

WHITE LAKE TOWNSHIP TOWNSHIP BOARD

REPORT OF THE COMMUNITY DEVELOPMENT DEPARTMENT

TO: Township Board

FROM: Justin Quagliata, Staff Planner

DATE: February 12, 2024

RE: Parks & Recreation – Issuance of Municipal Securities

Recently the Township Board discussed the funding level for Parks and Recreation. The six-year millage approved in 2018 has expired, with the last collection having occurred with the current winter tax bill. There are two projects the Township has been working towards achieving for several years: Stanley Park and the Triangle Trail. The Township began pursuing its vision for Stanley Park when it applied for (and received) a Michigan Natural Resources Trust Fund (MNRTF) grant in 2018 to acquire the property. Planning for the Triangle Trail began in 2020 with the Township soliciting a proposal from DLZ to design the pathway, and applying for (and receiving) a Ralph C. Wilson, Jr. Legacy Funds grant in 2021 to pay for 90% of the design cost. Now the Township is in the position to realize the culmination of its efforts. Bids have been received for both projects, and award of construction contracts can occur by the end of next month. However, determining how to fund these projects must be considered.

After the last collection of 2018 millage revenue, Parks and Recreation will have approximately \$1,800,000. Years of careful fund balance budgeting resulted in this savings. Together, construction cost of Stanley Park Phase 1 and the Triangle Trail is approximately \$2,700,000. With retaining \$200,000-\$300,000 in the Parks and Recreation Fund for maintenance (grounds, equipment, etc.), professional services (staff and consultants (grant applications, etc.)), event expenses (Tree Lighting, Trunk-or-Treat, etc.), there is a funding shortfall of over one million dollars for these projects.

Treasurer Roman suggested bonding as an option to allow for both projects to be completed in full in 2024. The Township's bond counsel prepared the attached resolution authorizing publication of a notice of intent to issue municipal securities. As written, the maximum principal amount is \$2,700,000. The Township may expend funds prior to issuance of the municipal securities and be reimbursed for such expenditures from the proceeds of the municipal securities. Millage revenues can be used to pay debt service. Attached is a debt service scenarios summary based on various terms and interest rates.

Attachments

1. Resolution authorizing publication of a notice of intent to issue municipal securities.
2. Debt service scenarios summary prepared by Treasurer Roman.

CHARTER TOWNSHIP OF WHITE LAKE

Resolution # 24-009

**RESOLUTION AUTHORIZING PUBLICATION OF
NOTICE OF INTENT TO ISSUE MUNICIPAL SECURITIES**

At a regular meeting of the Board of Trustees of the Charter Township of White Lake, Oakland County, Michigan, held in the Township Hall Annex on February 20, 2024.

PRESENT: _____

ABSENT: _____

The following resolution was offered by Member _____ and supported by Member _____:

WHEREAS, the Township Board deems it to be in the best interest of the Charter Township of White Lake (the "Township") to design, purchase, acquire, and construct park and recreational improvements, including without limitation, improving, purchasing, constructing or acquiring property, property interests, trails, pathways, parking and road improvements, fishing piers, park facilities and structures, and such other capital improvements for park and recreational purposes that the Township shall determine to make, to pay the costs of issuance of municipal securities (the "Improvements"), and to finance the Improvements by the issuance of municipal securities that pledge the Township's limited tax general obligation pursuant to Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and

WHEREAS, the Township may proceed to acquire the Improvements prior to the issuance of the municipal securities; and

WHEREAS, the Township may incur substantial capital expenditures for the Improvements prior to the issuance of the municipal securities and desires to be reimbursed for such expenditures from the proceeds of the municipal securities; and

WHEREAS, pursuant to Section 517 of Act 34, it is necessary to publish a Notice of Intent to Issue Municipal Securities for the Improvements; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the Township intends by this resolution to qualify amounts advanced by the Township for the Improvements for reimbursement from proceeds of municipal securities in accordance with the requirements of the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Township Board of the Charter Township of White Lake, Oakland County, Michigan, as follows:

1. The Township Board hereby determines to purchase, acquire, and construct the Improvements and to pay for the cost through the issuance of one or more series of municipal securities, which pledge the Township’s limited tax full faith and credit, pursuant to Section 517 of Act 34, in an amount of not to exceed \$2,700,000 (the “Municipal Securities”).

2. A Notice of Intent to Issue Municipal Securities be published in accordance with Section 517 of Act 34, and the Township Clerk is authorized and directed to publish the Notice of Intent to Issue Municipal Securities in a newspaper of general circulation in the Township, which Notice shall be substantially in the form as set forth on Exhibit A attached hereto with such changes as are approved by the Township Treasurer, Clerk, or authorized designee, and shall be at least one-quarter (1/4) page size in the newspaper.

3. The Township may proceed to purchase, acquire, and construct the Improvements using available funds of the Township from the parks and recreation fund, a fund for parks and recreation facilities and services of the Township, from the general fund, a fund for the general operations of the Township, and other lawfully available funds of the Township.

4. At such time as the Township issues the Municipal Securities for the long-term financing of the acquisition of the Improvements, the Township shall be reimbursed for its expenditures for the Improvements out of the proceeds of the Municipal Securities.

5. This resolution and the expression of intent to seek reimbursement from future proceeds of the Municipal Securities is intended to satisfy the requirements of the Reimbursement Regulations.

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

YEAS: _____

NAYS: _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED.

Anthony Noble, Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the Board of Trustees of the Charter Township of White Lake, Oakland County, Michigan, at a meeting held on February 20, 2024, and that the public notice of the meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, as amended.

Dated: February 20, 2024

Anthony Noble, Clerk

EXHIBIT A

[NOTE TO PUBLISHER - PUBLICATION MUST BE 1/4 PAGE SIZE]

**NOTICE OF INTENT TO ISSUE MUNICIPAL SECURITIES
TO THE ELECTORS OF THE CHARTER TOWNSHIP OF WHITE LAKE**

PLEASE TAKE NOTICE that the Township Board of the Charter Township of White Lake (the "Township") intends to issue municipal securities in one or more series, in an amount of not to exceed \$2,700,000 (the "Municipal Securities").

The Municipal Securities shall be issued for the purpose of defraying the cost to design, purchase, acquire, and construct park and recreational improvements, including without limitation, improving, purchasing, constructing or acquiring property, property interests, trails, pathways, parking and road improvements, fishing piers, park facilities and structures, and such other capital improvements for park and recreational purposes that the Township shall determine to make and to pay the costs of issuance of municipal securities financing such improvements.

The Municipal Securities of this issue shall mature within the maximum terms permitted by law with interest on the unpaid balance at a rate not to exceed the maximum rate permitted by law. The Municipal Securities shall be issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34").

SOURCE OF PAYMENT

The principal of and interest on the Municipal Securities will be limited tax full faith and credit general obligations of the Township, payable from any available funds of the Township. Pursuant to this pledge of its limited tax full faith and credit, the Township will be obligated to levy such ad valorem taxes upon all taxable property in the Township as shall be necessary to make the payments of principal and interest on the Municipal Securities, which taxes, however, will be limited by applicable constitutional and statutory limitations on the taxing power of the Township.

RIGHT OF REFERENDUM

This notice is given, by order of the Township Board of the Township, to and for the benefit of the electors of the Township in order to inform them of their right to petition for a referendum upon the question of the issuance of the Municipal Securities. The Municipal Securities will be issued, without submitting such a question to a vote of the electors, unless within 45 days after the date of publication of this notice a petition requesting a referendum upon such question, signed by not less than 10% or 15,000 of the registered electors residing within the Township, whichever is the lesser, shall have been filed with the undersigned Township Clerk. In the event that such a petition is filed, the Municipal Securities will not be issued unless and until the issuance thereof shall have been approved by the vote of a majority of the electors of the Township qualified to vote and voting thereon at a general or special election.

This Notice is published pursuant to the requirements of Section 517 of Act 34.

Anthony Noble, Clerk
Charter Township of White Lake

2024 Proposed Park Improvements and Pathways List - Cost to bond

Project	Priority	Timeframe	Cost Estimate	<i>ANNUAL PAYMENT - DEBT SERVICE OF BONDING</i>		
				10 year bond	12 year bond	15 year bond
				3.25%	3.50%	3.75%
Stanley Park Phase 1 and alt bids	High	2024	\$2,000,000	237,460.00	206,960.00	176,760.00
Triangle Trail Pathway Construction	High	2024	\$700,000	83,111.00	72,436.00	61,866.00
SUBTOTAL 2024 PROJECTS			\$2,700,000	\$320,571	\$279,396	\$238,626