

# COUNCIL COMMUNICATION

**Manager's Recommendation:** Approval of the Resolution as follows:

Council \_\_\_\_\_ offered and moved adoption of the following resolution:

WHEREAS, the City of Midland, Counties of Bay and Midland, the City of Saginaw, County of Saginaw, each municipal corporations of the State of Michigan (the "Local Units") and the Saginaw-Midland Municipal Water Supply Corporation, a public corporation formed pursuant to Act 233, of the Public Acts of 1955, as amended ("Act 233") have entered into a contract, dated April 5, 1965 (the "Base Contract"); and

WHEREAS, said Base Contract provides that the cost of enlargements and improvements to the water supply system operated by The Saginaw-Midland Municipal Water Supply Corporation (the "Corporation") for the benefit of the Local Units be allocated to the Local Units on the basis of 23/43 to the City of Saginaw and 20/43 to the City of Midland; and

WHEREAS, said Base Contract further provides that each of the Local Units will cooperate in the acquisition and financing of such additional enlargements and improvements in accordance with the Base Contract and Act 233; and

WHEREAS, the Corporation pursuant to said Base Contract and its subsequent amendments has issued its Water Supply System Revenue Bonds, Series 1992, the proceeds of which were used to acquire, construct and finance improvements to the water supply system operated by the Corporation for the benefit of the Local Units; and

WHEREAS, said bonds were refunded through the issuance of the Corporation's Supply System Refunding Revenue Bonds, Series 1998 (the "1998 Bonds") in order to achieve interest expense savings; and

WHEREAS, the Corporation proposes to refund the 1998 Bonds with an issue of refunding bonds in order to achieve additional interest expense savings; and

WHEREAS, in order to issue an additional series of refunding which will reduce this City's contractual obligation to the Corporation, it is necessary for the City to affirm its undertakings.

NOW, THEREFORE, BE IT RESOLVED:

1. That the 1992 Revenue Contract Supplement between the Corporation and the Local Units is hereby ratified and confirmed.

2. That, provided present value savings are realized by the proposed refunding, the City Council also hereby approves the proposed issuance of refunding bonds and ratifies and affirms the City's pledge of its limited tax full faith and credit as secondary security for the payment of its allocable share of the principal and interest of such refunding bonds.

3. That in accordance with Rule 15c2-12 as promulgated by the Securities and Exchange Commission (the "Rule") the City, as long as it is an "obligated person" pursuant to the Rule, covenants and agrees to enter into a continuing disclosure undertaking and to provide or cause to be provided certain information as set forth in the City's undertaking.

4. That the City's Finance Director, or his or her designee, be and is hereby appointed as the City Disclosure Representative in accordance with the Rule.

5. That all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.