

**City of Gladstone  
County of Delta, State of Michigan**

**RESOLUTION 2025-02 AUTHORIZING PUBLICATION OF  
NOTICE OF INTENT TO ISSUE REVENUE BONDS  
AND DECLARING INTENT TO REIMBURSE  
(CLEAN WATER STATE REVOLVING FUND PROJECT)**

---

Minutes of a regular meeting of the City Commission of the City of Gladstone, County of Delta, State of Michigan, held on May 12, 2025, at 6:00 p.m., Eastern Daylight Time.

PRESENT: Members \_\_\_\_\_

\_\_\_\_\_

ABSENT: Members \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_  
and supported by Member \_\_\_\_\_:

WHEREAS, the City Commission of the City of Gladstone, County of Delta, State of Michigan (the "City"), hereby determines that it is necessary for the public health, safety and welfare of the City to acquire, construct, furnish and equip improvements to the City's existing sewage disposal system (the "System") consisting generally of replacement of approximately 5,500 LF of 6" PVC sanitary service lead, 3,500 LF of 8" PVC sanitary sewer, 2,850 LF of 10" PVC sanitary sewer, 460 LF of 15" PVC sanitary sewer, 460 LF of 18" PVC sanitary sewer, and 163 sanitary cleanouts and 27 manholes; installation of approximately 3,550 LF of 8" cured-in-place pipe liner, 3,350 LF of 10" cured-in-place pipe liner, and 1,690 LF of 12" cured-in-place pipe liner; together with all necessary interests in land and all related sites, structures, equipment, appurtenances and attachments thereto (the "Project"); and

WHEREAS, the City has been advised by the Michigan Department of Environment, Great Lakes and Energy ("EGLE") that financial assistance to accomplish the acquisition and construction of all or a portion of the Project is available through the Clean Water State Revolving Fund ("CWSRF") loan program administered by EGLE and the Michigan Finance Authority (the "MFA"); and

WHEREAS, the City has made application for participation in the CWSRF loan program;  
and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), provides a means for financing the purchase, acquisition, construction, improvement, enlargement, extension and repair of public improvements such as the Project through the issuance of revenue bonds; and

WHEREAS, the issuance of bonds payable from revenues of the System under Act 94 in a total amount not to exceed Nine Million Eight Hundred Thousand Dollars (\$9,800,000) (the

“Bonds”) for the purpose of financing all or part of the Project, in one or more series, represents the most practical means to that end; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 33 of Act 94; 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 the Bonds in *The Daily Press*, 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 in substantially the following form attached to this resolution as Exhibit A.

3. The City Commission 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 users of the System and the electors residing in the boundaries of the City of the intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum relating thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City’s electors may exercise their legal rights of referendum, 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) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof or which will be paid prior to the issuance of the Bonds from the sewage disposal fund or the general fund of the City.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$9,800,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein 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 related 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 debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.

5. The City hereby confirms the retention of Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel in connection with the Bonds. The City has been advised that Miller Canfield has represented the Michigan Finance Authority in the past and may be representing the Michigan Finance Authority presently in connection with various matters including the Clean Water State Revolving Fund loan program, and the City consents to the representation of the Michigan Finance Authority by Miller Canfield in connection with the Clean Water State Revolving Fund loan program that may be utilized by the City in connection with the Bonds.

6. The officers of the City are authorized to apply to a rating agency for a credit assessment if necessary to comply with requirements to participate in the CWSRF program.

7. The officers, administrators, agents and attorneys of the City are authorized and directed to take all other actions necessary and convenient to facilitate preparation of the Bonds for sale. The Bonds will be sold only after the City Commission approves an ordinance or resolution authorizing issuance and sale of the Bonds.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

AYES:       Members\_\_\_\_\_

\_\_\_\_\_

NAYS:       Members\_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Kim Berry, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Gladstone, County of Delta, State of Michigan, at a regular meeting held on May 12, 2025, and that the meeting was conducted and public notice of the 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 the minutes of the meeting were kept and will be or have been made available as required by the Open Meetings Act.

---

Kim Berry, City Clerk

## **EXHIBIT A**

### **NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF GLADSTONE AND THE USERS OF THE CITY'S SEWAGE DISPOSAL SYSTEM OF INTENT TO ISSUE REVENUE BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO**

PLEASE TAKE NOTICE that the City of Gladstone, County of Delta, State of Michigan (the "City"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Nine Million Eight Hundred Thousand Dollars (\$9,800,000), in one or more series, for the purpose of paying all or part of the cost to acquire, construct, furnish and equip improvements to the City's existing sewage disposal system (the "System"), consisting generally of replacement of approximately 5,500 LF of 6" PVC sanitary service lead, 3,500 LF of 8" PVC sanitary sewer, 2,850 LF of 10" PVC sanitary sewer, 460 LF of 15" PVC sanitary sewer, 460 LF of 18" PVC sanitary sewer, and 163 sanitary cleanouts and 27 manholes; installation of approximately 3,550 LF of 8" cured-in-place pipe liner, 3,350 LF of 10" cured-in-place pipe liner, and 1,690 LF of 12" cured-in-place pipe liner; all together with all necessary interests in land and all related sites, structures, equipment, appurtenances and attachments thereto.

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

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE from the revenues received by the City from the operation of the System. The revenues will consist of rates and charges that 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 the bonds and to pay other obligations of the System.

The City expects that the revenue bonds will be sold to the Michigan Finance Authority in connection with the Michigan Department of Environment, Great Lakes and Energy Clean Water State Revolving Fund loan program, in which case the revenue bonds sold to the Michigan Finance Authority may also be payable as described below.

#### **ADDITIONAL SOURCES OF PAYMENTS FOR BONDS SOLD TO MICHIGAN FINANCE AUTHORITY**

BECAUSE THE REVENUE BONDS WILL BE SOLD TO THE MICHIGAN FINANCE AUTHORITY, THE CITY MAY ALSO PLEDGE ITS LIMITED TAX FULL FAITH AND CREDIT AS SECURITY FOR THE BONDS. IN SUCH CASE, IF REVENUES OF THE SYSTEM ARE INSUFFICIENT TO PAY DEBT SERVICE AT ANY TIME, THEN TO PAY DEBT SERVICE THE CITY SHALL ADVANCE LEGALLY AVAILABLE FUNDS INCLUDING, IF NECESSARY, FUNDS FROM THE LEVY OF TAXES UPON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT HOWEVER TO CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS.

IN ADDITION, THE CITY MAY BE REQUIRED TO PLEDGE FOR THE PAYMENT OF THE BONDS SOLD TO THE MICHIGAN FINANCE AUTHORITY MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the Michigan Finance Authority or a trustee, and such funds may be pledged for the payment of the revenue bonds.

#### BOND DETAILS

THE REVENUE BONDS may be issued in one or more series and may be combined with bonds for other purposes. The revenue bonds will mature in not to exceed thirty (30) annual installments and will bear interest at the rate or rates to be determined at the time of sale to the Michigan Finance Authority, but in no event to exceed such rates as may be permitted by law.

#### RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS OF THE CITY UNLESS A VALID 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 A VALID 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 33, Act 94, Public Acts of Michigan, 1933, as amended.

Kim Berry, City Clerk  
City of Gladstone