

RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE
REVENUE BONDS AND DECLARATION OF INTENT TO REIMBURSE

Charter Township of Ironwood
County of Gogebic, State of Michigan
2010-49

Minutes of a regular meeting of the Township Board of the Charter Township of Ironwood, County of Gogebic, State of Michigan, held on the 22nd day of February, 2010, at 4:30 p.m., prevailing Central Time.

PRESENT: Members Mattson, Maki, Fredrickson, Olson, Boyd, Salmi,

ABSENT: Members Brunello

The following preamble and resolution were offered by Member Fredrickson and supported by Member Maki:

WHEREAS, the Charter Township of Ironwood, County of Gogebic, State of Michigan (the "Township"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Five Hundred Twenty Thousand Dollars (\$520,000), for the purpose of paying all or part of the cost of acquiring and constructing improvements to the Township's sewage disposal system, including the replacement of sanitary sewers in the Township, the relining of the wet well at the Slade Road Pump Station, and the acquisition, construction and installation of related improvements, structures, equipment and appurtenances (the "Project"); 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, Public Acts of Michigan, 1933, as amended; and

WHEREAS, the Township intends at this time to state its intention to be reimbursed from proceeds of the bonds for any expenditures undertaken by the Township for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Clerk of the Township is hereby authorized and directed to publish a notice of intent to issue bonds in the *Ironwood Daily Globe*, a newspaper of general circulation in the Township.
2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the following form:

NOTICE TO ELECTORS OF THE
CHARTER TOWNSHIP OF IRONWOOD, COUNTY OF GOGEBIC, MICHIGAN
AND THE USERS OF THE TOWNSHIP'S SEWAGE DISPOSAL SYSTEM
OF INTENT TO ISSUE BONDS
AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the Charter Township of Ironwood, County of Gogebic, State of Michigan (the "Township"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series, in an amount not to exceed Five Hundred Twenty Thousand Dollars (\$520,000), for the purpose of paying all or part of the cost of acquiring and constructing improvements to the Township's sewage disposal system, including the replacement sanitary sewers in the Township, the relining of the wet well at the Slade Road Pump Station, and the acquisition, construction and installation of related improvements, structures, equipment and appurtenances.

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 Township from the operation of the Township's sewage disposal 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 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 five percent (5%) per annum 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 TOWNSHIP UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE TOWNSHIP IS FILED WITH THE TOWNSHIP CLERK OF THE TOWNSHIP, N10892 LAKE ROAD, IRONWOOD, MICHIGAN 49938, WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH 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 TOWNSHIP VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.


Gayla Salmi, Township Clerk
Charter Township of Ironwood

3. The Township Board 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 Township's sewage disposal system and the electors residing within the boundaries of the Township of the Township'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 Township 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 Township reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of the bonds to be issued by the Township.
- (b) The expenditures described in this paragraph (b) are for the costs of the Project, which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of bonds expected to be issued for the Project, including issuance costs, exclusive of amounts for which previous reimbursement declarations have been paid, is \$520,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the bonds 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 Township's use of the proceeds of the bonds to reimburse the Township for a capital expenditure made pursuant to this resolution.
- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the bonds paid to the Township in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of the Charter Township of Ironwood, County of Gogebic, State of Michigan, at a regular meeting held on the 22nd day of February, 2010, 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, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


Gayla Salmi
Township Clerk

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