

**CITY OF IONIA
CITY COUNCIL
RESOLUTION 2022-02
APPROVING CONTRACTS FOR REFUNDING BONDS**

At a regular meeting of the City Council of the City of Ionia, held at the Ionia City Hall, 114 North Kidd Street, Ionia, Michigan, on the 4th day of January, 2022, at 7:00 p.m.

PRESENT: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, Balice

ABSENT: None

The following preamble and resolution were offered by Councilmember Milewski and seconded by Councilmember Gustafson.

WHEREAS, the County of Ionia (the “County”), pursuant to the authority conferred upon it by Act 185, Public Acts of Michigan, 1957, as amended (“Act 185”) has previously established a Board of Public Works (the “Board of Public Works”); and

WHEREAS, the County issued its Water and Sewer Improvement and Refunding Bonds (City of Ionia), Series 2013 (Limited Tax General Obligation), dated as of February 21, 2013 (the “Prior Bonds”) for the purposes of providing funds to pay the costs of water and sewer system improvements within the City of Ionia (the “City”) as a part of the Ionia County Water Supply and Sewer System (City of Ionia) (the “System”) and to refund the Water and Sewer Improvement Bonds, Series 2004, dated as of April 1, 2004, and Water and Sewer Improvement Bonds, Series 2005, dated as of May 1, 2005; and

WHEREAS, the Prior Bonds are payable primarily from the proceeds of contractual payments paid by the Board of Public Works, acting for and on behalf of the County, pursuant to certain contracts between the County and the City (collectively the “Contracts”); and

WHEREAS, Bendzinski & Co., Municipal Finance Advisors (the “Municipal Advisors”) has advised the County and the City that the current conditions in the bond market could permit all or portions of the Prior Bonds to be refunded at a significant savings; and

WHEREAS, Refunding Contracts to supplement the Contracts (the “Refunding Contracts”) have been prepared providing for the issuance by the County of refunding bonds (the “Refunding Bonds”); and

WHEREAS, under the Refunding Contracts, in the event any Refunding Bonds are issued, the duties and obligations of the County and the City as expressed and set forth in the Contracts shall be applicable to such Refunding Bonds as well as the Prior Bonds, it being at all times fully recognized and agreed that the payments to be paid by the City shall be based upon the total amount of bonds issued to finance or refinance the costs of the projects financed thereby; and

WHEREAS, it is the determination and judgment of the City that the Prior Bonds should be refunded to secure for the City the interest savings anticipated and thereby permit the

operation of the System in a more economical fashion for the benefit of the users of the System and the taxpayers of the City.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The following Refunding Contracts attached hereto in full and made a part of this resolution are hereby approved effective as of the date of delivery of the Refunding Bonds: (a) the Refunding Contract which supplements the Contract dated April 1, 2004, as supplemented on January 28, 2013, and the Contract dated May 9, 2005 as supplemented on January 28, 2013, and (b) the Refunding Contract which supplements the Contract dated March 25, 2008, amended March 23, 2011, and supplemented May 25, 2021. The Mayor and City Clerk are authorized and directed to execute the Refunding Contracts for and on behalf of the City with such changes and insertions in consultation with bond counsel as may be necessary or desirable to effectuate the sale and delivery of the Refunding Bonds by the County, permitted by law, and not materially adverse to the City.
2. The Refunding Contracts will become effective and binding upon the approval thereof by resolution of the Board of Commissioners of the County and execution thereof for the County by the Board of Public Works and delivery of the Refunding Bonds.
3. If savings result, the City requests the County to sell the Refunding Bonds in the principal amount of not-to-exceed \$5,450,000.
4. The City does hereby ratify and confirm its covenant in the Contracts as supplemented by the Refunding Contracts to levy ad valorem taxes against all taxable property in the City to the extent necessary to meet the obligations of the City thereunder and does further indicate its purpose and intent to make such a levy as necessary to meet such obligations, such levy, if necessary, to be within charter, statutory and constitutional limitations. The City hereby requests that the County pledge its full faith and credit as secondary security for Refunding Bonds as provided under the provisions of Act 185, Public Acts of Michigan, 1957, as amended.
5. The City and all agents and employees shall cooperate with the County and the Board of Public Works to the end that the Refunding Bonds may be issued as promptly as possible as described in this resolution.
6. The Mayor, the City Clerk and the City Manager each is hereby severally authorized to execute on behalf of the City any closing document or certificate as may be required by the County or the purchaser of the Refunding Bonds. The City hereby covenants to take all action within its control to the extent permitted by law necessary to maintain the exclusion of the interest on the Refunding Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings and expenditure and investment of proceeds of the Refunding Bonds and moneys deemed to be proceeds of the Refunding Bonds.

