET IMPACT:

No direct budget impact.

ACTION/MOTION TO CONSIDER

Adopt the attached Updated Debt Management Policy, to be effective April 5, 2012 upon City Council adoption.

DEBT MANAGEMENT POLICY – Revised January 2012

1. Purpose

A formal Debt Management Policy is an essential part of effective financial management and should be incorporated into the City's Capital Improvement Program (CIP). There are several reasons to establish a debt policy. First, it establishes the parameters for the issuance of debt, which help prevent exceeding acceptable levels of indebtedness. Second, debt policies give investors and rating agencies evidence of the City's commitment to sound financial management. Third, debt policies provide consistency and continuity for public policy development and help guide City decision makers. The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the City of Brighton, and to provide for the preparation and implementation necessary to assure compliance and conformity with this policy.

Under the governance and guidance of Federal and State laws and the City's Charter, ordinances and resolutions, the City may periodically enter into debt obligations to finance the construction or acquisition of infrastructure and other assets or to refinance existing debt for the purpose of meeting its governmental obligation to its residents. It is the City's desire and direction to assure that such debt obligations are issued and administered in such fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's bond ratings and reputation in the investment community.

The City may also desire to issue debt obligations on behalf of its Component units (DDA & LDFA) for the purpose of constructing facilities or assets which further the goals and objectives of City government. In such case, the City shall take reasonable steps to confirm the financial feasibility of the project and the financial solvency of the Authority; and, take all reasonable precautions to ensure the public purpose and financial viability of such transactions.

The City shall not issue debt obligations or utilize debt proceeds to finance current operations of City Government.

When utilized appropriately, the issuance of debt can lead to a more equitable tax burden across generations of citizens and taxpayers. Brighton's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer

equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

2. Debt Limitations/Capacity

The keys to sound debt management relate to establishing how much debt the City can afford and to disciplining the fiscal process by utilizing the debt policy. The GFOA recommends that cities undertake an analysis of their debt capacity prior to issuing bonds. A comprehensive and routine analysis of debt capacity provides assurance that the amount of debt issued is affordable and cost effective. Assessing debt on an ongoing basis is essential for effective debt management and for ensuring that debt-planning activities are integrated with the capital improvement process. Debt capacity analysis, in short ensures that an appropriate balance is struck between the City's capital needs and its ability to pay for them.

In analyzing debt capacity, the GFOA recommends that cities address the following:

- Debt service obligation (e.g., existing debt service requirements and debt service as a percentage of expenditures and revenue);
- Evaluation of trends relating to the City's performance (e.g., revenue and expenditures, reliability of revenue expected to pay for debt service, and unreserved fund balance);
- Measures of debt burden on the City (e.g., debt per capita, debt as a percentage of income, and debt as a percentage of taxable value);
- Statutory or constitutional limitations affecting the amount that can be issued (e.g., legally authorized debt limits); and
- Market factors affecting tax-exempt interest costs (e.g., interest rates, market receptivity, and credit rating).

When the City issues bonds, it enters into a long-term commitment that requires it to make timely principal and interest payments over the life of the bonds. Therefore, the City needs to ensure that future debt service payments to bondholders can be made on time, without jeopardizing essential City services. A comprehensive and routine analysis of debt capacity provides assurance that the amount of debt issued by the City is affordable and cost-effective.

An analysis of debt capacity for the City of Brighton will cover, at minimum, the following six measures

- Total City Debt as a Percentage of State Equalized Value
- Net Debt as a Percentage of Taxable Value;
- Net Debt per Capita;
- Net Debt per Capita as a Percentage of Income per Capita;

- Annual Debt Service Expenditures as a Percentage of Annual Total Expenditures for the Governmental Activities; and
- Annual Debt Service Expenditures as a Percentage of Annual Total Revenue for the Governmental Activities.

Net Debt is defined as all City Debt net of special assessment, transportation fund and revenue bond debt.

Governmental Activities include all Governmental Funds of the City, (i.e., the General Fund, Special Revenue Funds, Debt Funds and Capital Project Funds).

For each of the above six measures, the City will follow the general debt limits as guidelines that are listed below when analyzing the six debt capacity measures, which shall govern staff's recommendations to Council for the issuance of all future debt obligations of the **City's Governmental Activities**:

- Total Debt as a Percentage of State Equalized Value should not exceed 10%.
- Net Debt as a Percentage of Taxable Value should not exceed 10%.
- Net Debt per Capita should not exceed \$2,500.
- Net Debt per Capita as a Percentage of Income per Capita should not exceed 10%.
- Annual Debt Service Expenditures as a Percentage of Annual Total Expenditures for the Governmental Activities should not exceed 10%.
- Annual Debt Service Expenditures as a Percentage of Annual Total Revenue for the Governmental Activities should not exceed 10%.

Component Units (DDA LDFA)

The City will follow the general debt limits as guidelines that are listed below when analyzing debt capacity measures, which shall govern staff's recommendations to Council for the issuance of all future debt obligations of the City's Component Units:

- Total Debt as a Percentage of State Equalized Value should not exceed 10%.
- That the Board of Directors governing the Component Units shall maintain a "Debt Service Coverage" that shall be at least 120% of annual debt

service payments or higher each year. This also means that the minimum ending fund balance must equal at least 20% of the Annual debt service expenditures.

3. Types of Permitted Debt

All of the types of permitted debt will be issued in accordance to the limits and parameters of this Debt Management Policy.

Per State Law, the City is permitted to use many legally authorized types of debt and seeks to keep all available options open. The most commonly preferred options are as follows:

Unlimited Tax General Obligations Bonds – requires a vote of the electorate to authorize the City to borrow funds and levy a debt millage to pay down the debt service.

Limited Tax General Obligation (LTGO) Bonds – To be considered when constraints preclude voter approved general obligation bonds. Debt service is paid from within the City's allowable operating millage. Capital Improvement Bonds would be the most preferred type of LTGO Bond. The City will issue General Obligation (G.O.) Bonds only for essential projects. All new G.O. Bonds will be sold through competitive sale. The City will limit the term of the G.O. Bonds to be no greater than the estimated useful life of the facility or equipment being financed with the proceeds. The City should not issue Limited Tax G.O. Bonds if such issuance would cause the City's Debt Ratios to exceed the limits established by this Policy.

Installment Loans/Purchase Contracts – To be considered for financing capital leases. The City will consider Capital Lease/Installment Loan financing in the event the City wants a lease/purchase option on equipment and/or facilities. Otherwise, the City will consider an operating lease or rental agreement directly with the lessee. All Capital Leases will be financed through a competitive financing RFP, administered by the Finance Department and will entail the tax-exempt opinion of the City's Bond Counsel and a multi-party agreement between the City, a financial institution and the vendor(s). Departments requesting capital lease financing must have an approved budget appropriation. Departments shall submit documentation for approved purchases to the Finance Director each year within thirty days after the annual budget is adopted. The Finance Director will consolidate all requests and will solicit competitive proposals for capital financing to insure the lowest possible interest costs.

Special Assessment Bonds – To be considered for certain public improvements that do not benefit the City-at-Large, but rather benefit only a segment of the City's taxpayers. The City will consider Special Assessment Bonds for public improvements if petitioned by a taxpayer(s), who will benefit

by said improvement. In addition, the City may initiate the special assessment process for a public improvement benefiting one or more taxpayers, but less than the whole of the City taxpayers at-large.

Revenue Bonds – To be considered for the City’s Utilities systems where the revenue for the City’s utilities are pledged to pay the debt service. The City shall favor the use of Revenue Bonds to finance utility capital improvements as a means of insuring that the beneficiaries of the City’s utilities pay for a fair share of its costs.

Authority Bonds – To be considered for the City’s Building Authority, DDA, LDFA and Brownfield Authority.

County DPW Bonds – To be considered for City Utility project financing.

Michigan Bond Authority Bonds – To be considered for Drinking Water Revolving Funds.

Motor Vehicle Highway (Transportation) Fund Bonds – To be considered for street projects pledging the City’s Gas & Weight Taxes for debt service.

4. Structural Features

All bond issue structural features selected should be consistent with the financing objectives of the City and match the receipts that have been pledged to debt redemption. The City will seek the advice of its Financial Advisor when selecting between bond issue structural options.

Minimum Bond Issue Amount – Bond financing should not be used if the aggregate cost of projects to be financed by the bond issue does not exceed \$500,000.

Minimum Loan Issue Amount – Installment Loan financing for capital lease debt should not be used if the aggregate cost of the equipment to be financed by the loan does not exceed \$25,000.

Maximum Term – The maximum term for any bond issue will be no greater than a conservative estimate of the useful life of the asset(s) to be financed.

Average Maturity – The City will strive to maintain an average maturity whereby 25% of principal is retired in five years and 50% of principal is retired in 10 years.

Serial and Term Bonds – Most offerings by the City will be as fixed-rate bonds. These are issues on which the interest rate paid to investors is set at the time of original marketing and is not subject to revision prior to maturity.

The fixed rate obligation relieves the City of any concern that rates on the bonds will increase beyond our ability to pay.

A serial bond structure is one in which a portion of the City's par value is paid off (or redeemed) each year. The serial maturity structure takes advantage of the fact that, in the municipal market, longer maturities generally bear higher rates of interest.

In some cases, the City might want to combine a number of serial maturities into a single maturity. This larger, single maturity is called a term bond. By combining smaller maturities into a single term bond, the City makes its offering more attractive to institutional investors, which prefer to buy larger blocks of bonds. However, when combining serial maturities into a term bond, the City needs to be aware of the effect it will have on interest rates. Normally, term bonds are only created in the latter year of an issue, mitigating any negative impact resulting from the spread (or difference) between serial interest rates. In the municipal market, the difference between interest rates from one year to the next generally narrows as the number of years to maturity increases. As long as the spread between serial maturities to be combined into a term bond is narrow, it may be to the City's advantage to create a term maturity to make an issue more attractive to the investment community.

Generally, term bonds would require the creation of a sinking fund to provide for the redemption of the bonds, which ensures the City would have sufficient revenue to make payment on the bonds.

Fixed-Rate Debt Service Structures – Most of the issues sold in the tax-exempt market utilize the level principal maturity schedule, the level debt service schedule or the graduated principal redemption schedule.

Under the level principal maturity option, equal amounts of par value of the issue mature in each year. When interest requirements are added to this structure, the total annual debt service requirements are highest in the first year and decline in subsequent years.

Under the level debt service option, the amount of annual principal maturities is set so that the total annual debt service requirements, principal and interest, are approximately equal for each year.

Under the graduated principal redemption option, principal payments are lowest in the early years and higher in the later years.

Although there are valid arguments for all three options, the City has tended to favor the graduated principal redemption option to allow future growth in tax revenue for the repayment of higher debt in the later years. However, as

the City approaches build-out and the growth in the tax base levels off, the City may wish to consider level debt service payments, which would result in a more stable debt service environment.

Variable-Rate Bonds – These are issues, which are structured to take advantage of relatively low interest rates available in very short maturities. On predetermined dates, the interest rate on these obligations is adjusted and the bonds are remarketed for another period. There are two elements of risk in variable-rate bond structures that should be considered very carefully. The first is interest rate risk. If short-term interest rates rise, the City's debt service costs will increase. The second risk is that there will be no market for the City's variable-rate obligation on a given interest rate adjustment date.

Capitalized Interest (Funded Interest) -Subject to Federal and State law, interest may be capitalized from date of issuance of debt obligations through the completion of construction for revenue producing projects. Interest may also be capitalized for projects in which the revenue designated to pay the debt service on the bonds will be collected at a future date, not to exceed six months from the estimated completion of construction and offset by earnings in the construction fund.

Bond Covenants and Laws -The City shall comply with all covenants and requirements of the bond resolutions, and State and Federal laws authorizing and governing the issuance and administration of debt obligations.

Other Structuring Options – Capital Appreciation Bonds, Zero Coupon Bonds or other derivatives of conventional securities may be used to reduce risk exposure or to reduce interest cost, but shall not be used for speculative purposes.

5. Credit Objectives

Credit Ratings - The City of Brighton will seek a rating on all new issues of a \$1,000,000 or more, which are being sold in the public market, by at least one of the three top independent rating agencies. The choice of how many and which rating agencies to use depend upon many factors including: the type and complexity of debt issued, the frequency of debt issuance, the timeliness of the credit report publication and the type of investors. The City will provide to each rating agency a copy of its Annual Financial Report, via an electronic link from its official website. When the City borrows money by selling bonds, the most important variable that determines the interest cost of the bonds is their bond rating. Bond ratings are an assessment of credit quality or, conversely, the risk that the borrower will not make scheduled payments of principal and interest. Rating agencies base their ratings on a number of key economic, debt, financial, and governmental factors, as highlighted below.

Economic Factors

Rating agencies focus on major employers and taxpayers, regional economic factors, the impact of national and international economic developments on the local economy, and demographic data regarding the city's population (such as per capita income, average age, educational attainment, etc.).

Debt factors

Rating agencies evaluate debt per capita, debt as a percentage of the value of property, debt service as a percentage of annual revenues, payout rate, use of short term or variable rate debt, authorized but un-issued debt and the legal structure of the issue's security.

Financial Factors

Rating agencies analyze the city's annual financial reports, annual budgets, revenue and expenditure composition and growth rates, accounting methods, contingent obligations (such as pension liabilities), intergovernmental transfers, and cash liquidity levels.

Administrative Factors

Rating agencies assess the city's management professionalism, ability to respond to economic adversity, willingness of elected officials to make unpopular financial decisions, the city's stated goals and objectives relating to debt management, economic development activities, tax policies, capital improvement planning, employee relationships (e.g., unions), and the city's willingness to adhere to long range financial plans.

Each rating agency has its own scale for designation of credit quality. The designations listed below are the top four rating categories by the three principle rating agencies in today's municipal market.

Investment grade Rating Designations of Major Rating Agencies

Investment grade Category	Fitch	Moody s	Standard Poor s
Highest quality	AAA	Aaa	AAA
Very high quality	AA	Aa	AA
High or strong quality	A	A	A
Adequate or satisfactory quality	BBB	Baa	BBB

Note: Fitch and Standard & Poor's use "+" and "-" to indicate relative quality with a major category. Moody's indicates better quality within a category by the symbols Aa1, A1 and Baa1.

The City of Brighton's current bond ratings fall within the "High or strong quality" category. The relatively small size of the City's geography and population limit its ability to dramatically improve its rating to the "highest quality" category level. However, while the City seeks at minimum to maintain its current ratings it sets as its long-term goal to upgrade its ratings to the "Very high quality" category. This can only be accomplished by marked improvements in the key factors listed above.

Once a rating has been assigned, the process of maintaining good rating relations should begin. The City recognizes that the marketing of a rated obligation carries with it the unstated commitment to investors to maintain a rating over the life of the obligation. The rating agencies require that the City keep them informed of financial and other developments that may affect the validity of the outstanding rating. At minimum, this involves placing the rating agencies on the mailing list for receipt of the City's annual financial report and budget and making regular, periodic contacts with the rating analysts to fully inform them of meaningful developments.

The City will endeavor to maintain a positive relationship with the investment community. The Finance Director and the City's Financial Advisor shall, as necessary, prepare reports and other forms of communications regarding the City's indebtedness, as well as its future financing plans to institutional investors, rating agencies and other interested parties.

Credit enhancements can be acquired in the form of either bond insurance, a letter of credit or a surety policy. Bond insurance is the most common credit enhancement. In exchange for a one-time, up-front fee, bond insurance companies will guarantee the timely payment of principal and interest on a bond issue. When properly applied, the additional security offered by bond insurance can result in significant savings to the City. However, a careful cost-benefit analysis would need to be performed in each case to determine the efficiency of the credit enhancement. The City's Financial Advisor should be solicited in performing this calculation because the value of the credit enhancement is dependent largely upon the market's perception of the additional security that is provided.

6. Methods of Sale

The City of Brighton will issue all new bonds through competitive sale. If advised by the Financial Advisor, negotiated sales on new bond issues will be permitted only if there is evidence of volatile market conditions, complex security features, or another overriding factor. Refunding bonds of any type

may be issued through competitive or negotiated sale. However, the use of a negotiated sale may require justification that it is (given market conditions at the time of decision-making and the then-expected structure of the issue) expected to result in a lower true interest cost than would a competitive sale as of the same date and structure.

Competitive sale – Prior to the sale date, the Finance Director, Financial Advisor and Bond Counsel will develop a Notice of Sale, a bid form and disclosure materials.

The Notice of Sale is the formal announcement to the municipal market of the City's intent to sell bonds. The Notice of Sale shall be designed to maximize the flexibility of the prospective purchasers and may include a permitted discount, term bonds with mandatory sinking fund installments, and other features that may enhance the attractiveness of the offering consistent with the receipt of the lowest True Interest Cost (TIC) possible.

The Bid Form is the document upon which bidders submit their offers to purchase the securities.

The principal disclosure document is the Official Statement (OS). All competitive sales of at least \$1,000,000 will require an OS. An OS is a disclosure document prepared in connection with a specific offering that provides detailed information concerning security provisions, maturity dates and amounts, optional redemption provisions, and other relevant credit data. The OS is prepared and circulated as a marketing tool prior to the sale of securities. The Financial Advisor prepares the OS, with assistance from the Bond Counsel, Finance Director and other City staff and consultants.

The City will permit discount bids when it retains sufficient flexibility to compensate for the discount by increasing the par amount of the bond issue. All bids will be verified and evaluated based upon their True Interest Cost (TIC). TIC is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue securities. The City will accept bids without a good faith deposit as long as it has received a surety bond from a third party guaranteeing the receipt of a good faith deposit by wire transfer or a certified or cashier's check from the winning bidder within 24 hours of the bid award. With the assistance of the Financial Advisor and Bond Counsel, the Finance Director will determine and recommend the best bid in a competitive sale by the calculation of the TIC of each bid. Competitive bids will be awarded by the City Council to the bidder proposing the lowest TIC, providing the bid conforms to the official notice of sale.

Negotiated sale – In a negotiated sale the City, with the advice of the Financial Advisor, selects the Underwriter it wishes to work with in advance of the planned sale date (the City reserves the right to select the Underwriter through a competitive request-for-proposal process). The Underwriter then will be a participant in the structuring of the issue and in the preparation of disclosure materials. The financing team (made up of the Finance Director, Financial Advisor, and Underwriter) will attempt to identify a sale date that offers the City the most stable and favorable interest rate environment. The negotiated sale process enables the City to easily postpone the pricing and reschedule the sale for a later date if market conditions become unsettled or if other unfavorable developments occur.

Compensation for the Underwriter called the “underwriter’s spread”, is a discount from the purchase price of the issue, usually expressed as a percent or as a dollar amount per thousand dollars of par value of the issue.

7. Selection of External Finance Professionals

In the debt issuance process, the City retains the services of a number of outside professionals to relieve the administrative burden accompanying the issuance of securities. These service providers are chosen to ensure compliance with all legal requirements, to ensure that the obligations are being issued in the most efficient manner, and to reduce the overall financing cost. Such professionals will normally include a financial advisor, bond counsel, printer, trustee, underwriter, and paying agent/registrar. In addition, credit enhancers such as a bond insurer or letter-of-credit bank may participate in a financing. Many of the firms engaged in the business of providing services to the City are listed in the Bond Buyer's Municipal Market Place. Often called the "Red Book", the volume serves as a useful directory of service providers and is published semiannually.

Generally, it is in the best interest of the City to secure these services through the request for proposal ("RFP") process. A well-written RFP will permit the City to determine the relative qualifications of each respondent. The RFP should ask each firm to provide estimates of the total fee to be charged. Where the scope of the work is well defined, it is often appropriate to request "not-to-exceed" caps on such fees. In some cases, such as the choice of a bond insurer, the City may not have the luxury of choosing from many offers. In this use, the City must actively negotiate with a more limited number of providers.

To the extent possible, the RFP process should seek to quantify the expertise being sought. The City must be able to explain its selection based on rational and objective evaluation criteria. However, unlike the normal competitive bid process that the City employs to acquire physical assets, the selection of service providers often involves the evaluation of intangible qualities. In many

cases, the standard purchasing practice of awarding the contract on the basis of low bid is not appropriate. A slightly higher hourly rate by one consultant may be offset by the more extensive experience offered by that firm. Similarly, an investment banking firm proposing a negotiated sale with a very low total underwriting spread may not be able to secure the lowest possible interest rates on the obligation.

The goal of the RFP process should be to identify the firms that are able to provide the best service at the lowest *overall* cost. The City should be able to explain their decision based on the evaluation criteria described in the RFP. Of overriding importance is the need to keep politics out of the process.

The City pays fees, which are often substantial, to many of the participants in the financing process. In return, the City should expect to receive advice that is free from conflicts of interest. For this reason, the City should request that firms interested in doing business with the City disclose whether they have shared, or plans to share any fees derived from services provided to the City in connection with a bond offering. In all instances, issuers may reasonably request that future fee-sharing arrangements be disclosed prior to their execution.

An effective selection process will:

- promote competition
- be as objective as possible
- incorporate clear and rational selection criteria
- be independent of political influence
- be perceived as fair by the respondents
- result in a cost-effective transaction
- result in the selection of the most qualified firm

The Bond Counsel

The Bond Counsel is a law firm that specializes in municipal law and whose expertise, objectivity, and professional standing enable it to issue opinions concerning the validity and tax status of a bond issue. The use of bond counsel opinions to assure investors that the securities represent a valid and legally binding contract was a well-established concept by the early 1900's. Today, investors expect new issues of municipal securities to be accompanied by an opinion from a recognized bond attorney. With few exceptions, bonds that are not accompanied by an opinion from Bond Counsel cannot be sold easily, or in some cases, at all.

In most instances, Bond Counsel is hired by the City to provide an opinion to investors in two specific areas. First, the Bond Counsel will assure investors that the securities are valid and legally binding obligations of the City. Second, Bond Counsel will state whether interest on the bonds is exempt from state and/or federal income taxation. The ability to determine whether

the bonds are exempt from federal income taxation requires substantial expertise because the U.S. Congress has placed significant restrictions on the issuance of tax-exempt securities by state and local governments. While the City hires the Bond Counsel, the attorney who is chosen must serve the interest of prospective investors. Although the bond market grants discretion to the City to hire whomever it wishes as Bond Counsel, the market's preference for a recognized specialist is well known and limits the ability of the City to select an unqualified firm.

The City can select Bond Counsel for a specific transaction or it may choose a firm to serve as Bond Counsel for a specified period of time. The latter alternative often is desirable because the City can request assistance from its Bond Counsel on the administration of its bonds after the sale. The City can pay for the services of Bond Counsel on the basis of a fixed fee per hour or per transaction. As an alternative, Bond Counsel may be paid a percentage of the par amount of the issue. The last alternative is less desirable, however, because of the inherent conflict created by the incentive for a larger sale. In addition, the size of the issue often is not a reasonable measure of the amount of work involved.

The Finance Director and the City's Bond Counsel will coordinate their activities to ensure that all securities are issued in compliance with the City Charter and Code of Ordinances and in the most efficient and cost effective manner. The City's Bond Counsel will review all documents related to the issuance of securities by the City.

The City's policy is to retain its Bond Counsel of record until such time as the Finance Director recommends otherwise. In lieu of a competitive RFP for Bond Counsel services, the Bond Counsel of record shall provide annually to the Finance Director a Fee Schedule for their services. In the event the Finance Director finds their fees unacceptable, a competitive RFP process for Bond Counsel services shall be initiated.

The Financial Advisor

The Financial Advisor is a consultant to the City on matters related to the issuance of securities. An advisor may be retained for a single bond sale or may serve for a longer period of time. The Financial Advisor is often skilled in the development of alternative financial structures, the timing and sale of new issues, and the preparation of disclosure documents. The advisor can provide guidance regarding the use of competitive and negotiated sales, and can help select other service providers. While commercial banks and investment banking firms can serve as a financial advisor, independent firms that specialize in this work have become more prominent providers of advice to state and local governments.

The Financial Advisor should provide independent advice that is free from potential conflicts of interest. For this reason, the sole source of compensation for the advisor should be the City. The practice of "fee-splitting", whereby an underwriter or another party to the transaction compensates an advisor, is inappropriate. The City may elect to pay their advisors on an hourly basis, on the basis of a fixed fee, or on the basis of a percentage of a bond issue. The first two methods generally are preferred if the advisor is retained for services other than work related to a bond sale. Even in those instances where the Financial Advisor's role is limited to the sale of securities, hourly fees and fixed fees generally are preferable because it eliminates the benefit that may accrue to an advisor when the City increases the size of a bond issue. Moreover, the size of a bond issue often is not an adequate indication of the amount of work involved. The advisor's principal role is to reduce the overall cost of financing and to ensure that the transaction is executed efficiently.

The Financial Advisor shall at least annually review the City's outstanding debt for refunding and refinancing opportunities and advise the City when opportunities arise.

The City's policy is to retain its Financial Advisor of record until such time as the Finance Director recommends otherwise. In lieu of a competitive RFP for Financial Advisor services, the Financial Advisor of record shall provide annually to the Finance Director a Fee Schedule for their services. In the event the Finance Director finds their fees unacceptable, a competitive RFP process for Financial Advisor services shall be initiated.

The Underwriter

The Underwriter is the municipal securities dealer that purchases a new issue of municipal securities for resale to investors. The Underwriter may acquire the securities either through negotiation with the City or by award on the basis of a competitive sale. In the case of a negotiated sale, the best way to choose an Underwriter is through the issuance of a formal request for proposals (RFP) from different firms. The RFP will enable the City to identify the investment banking firm with the most expertise and greatest amount of relevant experience. In a competitive sale, the Underwriter is selected based upon its ability to provide the best bid for bonds at a public auction. The auction often is advertised well in advance of the date on which bids are taken. The restrictions that exist on bids are described in detail in the Official Notice of Sale. The City may waive the RFP process in lieu of the Financial Advisor's recommendation for Underwriting services.

On most large competitive issues, the managing Underwriter will form a syndicate comprised of a group of securities firms. In some circumstances, commercial banks also will participate in such a syndicate. In general, the role of other members of the syndicate will be to supplement the sales capability

of the senior managing Underwriter.

In negotiated transactions, the City generally has the discretion to choose the members of the syndicate who will underwrite the bonds. The City often will choose a diverse group of firms in order to maximize distribution of the securities. In some cases, the City will accept proposals from a "pre-qualified" list of underwriters. The senior manager will represent the interests of the syndicate in its negotiations with the City. The City should refrain from appointing firms that are unqualified but politically influential. Similarly, management fees and sales commissions should be paid only to those firms that have successfully structured and sold securities on behalf of the issuer.

The Underwriter's Counsel

In a negotiated transaction, an attorney specializing in municipal securities law is appointed to represent the interests of the underwriting syndicate. As a practical matter, the City is given some discretion in the selection of the underwriter's counsel. The City may seek the advice of its Bond Counsel in selecting the Underwriter's Counsel. The fee is an important, and usually the largest, component of the underwriter's expenses in a negotiated sale.

The underwriter's counsel fulfills a number of roles. The preparation of the bond purchase agreement is one of the principal responsibilities of the underwriter's counsel. The independent evaluation of an issuer's disclosure document also has become increasingly important since the promulgation of Rule 15c2-12 by the Securities and Exchange Commission. The Rule, which is designed to increase the timeliness and quality of municipal market disclosure, sets forth the responsibility of the underwriter(s) concerning disclosure. In general, the underwriter(s) must have reasonable belief in the accuracy and completeness of pertinent information contained in the official statement. The underwriter's counsel often assists the underwriter(s) in fulfilling this responsibility through a due diligence examination of relevant disclosure documents.

The Bond Insurer

The City increasingly has sought to enhance the credit rating and marketability of its securities through the purchase of municipal bond insurance. In return for the payment of a single premium, independent insurers unconditionally guarantee the timely payment of principal and interest to bondholders in case of a default. Thus, a bond issue can receive an Aaa/AAA rating through the purchase of an irrevocable insurance policy from a company whose claims-paying ability is considered to be extremely reliable by the major rating agencies.

From the City's perspective, the decision to purchase bond insurance is based upon an assessment of its cost-effectiveness. Many investors, particularly individuals, prefer to own bonds in the highest rating category

because these types of bonds are perceived to be less risky. Consequently, Aaa/AAA insured bonds carry lower interest rates than do securities in the A category, for example. If the premium being charged by the insurance company is low enough, the benefits provided by lower interest rates on the bonds will exceed the cost of the up front premium.

The calculations used to determine the cost-effectiveness of insurance are fairly straightforward. The expected true interest cost of an uninsured issue is calculated by using a coupon scale for uninsured debt. The scale is then compared to the projected true interest cost of an insured issue, which is determined by incorporating the estimated premium into the par amount of the bonds. Since the cost of credit enhancement is factored into the calculation of the arbitrage yield limit, the City is able to offset at least a portion of the cost of purchasing municipal bond insurance by investing proceeds at a higher yield. The insurance is cost effective if the present value of the difference between the insured and uninsured debt exceeds the amount of the up-front premium.

The City will seek the advice of its Financial Advisor in deciding if Bond Insurance is appropriate for each given bond issue.

Trustees

A trustee represents the interest of bondholders in structured financings. The trustee is an individual or corporation that has been designated by the City as the custodian of funds under a bond contract or trust indenture. The responsibilities of the trustee are specified in the indenture, which is sometimes called a master resolution or bond ordinance. The role of the trustee is to protect the interest of the bondholders by monitoring the collection and investment of money raised for the purpose of financing infrastructure. The trustee should provide accurate and timely statements concerning the disposition of funds and interest earnings.

Paying Agents and Registrars also are retained by the City in many instances. The Paying Agent receives debt service payments from the City and disburses it to bondholders. The Registrar maintains a record of ownership of the City's bonds. These roles are often combined into a single entity. For each given bond issue, the Finance Director shall designate one of the City's primary financial institutions as the Paying Agent & Registrar.

Other Participants

Consulting engineers often are hired to complete a feasibility analysis if the bonds are secured by a stream of revenue generated by user fees such as a water supply system or sewage treatment enterprise. The City will utilize its Engineer of record for any feasibility analysis that is needed. *Independent auditors* will be asked to provide an opinion of the fairness of the City's financial statements. *Verification agents* are retained by the City to verify the

mathematical accuracy of computations related to the adequacy of escrow accounts to pay debt service on advance refunded obligations. The City's Auditor of record shall be retained as the Verification Agent. *Rating agencies*, private corporations that provide an independent assessment of the creditworthiness of securities, are integral participants in the financing process. The City shall seek the recommendation of its Financial Advisor to retain Rating Agencies on each given bond issue. *Bond Printers*, private companies that print and deliver the physical bond certificates. The City shall seek the recommendation of its Bond Counsel to retain a Bond Printer on each given bond issue

8. Refunding/Refinancing of Debt

The City may wish to refinance outstanding debt to achieve interest rate savings in a declining interest rate environment, to restructure the pattern of debt service associated with outstanding bond issues, and to alter bond characteristics such as call provisions or payment dates on existing debt. For all refundings undertaken for the principal reason of achieving interest rate savings, the transaction should yield a minimum of 3% present value savings based upon the size of the refunding. However, if the scheduled maturity of certain outstanding bonds is soon enough to reduce the possibility of a refunding in the future, the savings target may be reduced to 2% present value savings. Refinancings undertaken for other reasons should proceed only when the advantages have been clearly shown in a cost/benefit analysis of the transaction.

All refunding debt obligations shall have a maximum maturity of the final maturity of the debt obligations being refinanced, unless the Financial Advisor recommends a longer term.

The City encourages the underwriting community to periodically review the City's outstanding debt for refunding and refinancing opportunities and notify the City's Financial Advisor when such opportunities exist.

The City will consider negotiated sales on Refunding and Refinancing opportunities providing the City is not required to pay any fees or costs associated with the refunding/refinancing if the opportunity disappears due to changed market conditions.

9. Continuing Disclosure

The City acknowledges the responsibilities of the underwriting community and pledges to make all reasonable efforts to assist underwriters in their efforts to comply with SEC Rule 15c2-12 and MSRB Rule G-36. The City will contract with its Financial Advisor to act as its Dissemination Agent and file on its behalf the Annual Information Statement with the required Nationally

Recognized Municipal Securities Information Repositories (NRMSIR), the State Information Depositories (SID) and the Municipal Securities Rulemaking Board's (MSRB). The City will provide in a timely manner to the market a copy of its Annual Financial Report, via an electronic link from its official website, and any other information it deems pertinent.

10. Arbitrage

In the municipal market, arbitrage refers to the difference between the tax-exempt interest rate paid by the borrower and the interest rate at which the proceeds of the issue are invested. The Internal Revenue Code contains specific regulations concerning the amount that can be earned from the investment of tax-exempt proceeds.

The City will comply with the Federal Arbitrage Regulations by avoiding the investment of bond proceeds at yields higher than permitted by the arbitrage regulations. The City will study its options and responsibilities before selling securities and plan its projects carefully in advance to determine the applicability of rebate exceptions. The City shall structure its financings in such a way as to reduce or eliminate arbitrage rebate liabilities, wherever feasible. However, in the event the City is required to calculate arbitrage rebates it will do so with the review of the City's Bond Counsel.

11. Capital Planning

In order to meet the debt capacity targets, to schedule debt issuance and to systematically improve the City's capital structure, the City will annually prepare and adopt a six-year Capital Improvement Program (CIP). This CIP will show the source of funding for all capital projects. The debt issuances that are a part of the CIP will be structured to meet the City's debt policies and debt limit targets.

Each year the City of Brighton will adopt a Capital Spending Plan covering the subsequent six years. The Plan will recommend specific funding of projects for each of the six years, based on the City's funding policies and parameters. The CIP represents the balancing of project requests with current and future financing capabilities. Therefore, projects that do not have a specific funding source identified will not be included in the City's CIP, but will be documented for future consideration by the City.

The City's CIP Committee along with the City Manager will develop and the City Council will adopt formal ranking criteria that will be used in the evaluation of all Capital Project requests. The City of Brighton's CIP ranking criteria will give greatest weight to those projects, which protect the health and safety of its citizens. All capital project requests will be accompanied by a description of the sources of funding to cover project costs. Where borrowing

is recommended, the source of funds to cover the debt service requirements must be identified. All capital project requests will be required to identify any impact the project may have on future operating costs of the City.

Projects with a useful life of less than 5 years shall not be eligible for inclusion in bond issues. Department Directors will submit a detailed description of the useful life of capital projects submitted in conjunction with the preparation of the City's CIP. The Finance Director shall incorporate an estimate of the useful life of proposed capital improvements in developing an amortization schedule for each bond issue.

The City shall finance its CIP with a combination of debt and other funding sources. No more than 25% of the non-utility and non-DDA CIP projects will be funded by General Fund support from current revenues. The City will seek grants to finance capital improvements and will give added weight to those projects, which are likely to receive grant money. The City will seek developer contributions for public projects directly related to private development projects.

Unlimited-tax (voted) general obligation bond borrowing should be planned and the details of the plan must be incorporated in the City's Capital Improvement Plan. The Citizen's Advisory Task Force on Capital Improvements Funding report of 2011 is serving as the City's current Capital Improvement Plan.

12. Investment of Bond Proceeds

The City will develop detailed draw schedules for each project to be funded with borrowed monies. The City will invest the proceeds of all borrowings in compliance with its Investment Policy and in a manner that will ensure the availability of funds as described in the draw schedules. All investments should be purchased on a competitive basis to ensure the best possible yield for a stated maturity goal and investment vehicle. The Finance Department must pay close attention to the changing nature of cash flows and the continuing expenditure pattern of the issue. An initial portfolio created from the expenditure estimates at issuance may change over the construction period due to any number of occurrences. The portfolio should be created initially to provide for such changes and be short and flexible enough to adjust. Due to arbitrage regulations, yield is not as critical as the accurate structuring of the portfolio to the cash needs.

Debt Management Policy Guidelines

Total Debt shall not exceed 10% of State Equalized Value

2011 SE	Target Maximum Ratio 10	Total Debt	Over/(Under) Target
\$ 437,659,090	\$ 43,765,909	\$ 23,718,164	\$ (20,047,745)

Net Debt as a % of Taxable Value should not exceed 10%

2011 Taxable Value	Target Maximum Ratio 10	Net Debt	Over/(Under) Target
\$ 413,599,490	\$ 41,359,949	\$ 13,878,870	\$ (27,481,079)

Net Debt per Capita should not exceed 2,500

Net Debt	Population	Net Debt Per Capita	Target Maximum Ratio	Over/(Under) Target
\$ 13,878,870	7,444	\$ 1,864	\$ 2,500	\$ (636)

Net Debt per Capita as a percentage of Income per Capita should not exceed 10%

Net Debt Per Capita	Personal Income	Net Debt per Capita as a % of Personal Income	Target Maximum Ratio	Over/(Under) Target
\$ 1,864	\$ 47,897	3.89%	10.00%	-6.11%

Annual Governmental Activities Debt Service Expenditures as a % of Annual Total Expenditures should not exceed 10

Fiscal Year	Governmental Activities Total Expenditures	Debt Service Expenditures	Percent of Debt Service to Total Expenditures	Target Maximum Ratio	Over/(Under) Target
2010/11	8,524,490	1,544,204	18.11%	10.00%	8.11%

Annual Governmental Activities Debt Service Expenditures as a % of Annual Total Revenues should not exceed 10

Fiscal Year	Governmental Activities Total Revenue	Debt Service Expenditures	Percent of Debt Service to Total Revenues	Target Maximum Ratio	Over/(Under) Target
2010/11	8,996,110	1,544,204	17.17%	10.00%	7.17%

CITY OF BRIGHTON
Ratio of Annual Debt Service Expenditures to Total Revenue
Governmental Activities
Through Debt Issued or to be Issued in FY 2011-12

Fiscal Year Ended June 30	Total Annual Debt Service Expenditures	Total Annual Revenue*	Total Annual Expenditures	Percent of Debt Service to General Governmental Revenue	Percent of Debt Service to General Governmental Expenditures	Target Maximum Ratio	Total Revenue Over/ (Under) Target	Total Expenditures Over/ (Under) Target
2011	1,544,204	8,996,110	8,524,490	17.17%	18.11%	10%	7.17	8.11
2012	1,545,222	8,546,305	8,524,490	18.08%	18.13%	10%	8.08	8.13
2013	1,353,486	8,118,989	8,524,490	16.67%	15.88%	10%	6.67	5.88
2014	1,068,759	8,200,179	8,609,735	13.03%	12.41%	10%	3.03	2.41
2015	1,024,719	8,282,181	8,868,027	12.37%	11.56%	10%	2.37	1.56
2016	1,027,132	8,447,825	9,134,068	12.16%	11.25%	10%	2.16%	1.25
2017	899,315	8,701,259	9,408,090	10.34%	9.56%	10%	0.34%	-0.44
2018	886,871	9,049,310	9,690,332	9.80%	9.15%	10%	-0.20%	-0.85
2019	929,876	9,411,282	9,981,042	9.88%	9.32%	10%	-0.12%	-0.68
2020	850,115	9,787,733	10,280,474	8.69%	8.27%	10%	-1.31%	-1.73
2021	799,226	10,179,243	10,588,888	7.85%	7.55%	10%	-2.15%	-2.45
2022	797,688	10,586,412	10,906,555	7.54%	7.31%	10%	-2.46%	-2.69
2023	538,451	11,009,869	11,233,751	4.89%	4.79%	10%	-5.11%	-5.21
2024	541,743	11,450,264	11,570,764	4.73%	4.68%	10%	-5.27%	-5.32
2025	555,968	11,908,274	11,917,887	4.67%	4.66%	10%	-5.33%	-5.34
2026	572,702	12,384,605	12,275,423	4.62%	4.67%	10%	-5.38%	-5.33
2027	267,452	12,879,989	12,643,686	2.08%	2.12%	10%	-7.92%	-7.88
2028	102,694	13,395,189	13,022,997	0.77%	0.79%	10%	-9.23%	-9.21
2029	115,550	13,930,997	13,413,686	0.83%	0.86%	10%	-9.17%	-9.14
2030	111,279	14,488,236	13,816,097	0.77%	0.81%	10%	-9.23%	-9.19
2031	106,982	15,067,766	14,230,580	0.71%	0.75%	10%	-9.29%	-9.25
2032	102,661	15,670,476	14,657,497	0.66%	0.70%	10%	-9.34%	-9.30
Total	15,742,094							
Average from F 2010-11 through F 2031-32				7.65	7.42	10.00	-2.35	-2.58

* Revenue decreases 5% per year through 2013, then increases 1% in 2014, 1% in 2015, 2% in 2016, 3% in 2017 then increases 4% per year in 2018 and thereafter

Component Units - DDA

CITY OF BRIGHTON
DDA FUND SUMMARY

SIX YEAR FINANCIAL FORECAST (as of December 20, 2011)

	10-11 Year End <u>Actual</u>	11-12 Adopted <u>Budget</u>	11-12 Year End <u>Projection</u>	12-13 <u>Forecast</u>	13-14 <u>Forecast</u>	14-15 <u>Forecast</u>	15-16 <u>Forecast</u>	16-17 <u>Forecast</u>
Revenue	1,230,224	1,264,396	1,664,796	1,228,925	854,397	855,505	839,054	851,679
Less: Expenditures	<u>1,639,978</u>	<u>1,282,001</u>	<u>1,458,266</u>	<u>1,119,825</u>	<u>757,071</u>	<u>829,006</u>	<u>240,125</u>	<u>251,064</u>
Funds Available	(409,754)	(17,605)	206,529	109,099	97,326	26,499	598,929	600,615
Add: Beginning Unreserved Fund Balance	<u>552,279</u>	<u>142,525</u>	<u>142,525</u>	<u>349,054</u>	<u>458,154</u>	<u>555,480</u>	<u>581,979</u>	<u>1,180,908</u>
Ending Unreserved Fund Balance	<u>142,525</u>	<u>124,920</u>	<u>349,054</u>	<u>458,154</u>	<u>555,480</u>	<u>581,979</u>	<u>1,180,908</u>	<u>1,781,522</u>
Available Revenue for Debt Service	663,336	680,876	1,071,190	944,455	1,073,680	1,179,379	1,180,908	1,781,522
Debt Service Coverage 120%	624,973	667,147	866,562	583,561	621,840	716,880	-	-
Debt Service	520,811	555,956	722,135	486,301	518,200	597,400	-	-
Minimum Fund Balance (20% of Debt Service)	104,162	111,191	144,427	97,260	103,640	119,480	-	-
Fund Balance over/under target ratio for Debt	38,363	13,729	204,627	360,894	451,840	462,499	1,180,908	1,781,522

Total Debt (including Component Unit & Business Type Activities)

	Primary Government							
	Governmental Activities		Business-type Activities		Component Units		Total	
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
General obligation bonds/ notes	\$ 8,356.0	\$ 9,214.4	\$ 3,039.7	\$ 3,211.9	\$ 2,593.1	\$ 3,207.3	\$ 13,988.9	\$ 15,633.7
Special assessment bor	2,320.0	2,510.0	35.0	70.0	-	-	2,355.0	2,580.00
Revenue bonds with a general obligation plec	-	-	1,024.3	1,089.3	-	-	1,024.3	1,089.30
Revenue bonds	-	-	6,350.0	6,850.0	-	-	6,350.0	6,850.00
Total	10,676.0	11,724.4	10,449.0	11,221.2	2,593.1	3,207.3	23,718.2	26,153.0

General obligation bond	13,878,870.0
Transportation Bonds	110,000.0
Special assessment bor	2,355,000.0
Revenue bonds	7,374,294.0
	<u>23,718,164.0</u>