

**TOWNSHIP OF PINCONNING**

**COUNTY OF BAY, MICHIGAN**

**RESOLUTION TO ACQUIRE AND CONSTRUCT CAPITAL IMPROVEMENTS  
COMPRISING IMPROVEMENTS TO AND EXTENSIONS OF THE TOWNSHIP'S  
SANITARY SEWER COLLECTION AND TREATMENT SYSTEM AND TO PUBLISH  
NOTICE OF INTENT TO ISSUE CAPITAL IMPROVEMENT BONDS**

Minutes of a special meeting of the Township Board of the Township of Pinconning held at the Township Hall in Pinconning, Michigan, on the 23rd day of June, 2008, at 11 A.m., Local Time.

PRESENT: Members: Kusterer, Wachel

Stelberg

ABSENT: Members: Buchalski, Lichow

The following resolution was offered by Member Kusterer and supported by Member Wachel:

WHEREAS, it is necessary for the public health, safety and welfare of the Township of Pinconning (the "Township") to issue and sell capital improvement bonds pursuant to Section 517(1) of Act 34 of the Public Acts of Michigan of 2001, as amended ("Act 34"), to pay part of the cost of the acquisition and construction of improvements to and extensions of the Township's sanitary sewer collection and transmission system and the Township's existing sanitary sewer lagoon system and related site work, and appurtenances (together, the "Project"); and

WHEREAS, the current estimated pre-bid cost of the Project, including engineering, construction, legal, financial, administrative and contingency costs is \$2,525,000; and

WHEREAS, a portion of the cost of the Project will be defrayed from the proceeds of a grant from the United States Department of Agriculture Rural Development agency in the estimated amount of \$645,000 (the "Grant Funds"); and

WHEREAS, it is estimated that it is necessary and in the best interest of the Township and its residents and property owners to issue capital improvement bonds in accordance with Act 34 (the "Capital Improvement Bonds") in an amount not to exceed \$2,100,000 to pay for the remaining costs of the Project; and

WHEREAS, in order to authorize the issuance of the Capital Improvement Bonds, it is necessary to publish a Notice of Intent to Issue Bonds pursuant to Section 517(2) of Act 34; and

WHEREAS, Section 517(3) of Act 34 provides that the debt limit for bonds issued in accordance with Section 517(1) of Act 34 is five percent (5%) of the Township's state equalized valuation; and

WHEREAS, Section 517(1) of the Act provides that:

"the amount of taxes necessary to pay the principal and interest on that municipal security, together with the taxes levied for the same year, shall not exceed the limits authorized by law."

NOW, THEREFORE, BE IT HEREBY RESOLVED:

1. The Township hereby determines to acquire and construct the Project and to pay for part of the costs of the Project by the issuance of capital improvement bonds in one or more series pursuant to Section 517(1) of Act 34 in the maximum principal amount of \$2,100,000. The balance of the costs of the Project shall be paid from the proceeds of the Grant Funds, investment earnings, if any, on bond proceeds, and other legally available funds. It is currently expected that the Capital Improvement Bonds will be issued by the Township to evidence a low-interest loan by the U.S. Department of Agriculture's Rural Development agency for the Project.

2. The Township hereby determines that, based upon the Township's 2008 state equalized value of \$82,416,700, the Township's debt limit for bonds issued in accordance with Section 517(1) of Act 34 is \$4,120,835, and the Township further determines that the bonds

proposed for the Project in the maximum amount of \$2,100,000 may be issued by the Township within the aforesated debt limit.

3. The Township Board does not expect that it will be necessary to levy any additional taxes to pay the principal and interest on the proposed bonds and, in no event, will any taxes necessary to pay the principal of and interest on the bonds, together with other taxes levied for the same year, exceed the limits authorized by law.

4. A notice of intent to issue capital improvement bonds in substantially the form attached hereto as Exhibit A (the "Notice") shall be published in accordance with Section 517(2) of Act 34 in the *Pinconning Journal*, a newspaper of general circulation in the Township and determined to be the newspaper reaching the largest number of persons to whom the Notice is directed. The Notice shall not be less than 1/4 page in size in the newspaper.

5. The Township Board does hereby determine that the form of Notice and the manner of publication directed is the method best calculated to give notice to the Township's electors of this Township's intent to issue the bonds, the maximum amount of the bonds, the purpose of the bonds, the source of payment and security for the bonds, the right of referendum on the issuance of the bonds and such other information as this Township Board determines necessary to adequately inform the Township's electors of the nature of the issue.

6. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

YEAS:

Members:

Kusterer, Waikel, Stalsberg

NAYS:

Members:

ABSTAIN:

Members:

RESOLUTION DECLARED ADOPTED.

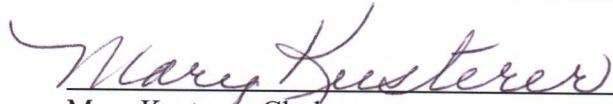


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Mary Kusterer, Clerk  
Township of Pinconning

STATE OF MICHIGAN                    )  
  ) ss.  
COUNTY OF BAY                        )

I, Mary Kusterer, the duly qualified and acting Clerk of the Township of Pinconning, Bay County, Michigan (the "Township") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a special meeting held on the 23rd day of June, 2008, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 23<sup>rd</sup> day of June, 2008.

  
\_\_\_\_\_  
Mary Kusterer, Clerk  
Township of Pinconning

08-07

**NOTICE TO ELECTORS OF THE TOWNSHIP OF PINCONNING  
OF THE TOWNSHIP'S INTENT TO ISSUE CAPITAL IMPROVEMENT  
BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO**

PLEASE TAKE NOTICE THAT THE TOWNSHIP OF PINCONNING intends to issue Capital Improvement Bonds in a maximum amount which shall not exceed \$2,100,000.

**PURPOSE**

The Bonds shall be issued for the purpose of defraying part of the cost of the acquisition and construction of improvements to and extensions of the Township's sanitary sewer collection and transmission system and the Township's existing sanitary sewer lagoon system.

**ESTIMATED PROJECT COST**

The total estimated cost of the proposed project is \$2,525,000. The costs of the project shall be paid from the proposed bond issue, investment earnings, if any, on bond proceeds, other legally available funds, and the proceeds of a grant by the U.S. Department of Agriculture's Rural Development agency in the estimated amount of \$645,000. It is currently expected that the bonds will be issued by the Township to evidence a low-interest loan by the U.S. Department of Agriculture's Rural Development for the Project.

**MAXIMUM AMOUNT AND TERMS OF REPAYMENT**

The Bonds shall be issued in one or more series in a maximum aggregate amount not to exceed \$2,100,000, shall mature serially with interest on the unpaid balance at a rate not to exceed the maximum rate of interest allowed by law and shall be repaid over a term not to exceed the maximum term permitted by law. The Bonds shall be issued pursuant to Act 34 of the Public Acts of Michigan of 2001, as amended.

**SOURCE OF PAYMENT AND SECURITY FOR THE BONDS**

The principal of and interest on the Bonds shall be payable as a general obligation of the Township secured by the Township's full faith and credit and limited tax pledge, within applicable statutory and constitutional tax limitations applicable to the Township. THE TOWNSHIP WILL NOT HAVE THE AUTHORITY TO LEVY ADDITIONAL TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS OVER PRESENTLY EXISTING TOWNSHIP MILLAGE LIMITS WITHOUT A FURTHER VOTE OF TOWNSHIP ELECTORS.

**RIGHT OF REFERENDUM**

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF TOWNSHIP ELECTORS APPROVING THE BONDS, UNLESS, WITHIN 45 DAYS FROM THE DATE OF PUBLICATION OF THIS NOTICE OF INTENT, A PETITION, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE LIMITS OF THE TOWNSHIP OF PINCONNING, SHALL BE FILED WITH THE TOWNSHIP BOARD REQUESTING A REFERENDUM UPON THE QUESTION OF THE ISSUANCE OF THE BONDS. IF PETITIONS ARE SO FILED, THE BONDS SHALL NOT BE ISSUED UNTIL APPROVED BY THE VOTE OF A MAJORITY OF THE ELECTORS OF THE TOWNSHIP QUALIFIED TO VOTE AND VOTING ON THE QUESTION OF ISSUING THE BONDS AT A GENERAL OR SPECIAL ELECTION.

This Notice is published pursuant to the requirements of Section 517 of Act 34 of the Public Acts of Michigan of 2001, as amended, and was approved by the Township Board of the Township of Pinconning on June 23, 2008.

Mary Kusterer, Township Clerk  
Township of Pinconning