



Legislation Details (With Text)

File #: 23-0515 **Version:** 1 **Name:** 4/3/23 - Water Revenue Bond Issue Intent
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Title: Resolution Authorizing Publication of Notice of Intent to Issue Revenue Bonds and Reimbursement of Certain Expenses (\$45,000,000.00) (6 Votes Roll Call)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Notice of Intent - bond - Affidavit of Publication.pdf

Date	Ver.	Action By	Action	Result
4/3/2023	1	City Council	Approved	Pass

Resolution Authorizing Publication of Notice of Intent to Issue Revenue Bonds and Reimbursement of Certain Expenses (\$45,000,000.00) **(6 Votes Roll Call)**

Recommended for Mayor and City Council approval is a resolution, which authorizes and directs the City Clerk to publish a notice of intent to issue and sell Water Revenue Bonds not to exceed \$45,000,000.00. The publication of the notice of intent is the initial step in the process of issuing bonds, followed by a forty-five day referendum period.

After the referendum period, a water revenue bond ordinance will be submitted for approval by Mayor and Council. The not to exceed amount covers estimated Water System project costs included in the Capital Improvements Plan and the cost of issuance, i.e., underwriting, attorney bond counsel, and paying agent costs.

The notice of intent to issue bonds must be published at least forty-five days before the issuance of the bonds in order to comply with the requirements of Section 33 of Act 94. The City's bond counsel, Dykema Gossett, prepared the resolution and notice of intent with further review by the City Attorney.

Prepared by: Marti Praschan, Financial Services Area Administrator and CFO

Reviewed by: Michelle Landis, Senior Assistant City Attorney

Approved by: Milton Dohoney Jr., City Administrator

CITY OF ANN ARBOR
County of Washtenaw, State of Michigan

**RESOLUTION AUTHORIZING PUBLICATION OF
NOTICE OF INTENT TO ISSUE REVENUE BONDS AND
REIMBURSEMENT OF CERTAIN EXPENSES
(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 3rd day of April 2023, at 7:00 o'clock p.m. Eastern Time.

PRESENT: Councilmembers ;

ABSENT: Councilmembers .

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

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 Forty-Five Million Dollars (\$45,000,000) for the purpose of paying all or part of the costs of acquiring, constructing, installing, furnishing and equipping additions and other improvements to the City's water supply system, as well as refurbishing, repairing or maintaining the same (the "Project"); 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; and

WHEREAS, the City intends to use its own funds to pay certain initial Project costs, and then reimburse itself from the bond proceeds so issued for these early expenditures; and

WHEREAS, the City has to adopt a resolution to document its plans for reimbursement so as to comply with certain federal tax rules relating to reimbursement from bond proceeds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk of the City is hereby authorized and directed to publish a Notice of Intent to Issue Revenue Bonds in The Washtenaw County Legal News, a newspaper of general circulation in the City.

2. The Notice of Intent shall be published as a one-quarter (1/4) page display advertisement, or otherwise in compliance with Act 94, 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
REVENUE 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 Forty-Five Million Dollars (\$45,000,000), for the purpose of paying all or part of the costs of acquiring, constructing, installing, furnishing and equipping additions and other improvements to the water supply system, as well as refurbishing, repairing or maintaining the same.

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

THE REVENUE 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 or private sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

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 Revenue 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. The City has advanced and intends to advance funds for certain initial Project costs, and to reimburse itself from the proceeds of the Bonds as noticed under this resolution.

5. Funds for the early Project expenditures may come from the City's water supply system funds or any other appropriate City fund.

6. For the purposes of complying with the reimbursement rules of Treasury Regulations

§1.150-2 under the Internal Revenue Code of 1986, as amended, the City intends for the adoption this resolution to be a declaration of its official intent to reimburse itself from bond proceeds for Project cost expenditures.

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

IN FAVOR: Councilmember ;

AGAINST: Councilmember .

I DECLARE 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 April 3, 2023, 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