

RESOLUTION NO. 2025-09 AUTHORIZING PUBLICATION OF
NOTICE OF INTENT TO ISSUE REVENUE BONDS
AND DECLARATION OF INTENT TO REIMBURSE
(WATER SUPPLY SYSTEM IMPROVEMENTS)

City of Gladstone
County of Delta, State of Michigan

Minutes of a regular meeting of the City Commission of the City of Gladstone, County of Delta, State of Michigan, held on August 25, 2025 at 6:00 p.m. prevailing Eastern Time.

PRESENT: Commissioners _____

ABSENT: Commissioners _____

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

WHEREAS, 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 (“Act 94”), in one or more series, in the aggregate principal amount of not to exceed Ten Million Dollars (\$10,000,000), for the purpose of paying all or part of the cost of acquiring and constructing improvements to the City’s water supply system, consisting generally of replacing approximately 1,850 feet of raw water intake, crib structure, clear water tank, and 3,200 feet of new 12-inch water transmission main and associated valve replacement, together with all related appurtenances and attachments thereto (the “Project”); and

WHEREAS, the City expects to sell the aforesaid bonds to the U. S. Department of Agriculture’s Rural Development program; and

WHEREAS, a notice of intent to issue bonds must be published 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 at this time to state its intention 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 hereby authorized and directed to publish a notice of intent to issue bonds in *The Daily Press*, a 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 form appearing at Appendix A attached hereto.

3. The City Commission of the City 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 electors residing in the boundaries of the City of the 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 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 subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$10,000,000.
- (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 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 retains the law firm of Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel in connection with the financing of the proposed Project.

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

AYES: Commissioners_____

NAYS: Commissioners_____

RESOLUTION DECLARED ADOPTED.

Kim Berry, City Clerk
City of Gladstone

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 August 25, 2025, 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, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Kim Berry, City Clerk
City of Gladstone

APPENDIX A

NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF GLADSTONE AND USERS OF THE CITY'S WATER SUPPLY SYSTEM OF INTENT TO ISSUE 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 Ten Million Dollars (\$10,000,000), in one or more series as shall be determined by the City Commission, for the purpose of paying part of the cost of acquiring and constructing improvements to the City's water supply system (the "System"), consisting generally of replacing approximately 1,850 feet of raw water intake, crib structure, clear water tank, and 3,200 feet of new 12-inch water transmission main and associated valve replacement, together with all related appurtenances and attachments thereto.

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 operation of the System. Said 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 said bonds, payment of outstanding bonds and to pay other obligations of the System.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed forty (40) in number and will bear interest at the rate or rates to be determined at a private sale to the U.S. Government but in no event to exceed the maximum permitted by law 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 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 of Act 94, Public Acts of Michigan, 1933, as amended.

Kim Berry, City Clerk
City of Gladstone

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