



City of Hartford * County of Van Buren * State of Michigan

TO: Mayor Hall and the Hartford City Commissioners

FROM: Nicol Brown, City Manager

DATE: October 28, 2024

RE: **APPROVE DICKINSON WRIGHT PLLC TO SERVE AS BOND COUNSEL FOR THE DRINKING WATER STATE REVOLVING FUND (DWSRF) PROJECT MICHIGAN TRANSPORTATION FUND BOND**

ITEM BEFORE THE COMMISSION:

The item before the Commission is to approve Dickinson Wright PLLC to serve as bond counsel for the Michigan Transportation Fund Bond (DWSRF) project.

DISCUSSION:

The city was identified to receive a total of \$11,760,000, including \$4,704,00 in grant funding and \$7,056,00 in a 1.00% loan through the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Drinking Water State Revolving Fund (DWSRF) Draft Intended Use Plan (IUP).

City staff recommends infrastructure improvements such as sanitary and storm sewers and the reconstruction of other lanes on Hart Street, Washington Street, Marion Street, and Bernard Street. Improving the roadways concurrently with the water main projects would leverage the water, wastewater, and roadway funds to achieve an economy of scale and maximize the use of funds while fully restoring roadways instead of partial replacement.

The DWSRF Bond would not cover the abovementioned items; therefore, we would borrow from our Michigan Transportation Fund.

Mickey will present the quotes to the staff and commission at November's council meeting to decide whether we want to fund both sides of the road. The City will then determine whether to proceed with a Michigan Transportation Fund Bond.

Dickinson Wright will perform the following services.

- Meet with the Issuer's representatives and the Issuer's consultants regarding the proposed financing.
- Provide legal advice on the best method for authorizing, issuing, and delivering the Bonds.
- Analyze the bonds and the project to ensure compliance with the requirements of the Internal Revenue Code and applicable Michigan law.
- Prepare and review documents necessary or appropriate to the authorization, issuance, and delivery of the Bonds.

- Assist the Issuer in seeking from other governmental authorities (including, without limitation, the Michigan Department of Treasury) such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Bonds, except that we will not be responsible for any blue-sky filings.
- Attend such meetings, conferences, and bond closings as required.
- Review those portions of the Official Statement for the Bonds, if any, or other disclosure document for the Bonds that describe the legal aspects of the Bonds as identified under a section entitled “Bond Counsel’s Responsibility.”
- Subject to the completion of proceedings to our satisfaction, deliver our legal opinion (the “Bond Opinion”) regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of the interest on the Bonds from gross income for federal and Michigan income tax purposes. Our Bond Opinion will be addressed to the Issuer and delivered by us on the date the Bonds are exchanged for their purchase price (the “Closing”).
- Prepare the closing transcripts for the Bonds.

Dickinson Wright proposes that the bond issue fee be payable upon delivery. The fee shall be \$20,500 for a Bond with bond proceeds of up to \$2,000,000, which includes out-of-pocket disbursements for expenses incurred in performing the foregoing services. If the Bond proceeds exceed \$2,000,000, the fee will increase by 0.25% of the Bond proceeds above that amount. Dickinson Wright reserves the right to modify the fee if such facts or expectations significantly change or if the financing experiences any significant delays.

RECOMMENDATION:

The Hartford City Commission approves Dickinson Wright PLLC as bond counsel for the Michigan Transportation Fund Bond (DWSRF) project and the proposed fee structure. Contingent on the City pursuing the Michigan Transportation Fund Bond.