Members Present: J. Ray Scott, Mark Namatevs, and Larry J. Doe.

Members Absent: Gregory A. Peoples.

1. CALL TO ORDER: Mr. Scott called the meeting to order at 9:29 a.m.

2. MINUTES OF THE PREVIOUS MEETINGS: Motion by Doe to receive and file the minutes of the September 27, 2011 meeting as presented. Support by Namatevs. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Informational Item - Michigan Municipal League Liability and Property Pool Dividend Distribution – Judy Thomson Torosian

Ms. Torosian advised the Board that she is YCUA’s account executive with the MML insurance programs. She indicated that in March of 2011, the MML pool board voted unanimously to return $3 million of surplus back to members. Ms. Torosian explained that this is being done because the MML’s members are struggling due to budget cuts resulting from the economic climate and, because the insurance programs are doing well, it is better to return the money to the members so that it can be put to good use.

She pointed out that she was in attendance to present a check for $39,190. Ms. Torosian also explained that the post-renewal dividend was approved to be done again in 2012, so she will be back at that time.

Mark Namatevs inquired as to whether this money goes back into the general fund. Larry R. Thomas responded that it will be used as an offset for the current insurance premium.

Informational only; no motion from the Board required.

B. Request to Approve – YCUA Resolution No. 11-9 Approving Refunding Contract and Authorizing Not-to-Exceed $6.5 Million 2011 Refunding Bonds – Tom Colis
Mr. Colis advised the Board that because the financial market’s interest rates are low, YCUA has the opportunity to refund the 2002 bonds that were done for sanitary sewer system no. 3 in Ypsilanti Township. He indicated that the resolution before the Board has two purposes: it approves a refunding contract between YCUA and the township that authorizes the refunding and commits the township to putting its full faith and credit behind the bonds just as it did with the original contract and also authorizes issuance of the bonds.

Mr. Colis explained that the idea is to go back out into the market, find investors, put lower interest rate bonds in place, and then refund the existing outstanding bonds. He pointed out that, if the market stays where anticipated, it has the potential of saving approximately $600,000 over the life issue. Mr. Colis also explained that there are about 13 – 14 years left on this bond issue, which represents about $50,000 in savings per year.

He further advised that, if this item is authorized, offering documents will be prepared, the bonds will be sold sometime in November, and the closing will take place during the first week of December. Mr. Colis stated that, if the rates move away and the favorable level of savings are not achievable, the refunding bonds will be put on the backburner for consideration at a later date at no cost to anyone.

He acknowledged that the hope is to get in as soon as possible and take advantage of the current low rates.

Mr. Thomas interjected that Ypsilanti Township approved the contract at their meeting last Tuesday.

Larry J. Doe inquired as to how low YCUA should be willing to go to initiate the sale. Mr. Colis responded that 3% savings will result in about $20,000 annually and hopefully this sale will come in at 8% or above. He added that Stauder Barch is the financial advisor for the Authority and will make the final decision. Mr. Colis also advised that it is best to take advantage of refunding when you can because you never know if the market will be there again.

Mr. Thomas recommended approval of YCUA Resolution No. 11-9 Approving Refunding Contract and Authorizing Not-to-Exceed $6.5 Million 2011 Refunding Bonds.

Motion by Doe to approve YCUA Resolution No. 11-9 Approving Refunding Contract and Authorizing Not-to-Exceed $6.5 Million 2011 Refunding Bonds. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

C. **Fund Balance Report** - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report for September 30, 2011. He then proceeded to give a detailed report of the
information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.


Mr. Thomas directed the Board’s attention to the Financial Report – Authority Net Assets Report for September 30, 2011. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

E. Usage Report – Consumption Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

F. Attorney’s Report – Thomas E. Daniels

There was no Attorney’s Report for the month.

G. Director’s Report - Larry R. Thomas

There was no Director’s Report for the month.

4. OLD BUSINESS:

There was no old business for the month.

5. OTHER BUSINESS:

There was no other business for the month.

6. STATEMENTS AND CHECKS: Motion by Namatevs to pay the bills in the amount of $3,031,968.44. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

Allen Seger, a City of Ypsilanti resident, addressed the Board regarding his concerns.

8. ADJOURNMENT: Motion by Doe to adjourn the meeting at 9:55 a.m. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Vice-Chair
WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and Act 233, Public Acts of Michigan, 1955, as amended (“Act 233”) permits the Ypsilanti Community Utilities Authority (the “Authority”) to advance refund all or part of the funded indebtedness of the Authority; and

WHEREAS, the Charter Township of Ypsilanti, County of Washtenaw, Michigan (the “Township”) and the Authority have entered into a Contract Supplement dated as of March 1, 2002 wherein the Authority agreed to acquire and construct sewer improvements for the Township (the “Contract”); and

WHEREAS, an issue of bonds has been issued pursuant to the Contract, denominated 2002 Sanitary Sewer System No. 3 Bonds (Charter Township of Ypsilanti) (the “Prior Bonds”); and

WHEREAS, the Township and the Authority have determined that it is in the best interest of the Township and the Authority to refund all or part of the Prior Bonds maturing in the years 2013 through 2026; and

WHEREAS, pursuant to authority of Act 34 and Act 233, the Authority and the Township have or will shortly execute a contract (the “Refunding Contract”) providing for the implementation of such refunding program and for other details in connection therewith, said Refunding Contract being attached hereto in full and made a part of this resolution pursuant to law; and

WHEREAS, all things necessary for the authorization of such refunding bonds pursuant to the provisions of law have been done, and the Authority is now empowered and desires to authorize the issuance of such refunding bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE YPSILANTI
COMMUNITY UTILITIES AUTHORITY AS FOLLOWS:

Section 1. For the purpose of raising all or a portion of the money to refund all or part of the Prior Bonds maturing in the years 2013 through 2026, and pursuant to authority of Act 34 and Act 233, there shall be issued refunding bonds of the Authority (the “Refunding Bonds”) as hereinafter set forth. The Refunding Bonds shall be designated “2011 Refunding Bonds” and shall be in the aggregate principal amount of not to exceed Six Million Five Hundred Thousand Dollars ($6,500,000), as finally determined upon sale thereof, consisting of bonds registered as to principal and interest of the denomination of $5,000 or integral multiples of $5,000, be dated as of their date of delivery, or such other date as provided in the Sales Order approving the sale of the Refunding Bonds (the “Sales Order”) numbered as determined by the Transfer Agent, and maturing annually on May 1 in each of the years 2013 to 2026, inclusive, or such other years or dates as shall be determined at the time of sale and in the amounts as determined in the Sales Order.

The Refunding Bonds shall bear interest at a rate or rates to be determined upon negotiated sale, payable on May 1, 2012 and semiannually thereafter November 1st and May 1st of each year, or such other interest payment dates as provided in the Sales Order.

The Refunding Bonds may be issued as serial or term bonds, or any combination thereof.

Interest shall be paid by check drawn on The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, which is hereby selected to act as transfer agent, registrar and paying agent (the “Transfer Agent”) mailed to the registered owner of the Refunding Bonds at the registered address, as shown on the registration books of the Authority maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment or the first day of the month, if the payment date is the fifteenth day of the month. The date of determination of registered owner for purposes of payment for interest as provided in this paragraph may be changed by the Authority to conform to market practice in the future. The
principal of the Refunding Bonds shall be payable at the Transfer Agent upon presentation and surrender of the appropriate Bond.

The designation, date of original issue and the principal and interest payment dates may be changed in the Sales Order.

Section 2. The Chairman and Secretary of the Authority are hereby authorized and directed to execute said Refunding Bonds by means of their facsimile signatures when issued and sold for and on behalf of the Authority and to cause to be imprinted thereon a facsimile of the seal of the Authority. No bond of this series shall be valid until authenticated by an authorized signatory of the Transfer Agent. The bonds shall be delivered to the Transfer Agent for authentication and shall then be delivered to the Purchaser in accordance with instructions from the Treasurer of the Authority upon payment of the purchase price for the bonds. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 3. The Refunding Bonds and the interest thereon shall be payable from the contractual payments of the Township received by the Authority, for the payment of which the Township has in the Refunding Contract pledged its limited tax full faith and credit pursuant to the provisions of Act 233. The Township has covenanted and agreed to levy taxes annually to the extent necessary to provide the funds to meet its contractual payments when due in anticipation of which the Refunding Bonds are issued, which taxes shall be subject to applicable statutory, charter and constitutional limits. All of such contractual payments are hereby pledged solely and only for the payment of principal of and interest on the Refunding Bonds.

Section 4. It shall be the duty of the Authority, after the adoption of this resolution and the sale of the Refunding Bonds, to open a special depository account with a bank or trust company to be designated by the Authority to be designated Debt Retirement Fund - Ypsilanti Community Utilities
Authority 2011 Refunding Bonds (the “Debt Retirement Fund”), into which account the Authority shall deposit all contractual payments as received. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Refunding Bonds. The accrued interest received upon delivery of the Refunding Bonds shall also be deposited in the Debt Retirement Fund.

Section 5. The proceeds of the Refunding Bonds, along with certain cash to be made available pursuant to the Refunding Contract, if any, shall be used to pay the costs of issuance thereof and to secure payment of the Bonds as provided in this paragraph. Upon receipt of such proceeds the accrued interest and premium, if any, shall be deposited in the Debt Retirement Fund. From such proceeds there shall next be set aside a sum sufficient to pay the costs of issuance of the Refunding Bonds.

The balance of the proceeds of the Refunding Bonds shall be deposited in an escrow fund (the “Escrow Fund”) consisting of cash and investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing and used to pay principal, interest and redemption premiums on the Bonds. The Chairman, Secretary and Treasurer be and are each hereby authorized and directed to (a) take all steps necessary to call the Bonds for redemption, including the preparation and mailing of a notice of redemption and (b) negotiate terms of an escrow agreement with The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, which is hereby selected to act as escrow agent and (c) execute the escrow agreement on behalf of the Authority. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal, interest and redemption premiums on the Bonds when due at maturity or call for redemption as required by this Section. Following establishment of the Escrow Fund, any debt retirement funds held by the Authority
for the Bonds being refunded shall be transferred to the Debt Retirement Fund for the Refunding Bonds.

Section 6. Any of the Director, Chairman, Secretary and Treasurer of the Authority (each an “Authorized Officer,” and collectively, the “Authorized Officers”) shall determine in the Sales Order whether the Refunding Bonds shall be subject to redemption prior to maturity and the times and prices, and terms and conditions of such redemption.

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

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

Section 7. The Refunding Bonds shall be substantially in the following form with such changes as shall be required to conform to the final terms of the Refunding Bonds established by the Sales Order:
The Ypsilanti Community Utilities Authority (the “Issuer”), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on May 1, 2012 and semiannually thereafter. Principal of this bond is payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the Registered Owner hereof not less than sixty (60) days prior to any interest payment date (the “Transfer Agent”). Interest on this bond is payable to the Registered Owner of record as of the fifteenth (15th) day of the month preceding the payment date as shown on the registration books of the Issuer maintained by the Transfer Agent, by check or draft mailed to the Registered Owner at the registered address.

The bonds of this issue are payable from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti, County of Washtenaw, Michigan, to the Issuer, pursuant to certain contracts between the Issuer and the Township, including a Refunding Contract. By the provisions of said contracts and pursuant to the authorization provided by law, the Township has pledged its limited tax full faith and credit for the payment of said contractual payments. The Issuer has irrevocably pledged to the payment of this issue of bonds the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on the bonds of this issue when due. The full faith and credit pledge of the Township is its limited tax general obligation, and the Township is required to pay its debt service commitment on the bonds as a first budget obligation from its general funds including the collection of any ad valorem taxes which it is authorized to levy subject to applicable constitutional, statutory and charter tax limitations.

This bond is one of a total authorized issue of bonds of even original issue date, aggregating the principal sum of $_______, issued pursuant to a resolution duly adopted by the Commission of the Issuer on October 25, 2011, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of refunding part of a series of outstanding bonds of the Issuer issued to finance the cost of acquiring and constructing sewer improvements for the Township. For a complete statement of the funds from which and the conditions under which this bond is payable, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above described resolutions.

Bonds of this issue maturing in the years 2013 to 2021, inclusive, shall not be subject to redemption prior to maturity.

Bonds or portions of bonds of this issue in multiples of $5,000 maturing in the year 2022 and thereafter shall be subject to redemption prior to maturity, at the option of the Issuer, in any order of maturity and by lot within any maturity, on any date on or after May 1, 2021, at par and accrued interest to the date fixed for redemption.

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

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

Any bond may be transferred by the person in whose name it is registered, in person or by his duly authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent will not register the transfer of or exchange any bond selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond, and the series of which this is one, have been done and performed in regular and due time and form as required by law.

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

IN WITNESS WHEREOF, the Ypsilanti Community Utilities Authority, by its Commission, has caused this bond to be signed in its name by the facsimile signature of its Chairman and to be countersigned by the facsimile signature of its Secretary and a facsimile of the corporate seal of said Issuer to be imprinted hereon, all as of the Date of Original Issue.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

By:  J. RAY SCOTT
Its:  Chair

Countersigned:

MARK NAMATEVS
Its:  Vice Chair
Certificate of Authentication

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

The Bank of New York Mellon Trust Company, N.A.
Detroit, Michigan
Transfer Agent

By: ________________________________
    Authorized Signatory

Date of Authentication: ____________________________
Section 8. Nothing contained in this resolution or the Refunding Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of Act 233 for any of the purposes authorized by said Act, but any such bonds shall in no way have any lien on or be payable out of the contractual payments pledged to the payment of the Refunding Bonds.

Section 9. The provisions of this resolution, together with the Refunding Contract, shall constitute a contract between the Authority and the holder or holders of the Refunding Bonds from time to time, and after the issuance of such Refunding Bonds, no change, variation or alteration of the provisions of this resolution and the Refunding Contract may be made which would lessen the security for the Refunding Bonds. The provisions of this resolution and the Refunding Contract shall be enforceable by appropriate proceedings taken by such holder either at law or in equity.

Section 10. The Authority covenants and agrees with the successive holders of the Refunding Bonds that so long as any Refunding Bonds remain outstanding and unpaid as to either principal or interest:

(a) The Authority will punctually perform all of its obligations and duties under this resolution and the Refunding Contract, including all collection, segregation and application of the contractual payments in the manner required by the provisions of this resolution.

(b) The Authority will apply and use the proceeds of the sale of the Refunding Bonds for the purposes and in the manner required by the Refunding Contract and this resolution. The Authority will maintain and keep proper books of record and account relative to the application of such proceeds and the contractual payments received pursuant to the Refunding Contract. Not later than four (4) months after the end of each year, the Authority shall cause to be prepared a statement, in reasonable detail, sworn to by its chief accounting officer, showing the application of the proceeds of the sale of the Refunding Bonds, the cash receipts from the contractual payments and the application thereof, and such other information as may be necessary to enable
any taxpayer or any holder or owner of the Refunding Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the application of funds therefor or for the payment of Refunding Bonds during such year. A certified copy of said statement shall be filed with the Secretary of the Authority and the Township Clerk and a copy shall also be sent to the manager of the syndicate purchasing the Refunding Bonds.

Section 11. The Authorized Officers are each hereby authorized to negotiate and execute a Bond Purchase Agreement with a bank or financial institution (the “Purchaser”) to be selected by an Authorized Officer upon the recommendation of Stauder, Barch & Associates, Inc., financial advisor to the Authority, finalizing the details of the Refunding Bonds within the authorized parameters of the Resolution and each is authorized to execute and deliver a Sales Order approving the final terms of the Refunding Bonds, adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, the portion or portions of the Prior Bonds to be refunded, and other matters, within the parameters established by this resolution, provided that the principal amount of Refunding Bonds issued shall not exceed the principal amount authorized in this resolution, the true interest cost on the Bonds shall not exceed four and one quarter percent (4.25%), a net present value savings of at least 2% on the Prior Bonds to be refunded shall exist upon the sale of the Refunding Bonds and said refunding, and the maximum Purchaser’s discount shall not exceed $7.50 per thousand (0.75%) of the par amount of the Bonds.

Section 12. The Authority hereby covenants that it shall comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission regarding continuing disclosure to negotiate a
bond purchase agreement for the sale of the Refunding Bonds with the Purchaser and to execute the same on behalf of the Authority.

**Section 13.** The Authorized Officers are each authorized to approve circulation of both a Preliminary and Final Official Statement describing the Refunding Bonds, to secure ratings for the Refunding Bonds, and to purchase municipal bond insurance for the Refunding Bonds.

**Section 14.** The Authority has considered the option of selling the Refunding Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, determines that a negotiated sale of the Refunding Bonds will result in the most efficient and expeditious means of selling the Refunding Bonds due to the flexibility in the timing and sizing of the Refunding Bonds.

**Section 15.** The Authority shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Refunding Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Refunding Bond proceeds and moneys deemed to be Refunding Bond proceeds. The Authority hereby designates the Refunding Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Code.

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

**Section 17.** The Refunding Contract is hereby approved and the Chairman and Secretary are authorized to execute the same on behalf of the Authority.

**Section 18.** This resolution shall become effective immediately upon its passage.
Minutes of a Regular Meeting of the Commission of the Ypsilanti Community Utilities Authority held on the 25th day of October, 2011 at which the following Commissioners were present: J. Ray Scott, Mark Namatevs, and Larry J. Doe and the following were absent: Deedra Climer Bass and Gregory A. Peoples.

The attached resolution was moved by Commissioner Doe and seconded by Commissioner Namatevs. The following Commissioners voted aye: J. Ray Scott, Mark Namatevs, and Larry J. Doe and the following Commissioners voted nay: None.

RESOLUTION DECLARED ADOPTED

MARK NAMATEVS, Vice Chair
I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Commission of the Ypsilanti Community Utilities Authority, at a Regular Meeting held on October 25, 2011, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Mark Namatevs, Vice Chair