

**CITY OF FERNDALE
REQUEST FOR COUNCIL ACTION**

FROM: Jaymarie C. Hubanks, Finance Director/Assistant City Manager

SUBJECT: Notice of Intent Resolution – G.O. Bonds not to exceed \$7.5M,
for the use of Court, Police, and City Hall Buildings

SUMMARY & BACKGROUND:

The attached resolution was prepared by bond counsel, Miller Canfield, as the next step in Council's consideration of moving forward with a new District Court building and renovated facilities for Police and City Hall operations.

Approving this resolution does not mean that Council is committed to selling the bonds. Instead, it is the notice to the public that the City is considering selling bonds in an amount not to exceed seven-and-one-half million dollars.

ATTACHMENTS: Cover letter from Bond Counsel
Notice of Intent Resolution, not to exceed \$7.5M in
General Obligation Bonds

COUNCIL AGENDA DATE: December 14, 2009

CITY ATTORNEY REVIEW: N/A

FINANCE DIRECTOR REVIEW: JCHubanks

CITY MANAGER APPROVAL: Robert J. Bruner, Jr.

COMMENTS:

RECOMMENDED ACTION:

Moved by , seconded by , to adopt the attached Notice of Intent Resolution authorizing the sale of General Obligation Capital Improvement Bonds for the purpose of constructing or improving the District Court, the Police station, and City Hall in an amount not-to-exceed \$7,500,000.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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November 23, 2009

Ms. Jaynmarie C. Hubanks
Finance Director
City of Ferndale
300 East Nine Mile Rd
Ferndale, MI 48220-1797

Via Email

Dear Jaynmarie:

Jon Wheatley informs me that the City is prepared to proceed with a not to exceed \$7,500,000 bond issue for purposes of court, police and City Hall building improvements.

As you know, the first step in the procedure is the adoption of a Notice of Intent Resolution, which I have prepared and attach herewith. I am sending you this both by email and by regular mail.

I have assumed that the resolution will be considered by the City Council at its regular meeting on December 14th and have worded the resolution accordingly. If my assumption is incorrect, please advise and I will send you a changed resolution.

The form of Notice, which is found in the resolution, must be published once in your local paper in large point type as a display ad taking up no less than one-quarter of the page upon which it appears. These requirements are jurisdictional to the ability of the City to issue bonds and the publisher should be made aware of this fact.

Please return to me three certified copies of the resolution and three affidavits of its publication once it becomes available.

Should you have any questions concerning this, please let me know.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: 
Joel L. Piell

Enclosure

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Ms. Jaynmarie C. Hubanks

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November 23, 2009

cc: Mr. Jonathan Wheatley (letter only) *Via Email*
Michael P. McGee, Esq. (letter only) *Via Email*

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NOTICE OF INTENT RESOLUTION
GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
City of Ferndale, State of Michigan

Minutes of a regular meeting of the City Council of the City of Ferndale, County of Oakland, State of Michigan (the "City") held on the 14th day of December, 2009 at 7:30 o'clock p.m. Eastern Standard Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City intends to issue and sell general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000) for the purpose of paying the cost of acquiring constructing, furnishing, improving and equipping certain public buildings together with all necessary appurtenances and attachments (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 517 of Act 34, Public Acts of Michigan, 2001, as amended.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in a newspaper of general circulation in the City.
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 CITY OF FERNDALE
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING
POWER OF THE CITY AND THE RIGHT OF REFERENDUM THEREON**

PLEASE TAKE NOTICE that the City Council of the City of Ferndale, County of Oakland, Michigan, intends to issue and sell general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000) for the purpose of paying the cost of acquiring, constructing, furnishing, improving and equipping buildings for use as court, police and city hall structures, together with all necessary and related appurtenances and attachments.

Said bonds will mature in annual installments not to exceed twenty-five (25) in number, with interest rates to be determined at sale but in no event to exceed eight (8%) per annum or such other rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds. The bonds may be issued in one or more series as shall be determined by the City Council.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL AND INTEREST OF THE BONDS shall be payable from the general funds of the City lawfully available for such purposes including property taxes levied within applicable statutory and constitutional limitations.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK 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 OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

Clerk, City of Ferndale, Michigan

3. The City Council 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 City's taxpayers and electors of this Council'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. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Member _____

NAYS: Member _____

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Ferndale, County of Oakland, State of Michigan, at a regular meeting held on December 14, 2009, 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.

City Clerk

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