



Legislation Text

File #: 09-1000, Version: 1

Resolution Authorizing Publication of Notice of Intent to Issue Revenue Bonds (Water Supply System Revenue Bonds)

Recommended for Council is the publication of a notice of intent (“Notice”) to issue water supply system revenue bonds in the maximum principal amount of \$25,000,000, for the purpose of financing the acquisition and construction of additions and improvements to the City’s water supply system.

The first series of bonds to be issued pursuant to the Notice (expected to be in the principal amount of approximately \$7,225,000) will be sold directly to the Michigan Municipal Bond Authority (“Bond Bank”) as part of its Drinking Water Revolving Fund program. The Public Services Area staff has applied for approval from the Bond Bank to participate in this financing program, scheduled to close on January 22, 2010. The initial series of Bonds sold to the Bond Bank will bear interest at a rate substantially lower than market rates and will mature over 20 years. The Bonds will be secured by and payable solely from revenues of the City’s Water Supply System.

The Resolution authorizes the City Clerk to publish the Notice.

The City’s bond counsel, Dykema Gossett, prepared the Resolution with further review by the City Attorney.

Prepared by: Tom Crawford, Chief Financial Officer
Reviewed by: Mary Joan Fales, Senior Assistant City Attorney
Approved by: Roger W. Fraser, City Administrator

CITY OF ANN ARBOR
County of Washtenaw, State of Michigan

**RESOLUTION AUTHORIZING PUBLICATION OF NOTICE
OF INTENT TO ISSUE REVENUE BONDS
(Water Supply System Revenue Bonds)**

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan held on the 19th day of October, 2009, at 7:00 o’clock p.m. Eastern Time.

PRESENT: Members

ABSENT: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____ :

WHEREAS, the City of Ann Arbor, County of Washtenaw, State of Michigan (the “City”) intends to issue and sell revenue bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”), in one or more series in an

aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) for the purpose of paying part of the cost of acquiring and constructing additions and improvements to the City's water supply system; and,

WHEREAS, a notice of intent to issue bonds must be published at least 45 days before the issuance of the aforesaid bonds in order to comply with the requirements of Section 33 of Act 94.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish on or before October 21, 2009 a notice of intent to issue bonds in the Washtenaw County Legal News, Ann Arbor, Michigan, or other newspaper of general circulation in the City.

2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the following form:

NOTICE TO TAXPAYERS AND ELECTORS OF THE
CITY OF ANN ARBOR AND TO USERS OF SAID CITY'S
WATER SUPPLY SYSTEM OF INTENT TO ISSUE
BONDS AND THE
RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Council of the City of Ann Arbor, Washtenaw County, Michigan, intends to issue and sell Revenue Bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000), for the purpose of paying part of the cost of acquiring and constructing additions and improvements to the water supply system to serve the City.

SOURCE OF PAYMENT OF
REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS SHALL BE PAYABLE solely from the revenues received by the City from the operations of said water supply system. Said revenues will consist of rates and charges billed to the users of the system, a schedule of which is presently on file in the office of the City Clerk. Said rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on said bonds and to pay other obligations of the system.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed thirty (30) in number and will bear interest at the rate or rates to be determined at public sale but in no event to exceed eight percent (8%) per annum on the balance of the bonds from time to time remaining unpaid.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

Jacqueline Beaudry
City Clerk, City of Ann Arbor

3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the water supply system's users and the City's taxpayers and electors of this City's intent to issue the bonds, the purpose of the bonds, the security for the bonds, and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Member

NAYS: Member

RESOLUTION DECLARED ADOPTED.

Jacqueline Beaudry, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan, at a regular meeting held on October 19, 2009, 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.

Jacqueline Beaudry, City Clerk

October __, 2009