



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

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**TO:** Mayor Hall and the Hartford City Commissioners  
**FROM:** Nicol Brown, City Manager *NB*  
**DATE:** December 16, 2024  
**RE:** **AUTHORIZE ISSUANCE OF GENERAL OBLIGATION LIMITED TAX NOTE**

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**ITEM BEFORE THE COMMISSION:**

The item before the Commission is to authorize the issuance of a general obligation limited tax note known as a Bond Anticipation Note (BAN).

**DISCUSSION:**

The city commission is receiving funding from EGLE for the Drinking Water State Revolving Fund (DWSRF). Due to the nature of the DWSRF program, an aggressive schedule for engineering design, legal, and financial expenses will be required to meet funding deadlines. The preliminary work is essential for meeting our schedule, which was approved by EGLE.

The total principal amount of the Bonds is currently estimated not to exceed \$14,000,000, and the total cost of the preliminary expenditures for the improvements, including the payment of engineer's fees, legal and financial expenses, and other expenses incident to financing the improvements, is estimated not to exceed \$750,000.

The city does not have the financial funding to pay the engineer, legal and financial expenses, and other expenses upfront; therefore, we are seeking a limited tax note. The note will be issued in anticipation of payment of the note principal with the proceeds of the Bonds after they are issued next August.

This resolution and the issuance of the BAN follows the same procedure the City used to fund preliminary expenses of the CWSRF (sewer) project a couple of years ago.

**RECOMMENDATION:**

The Hartford City Commission approves the resolution to authorize the issuance of general obligation limited tax notes.