

CITY OF OVID

COUNTY OF  
CLINTON STATE OF  
MICHIGAN

A RESOLUTION ADOPTING THE NOTICE OF INTENT TO ISSUE REVENUE BONDS AND  
NOTICE OF RIGHT OF REFERENDUM  
RESOLUTION # 2023-04

A special meeting of the City Council (the "City Council") of the City of Ovid (the "City") was held in the Council Chambers Room, 114 E. Front Street, on the 22<sup>nd</sup> day of May, 2023, at 7 o'clock in the p.m. (the "Meeting").

The Meeting was called to order by Mayor Lasher.

Present: L. Ordiway, L. Perrien, M. Olger, W. Lasher, E. Brown, M. Perrien, and E. Starn

Absent: None

The following preamble and resolution were offered by L. Ordiway and supported by M. Perrien:

**WHEREAS**, the City Council has determined that it will be necessary to issue bonds of the City pursuant to the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying all or a portion of the cost of the public water system improvement project described in the Notice attached to this resolution as Exhibit A, as well as all other necessary and related improvements (the "Project"); and

**WHEREAS**, Section 33 of the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (the "Act"), requires the publication of a notice of intent to issue the bonds necessary to produce the monies required to finance all or a portion of the cost of the Project; and

**WHEREAS**, the cost for the Project is estimated to not exceed Nine Million Eight Hundred Twenty Thousand Dollars (\$9,820,000); and

**WHEREAS**, not to exceed Four Million Nine Hundred Fifty Thousand Dollars (\$4,950,000) of the aggregate Project costs, including the costs of issuance for the bonds, is proposed to be financed by the issuance of bonds of the City (the "Bonds") in one or more series to pay the Project costs; and

**WHEREAS**, the City Council now desires to authorize and approve the Notice of Intent to Issue Bonds required by the Act in substantially the form of the notice attached to this resolution as Exhibit A; and

**WHEREAS**, in order to proceed with the issuance of the Bonds, it may be necessary for the City to obtain prior approval from the Michigan Department of Treasury to issue the Bonds; and

**WHEREAS**, the City may wish to reimburse certain expenditures to be made from the general fund or other fund(s) of the City for the Project in advance of the issuance of the Bonds.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The City Clerk, the City Treasurer, or a designee or deputy thereof, shall cause a notice, in substantially the form as attached hereto as **Exhibit A**, to be published in the *Meridian Weekly*, a newspaper of general circulation within the City of Ovid, as a display ad of at least 1/4 page in size.

2. Pursuant to Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended, and the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), the foregoing notice and method of publication thereof are hereby determined to be adequate to notify the City's residents and electors of their referendum rights and of the nature of the debt obligations proposed to be issued.

3. Pursuant to the provisions of Act 34, the City Council hereby resolves to submit to the Michigan Department of Treasury, if necessary, an Application for State Treasurer's Approval to Issue Long Term Securities, and the Mayor, or a designee thereof, is hereby authorized to complete, sign and file with the Michigan Department of Treasury the same and to pay any fees associated therewith.

4. To the extent advances to pay Project costs are required to be made from the City's General Fund or other fund(s), the City shall reimburse the General Fund or such other fund(s) not earlier than the date on which the expenses are paid and not later than the latter of:

- (a) the date that is eighteen (18) months after the expenses are paid, or
- (b) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the expenses are paid.

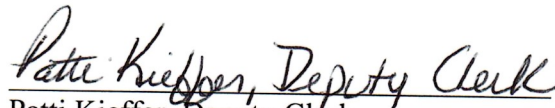
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution e, and the same are, hereby rescinded.

Ayes: L. Ordiway, L. Perrien, M. Olger, W. Lasher, E. Brown, M. Perrien, and E. Starn

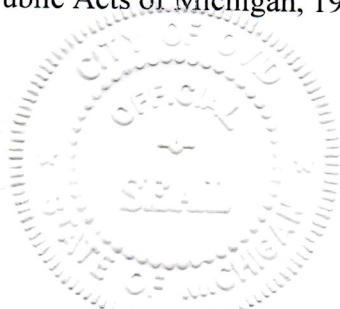
Nays: None

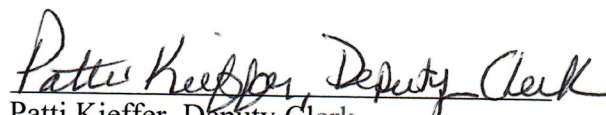
Absent: None

Resolution declared adopted.

  
Patti Kieffer, Deputy Clerk  
City of Ovid

The undersigned duly qualified and acting City Clerk of the City of Ovid, County of Clinton, State of Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council at the Meeting, the original of which is part of the City Council's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).



  
Patti Kieffer, Deputy Clerk  
City of Ovid



**NOTICE OF INTENT TO ISSUE REVENUE BONDS  
AND NOTICE OF RIGHT OF REFERENDUM**

**TO THE ELECTORS AND TAXPAYERS  
OF THE CITY OF OVID  
AND CUSTOMERS AND USERS OF THE  
CITY'S PUBLIC WATER SYSTEM**

**TAKE NOTICE THAT** the City Council of the City of Ovid, County of Clinton, State of Michigan (the "City"), intends to authorize the issuance of NOT TO EXCEED Four Million Nine Hundred Fifty Thousand Dollars (\$4,950,000) City of Ovid water system improvement revenue bonds (the "Bonds") pursuant to the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of defraying a portion of the cost of certain improvements to the City's public water system, including, but not limited to: (A) the replacement of certain water mains; (B) the replacement of certain lead and non-lead service lines; (C) the replacement of water meters; (D) the installation and construction of water main loops and related improvements and equipment; (E) the replacement of filter media, and upgrades to valves, at the water treatment plant; (F) site improvements, including, but not limited to, pavement, sidewalk, and lawn/grass restoration; (G) acquiring necessary easements and rights in land; and (H) making other necessary and related system improvements and acquiring related equipment, as well as paying engineering and financing costs (the "Project"). The Bonds may be issued by the City in one or more series, the aggregate principal amount of which will not exceed \$4,950,000.

The Bonds will be payable primarily from revenues derived from rates and charges received from users and customers of the City's public water system, and will be payable in not more than forty (40) annual installments at a rate of interest to be determined upon sale of the Bonds not to exceed five percent (5.0%) per annum, payable on the unpaid principal balance from time to time remaining outstanding on the Bonds.

The total cost of the Project is estimated to be Nine Million Eight Hundred Twenty Thousand Dollars (\$9,820,000), a portion of which cost is to be paid from the proceeds of the Bonds.

**SOURCE(S) OF FUNDING**

The United States of America, through its Department of Agriculture, Rural Development, makes funds available for water system improvements at below-market interest rates. The City may seek to finance a portion of the Project cost through bonds issued through the U.S. Department of Agriculture, Rural Development's loan program.

The State of Michigan, through its Department of Environment, Great Lakes, and Energy, makes funds available for municipal water system improvement projects at a below-market interest rate through a Drinking Water State Revolving Loan Fund program administered through the Michigan Finance Authority. The City may seek to finance all or a portion of the entire project cost through bonds issued through said Drinking Water State Revolving Loan Fund program.



The project is eligible for, and a portion of the Project cost is anticipated to be paid from, certain grant funds in an aggregate amount of up to \$6.454 million, or such lesser amount as required to pay the portion of the Project cost not financed through the issuance of the City's Bonds. Such grant funding is anticipated to be provided to the City pursuant to the American Rescue Plan (ARP). Any portion of the Project cost not paid for with Bonds proceeds or grant funding would likely be paid for using the City's available funds on hand.

### **SOURCE OF PAYMENT OF BONDS**

THE PRINCIPAL OF AND INTEREST ON THE BONDS shall be payable primarily from the net revenues derived from the operation of the City's public water system remaining after payment of operation and maintenance expenses. Said revenues consist of rates and charges for services, including connection fees, which rates and charges are required to be maintained and increased from time to time in order to provide sufficient revenues to meet expenses for operating and maintaining the water system, anticipated principal of and interest on bonds, and to provide reserves for payment thereof. A schedule of the rates and charges is on file in the office of the City Clerk, City of Ovid, 114 E. Front Street, Ovid, Michigan 48866.

### **ADDITIONAL SECURITY FULL FAITH AND CREDIT PLEDGE AND STATE REVENUE SHARING**

In the event that (1) all or a portion of the Bonds is sold to the Michigan Finance Authority, (2) all or a portion of the Bonds is sold to the United States of America, through its Department of Agriculture, Rural Development, and/or (3) certain state or federal financing is received for the project costs, the City would be authorized pursuant to the Revenue Bond Act to pledge, and may decide to pledge if necessary and/or advisable, its full faith and credit for the repayment of the Bonds. In this event, the City would be authorized within its constitutional, statutory, and charter tax rate limitations to levy such taxes or advance such funds from the general funds of the City as may be necessary to prevent or cure any default in the repayment of the Bonds resulting from an insufficiency of revenues derived from the operation of the City's public water system. Although it is not anticipated that the City will ever be required to advance funds, the City would, in the event of an advance, be entitled to be repaid from the next water system revenues available after correction of any deficiency or default.

In addition or in the alternative, the City may pledge as additional security, for any Bonds issued to the Michigan Finance Authority, a portion of the State Revenue Sharing payments the City periodically receives from the State of Michigan.

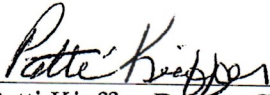
### **NOTICE OF RIGHT OF REFERENDUM**

THIS NOTICE is given pursuant to the requirements of Section 33 of the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended. If within forty-five (45) days from the publication of this NOTICE OF INTENT to issue Bonds a PETITION signed by not less than TEN PERCENT (10%) OF THE REGISTERED ELECTORS residing within the limits of the City of Ovid shall have been filed with the City Clerk requesting a REFERENDUM on the question of the

issuance of the Bonds, then the same shall not be issued until approved by the vote of the majority of the electors of the City qualified to vote and voting thereon at a general or special election. The current number of registered electors in the City is 1,074.

Further information regarding the Project and the Bonds described herein is available at the office of the Mayor of the City of Ovid, 114 E. Front Street, Ovid, Michigan 48866 (phone 989-834-5550).

Dated: May 22, 2023

  
\_\_\_\_\_  
Patti Kieffer, Deputy Clerk  
City of Ovid