

24-18

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE PROJECT  
EXPENDITURES WITH BOND PROCEEDS AND AUTHORIZING  
PUBLICATION OF NOTICE OF INTENT TO ISSUE BONDS

At a regular meeting of the City Council of the City of Brown City, Sanilac County,  
Michigan, held on December 30, 2024.

PRESENT: Ross McIvor, Neil Kohler, Eugene Navock  
Mark Vaerten

ABSENT: Robert Jacobson, Patricia Jacobson

The following resolution was offered by Eugene Navock and seconded by  
Ross McIvor:

WHEREAS, the City of Brown City (the "City") proposes to issue its bonds, in one or more series (the "Bonds") either as revenue bonds under Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), as capital improvement bonds under Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), or as separate series of bonds under each of Act 34 and Act 94, to finance improvements to the City's water supply system (the "System"), consisting of: (i) removal, replacement, installation, and enlargement of water mains; (ii) acquisition, construction, and installation, of new water mains and related System facilities to provide looping within the System; (iii) removal, replacement, and installation of water service lines throughout the City to comply with the Michigan Department of Environment, Great Lakes, and Energy's Lead and Copper Rules; (iv) removal, replacement, and installation of arsenic filtration and other water treatment plant facilities and equipment; (v) acquisition and installation of residential water meters; (vi) restoration of property, streets, rights-of-way and easements affected by the improvements; (vii) all other work necessary and incidental to these improvements; and (viii) such other improvements as the City may determine to make (collectively, the "Project"); and

WHEREAS, it is anticipated that the City will advance a portion of the costs of the Project prior to the issuance of the Bonds, to be repaid from proceeds of the Bonds upon the issuance thereof; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the City intends by this resolution to qualify amounts advanced by the City to the Project for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, a notice of intent to issue the Bonds must be published in order to comply with the requirements of Section 33 of Act 94 and Section 517 of Act 34.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brown City, Sanilac County, Michigan, as follows:

1. The Project shall consist of the water supply system improvements described in the preamble hereto.
2. The maximum principal amount of Bonds expected to be issued for the Project is \$5,932,000.
3. The City hereby declares its official intent to issue the Bonds to finance the costs of the Project, and hereby declares that it reasonably expects to reimburse the City's advances to the Project as described in the preamble and as anticipated by this Resolution.
4. The Bonds shall be authorized by proper proceedings subsequent to this Resolution.
5. The Clerk is hereby instructed to publish the following notice attached hereto as Exhibit A once in a newspaper of general circulation in the City.
6. All prior resolutions and parts of resolutions insofar as they may be in conflict with this Resolution are hereby rescinded.

RESOLUTION DECLARED ADOPTED.

Yeas

4



Nays 0


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Absent- 2

Abstaining- 0

STATE OF MICHIGAN                    )  
  ) SS  
COUNTY OF SANILAC                 )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Brown City, Sanilac County, Michigan, held on December 30, 2024, the original of which is on file in my office. I further certify that notice of the meeting was given pursuant to and in compliance with the Open Meetings Act, as amended.

  
\_\_\_\_\_  
Pamela Willer, City Clerk  
City of Brown City



## EXHIBIT A

*Note: This notice must be not less than ¼ page in size in the newspaper.*

### NOTICE OF INTENT TO ISSUE BONDS BY THE CITY OF BROWN CITY, MICHIGAN

NOTICE IS HEREBY GIVEN TO THE ELECTORS of the City of Brown City, Michigan (the "City"), that the City intends to issue its bonds, in one or more series, as revenue bonds, capital improvement bonds, or as separate series of each type of bonds, in the aggregate principal amount of not to exceed \$5,932,000 for the purpose of defraying the cost of improvements to the City's water supply system (the "System"), consisting of: (i) removal, replacement, installation, and enlargement of water mains; (ii) acquisition, construction, and installation, of new water mains and related System facilities to provide looping within the System; (iii) removal, replacement, and installation of water service lines throughout the City to comply with the Michigan Department of Environment, Great Lakes, and Energy's Lead and Copper Rules; (iv) removal, replacement, and installation of arsenic filtration and other water treatment plant facilities and equipment; (v) acquisition and installation of residential water meters; (vi) restoration of property, streets, rights-of-way and easements affected by the improvements; (vii) all other work necessary and incidental to these improvements; (viii) such other improvements as the City may determine to make; and (ix) payment of the costs of issuing the bonds and capitalized interest, if any.

The bonds will mature in not to exceed forty (40) years after the date of original issuance, and will bear interest from their date at a rate or rates to be determined at the time of sale thereof but in no event to exceed such rates as may be permitted by law.

The bonds will be issued under the applicable provisions of Act 94, Public Acts of Michigan, 1933, as amended, Act 34, Public Acts of Michigan, 2001, as amended, and ordinances or resolutions of the City Council, as applicable. Bonds issued as revenue bonds under and pursuant to Act 94 will be payable from the net revenues of the System and any improvements, enlargements, and extensions thereto, and a statutory lien on said revenues will be established by said resolution. The City will covenant and agree to fix and maintain at all times while any of the bonds shall be outstanding such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance, and administration of the System and of the principal of and interest on the bonds when due and to provide for such other expenditures and funds for the System as are required by the resolution authorizing the issuance of bonds. In addition, the bonds may be secured by the full faith and credit of the City as limited by applicable constitutional, statutory, and charter limitations on the taxing power of the City and any other lawfully available monies of the City.

Bonds issued as capital improvement bonds under and pursuant to the provisions of Act 34 will be secured by the City's pledge of its full faith and credit to pay the principal of and interest on the bonds as the same shall become due. The City will be obligated, as a first budget

obligation, to advance moneys from its general funds or to levy ad valorem taxes on all taxable property within its corporate boundaries to pay the principal of and interest on bonds issued as capital improvement bonds as the same shall become due to the extent that other funds are not available for such purpose; provided, however, that the ability of the City to raise such moneys is subject to applicable constitutional, statutory, and charter limitations on the taxing power of the City. Sources of repayment of the principal of and interest on the bonds may include any other lawfully available monies of the City.

#### RIGHT TO PETITION FOR REFERENDUM

This notice is given, by order of the City Council of the City of Brown City, to and for the benefit of the electors of the City in order to inform them of their right to petition for a referendum upon the question of the issuance of the aforesaid bonds. The bonds will be issued, without submitting such a question to a vote of the electors, unless within 45 days after the date of publication of this notice a petition requesting a referendum upon such question, signed by not less than 10% or 15,000 of the registered electors in the City, whichever is the lesser, shall have been filed with the undersigned City Clerk. In the event that such a petition is filed, the bonds will not be issued unless and until the issuance thereof shall have been approved by the vote of a majority of the electors of the City qualified to vote and voting thereon at a general or special election.

#### FURTHER INFORMATION

Further information relative to the issuance of said bonds and the subject matter of this notice may be secured at the office of the City Clerk of the City of Brown City, 4205 Main Street, Brown City, Michigan 48416.

This notice is given pursuant to the provisions of Act 94, Public Acts of Michigan, 1933, as amended and Act 34, Public Acts of Michigan, 2001, as amended.

Pamela Willer, City Clerk  
City of Brown City