

**RESOLUTION NO. 23-07
CITY OF ST. CLAIR
ST. CLAIR COUNTY, MICHIGAN**

**NOTICE OF INTENT RESOLUTION WATER SUPPLY SYSTEM
CAPITAL IMPROVEMENT BONDS**

Minutes of a regular meeting of the City Council of the City of St. Clair, County of St. Clair, State of Michigan, held on the 20th day of February, 2023, at 7:00 p.m., prevailing Eastern Time.

PRESENT: Members Cedar, Gottler, Kuffa, LaPorte, Paul, Volz, Watt
ABSENT: None

The following preamble and resolution were offered by Member Volz and supported by Member Paul:

WHEREAS, the City of St. Clair, County of St. Clair, State of Michigan (the “City”) intends to issue general obligation capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), in an aggregate principal amount of not to exceed Seven Million Dollars (\$7,000,000) (the “Bonds”), for the purpose of paying part of the cost to acquire, construct, furnish and equip improvements to the City’s water supply system (the “System”), including water treatment plant improvements, improvements to Shorewell pump station, pretreatment, filtration, chemical feed, flow meters, electrical and SCADA, water treatment plant building improvements and expansion and water mains in the City, and all related sites, structures, equipment, appurtenances and attachments thereto (the “Project”); and

WHEREAS, a notice of intent to issue the Bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 517 of Act 34; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue bonds in the *Port Huron Times Daily*, a newspaper of general circulation in the City.
2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.
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 City’s electors and taxpayers residing in the boundaries of the City and the users of the water supply system of the City's intent to issue the Bonds, the maximum amount of the Bonds, the purpose of the Bonds, the security for the Bonds, the source of payment 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 makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) The City reasonably expects to reimburse itself with proceeds of the Bonds for the costs of acquiring and constructing the Project which were paid or will be paid from the water system fund and/or general fund of the City subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$7,000,000.
- (c) A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the Bonds to reimburse the City for a capital expenditure made pursuant to this resolution.

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

AYES: Members Kuffa, LaPorte, Paul, Volz, Watt, Gottler, Cedar
NAYS: None

RESOLUTION DECLARED ADOPTED.

Bill Cedar, Jr, Mayor

I hereby certify that the attached is a true and complete copy of a resolution adopted by the City Council of the City of St. Clair, County of St. Clair, State of Michigan, at a regular meeting held on the 20th day of February, 2023, and that 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, as amended, and that minutes of the meeting were kept and will be or have been made available as required by said Act.

Annette Sturdy, City Clerk

EXHIBIT A

NOTICE TO ELECTORS AND TAXPAYERS
OF THE CITY OF ST. CLAIR
AND TO USERS OF THE CITY'S WATER SUPPLY SYSTEM
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING
POWER OF THE CITY AND THE RIGHT OF REFERENDUM THEREON

PLEASE TAKE NOTICE that the City of St. Clair, County of St. Clair, State of Michigan (the "City"), intends to issue and sell its general obligation capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an aggregate principal amount of not to exceed Seven Million Dollars (\$7,000,000), for the purpose of paying part of the cost to acquire, construct, furnish and equip improvements to the City's water supply system (the "System"), including water treatment plant improvements, improvements to Shorewell pump station, pretreatment, filtration, chemical feed, flow meters, electrical and SCADA, water treatment plant building improvements and expansion and water mains in the City, and all related sites, structures, equipment, appurtenances and attachments thereto.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID BONDS shall be payable from the general funds of the City lawfully available for such purposes including property taxes levied within applicable constitutional, statutory and charter tax rate limitations. The City intends to use revenues received by the City from the operations of the City's water supply system to pay debt service on the bonds.

BOND DETAILS

SAID BONDS will be payable in not more than thirty (30) years from the date of issuance of the bonds, with interest rates to be determined at a public or negotiated sale but in no event to exceed the maximum permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

RIGHT OF REFERENDUM

THE 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 RESIDING WITHIN THE BOUNDARIES 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 RESIDING WITHIN THE BOUNDARIES OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

Annette Sturdy
City Clerk, City of St. Clair

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