

2019-029

At a regular meeting of the Board of Commissioners of the County of Gladwin, Michigan (the "County"), held on the 10<sup>th</sup> day of December, 2019.

PRESENT: K. Grove, Taylor, Vernier, Smith

ABSENT: R. Grove

The following resolution was offered by Taylor and seconded by Vernier.

#### BOND RESOLUTION

#### Limited Tax General Obligation Bonds, Series 2019

WHEREAS, the Board of Commissioners of the County (the "Board") does hereby determine that it is necessary to defray all or part of the cost of acquiring, constructing and improving County road commission facilities located at 301 S. State Street, Gladwin, Michigan, including but not limited to acquiring, constructing and improving new office and mechanic shop facilities, demolishing and removing certain existing facilities, and making other improvements to the new and improved facilities and the site thereof (the "Project"); and

WHEREAS, the cost of the Project is estimated to be not less than Four Million Dollars (\$4,000,000); and

WHEREAS, the Board has determined to issue bonds and to use the proceeds of the sale of such bonds to finance a portion of the cost of the Project.

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Gladwin, Michigan, as follows:

1. AUTHORIZATION OF BONDS-- PURPOSE. Bonds of the County aggregating the principal sum of not to exceed Four Million Dollars (\$4,000,000) (the "Bonds") shall be issued and sold for the purpose of defraying a portion of the cost of the Project, including the cost of issuing the Bonds. The remaining cost of the Project shall be paid by the County from funds on hand and legally available for such use. As used in this resolution, "Authorized Officer" shall mean the County Treasurer. In the absence of the Authorized Officer, the County Clerk shall exercise any authority granted to the Authorized Officer as contemplated by and in furtherance of the provisions of this resolution.

2. BOND DETAILS. The Bonds shall be issued in the form of one fully-registered bond in such principal amount as shall be determined by the Authorized Officer. The Bonds shall be designated "Limited Tax General Obligation Bonds, Series 2019". The Bonds shall be sold to and registered in the name of the United States of America acting through the United States Department of Agriculture, Rural Development ("Rural Development") in furtherance of Rural Development's program to provide low-interest rate, long-term loans for eligible projects (the "Program"). The Board hereby determines that the Program and the delivery of the Bonds directly to the United States of America as provided in this resolution will provide the County with the lowest cost of borrowing money for the Project. The Bonds shall be dated as of the date of their delivery to the United States of America. The principal amount of the Bonds shall bear interest from the date a principal payment is received from the purchaser of the Bonds as shown on the registration grid at a rate equal to 4.25% per annum, or such lower rate per annum as is applicable to the Bonds through the Program at the time of the initial delivery of the Bonds, payable on such dates as shall be determined by the Authorized Officer; and shall mature in such amounts, on such dates and in such years as shall be determined by order of the

Authorized Officer; provided, however, that the final maturity date shall not be more than 30 years after the Bonds are delivered to the initial purchaser thereof.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Bonds shall be payable in lawful money of the United States. Principal and interest shall be paid when due through an electronic payment process acceptable to Rural Development or by check or draft that shall be mailed to the registered owner at the address shown on the registration books. The principal of and interest on the Bonds shall be payable in lawful money of the United States.

4. PREPAYMENT OF PRINCIPAL. Principal installments may be prepaid prior to maturity without premium and in such order as shall be determined by the County on any date other than a Saturday, Sunday or holiday. Principal installments that have been prepaid shall be noted on the Bonds and such installments no longer shall be considered outstanding for any purpose. Thirty days' notice of the prepayment of any principal installment shall be given to the registered owner of the Bonds at the address shown on the registration grid.

5. BOND REGISTRAR AND PAYING AGENT. The County Treasurer shall be the bond registrar and paying agent for the Bonds.

6. EXECUTION, AUTHENTICATION AND DELIVERY OF BOND. The Bonds shall be executed in the name of the County by the signatures of the Chairperson of the Board of Commissioners and the County Clerk and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed, it shall be delivered by the Authorized Officer to the purchaser upon receipt of the first principal payment from the purchaser. The first and each subsequent principal payment received by the County from the purchaser shall be noted on the registration grid of the Bonds.

7. EXCHANGE AND TRANSFER OF BOND. The Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be transferred to another party. The Bonds shall be transferable only upon the books of the County, which shall be kept for that purpose by the bond registrar and paying agent. Upon the exchange or transfer of the Bonds, the bond registrar and paying agent shall register the Bonds in the name of the transferee on the registration books of the County and shall note such registration on the registration grid.

The County may deem and treat the person in whose name the Bonds shall be registered upon the books of the County as the absolute owner of the Bonds, whether such Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bonds and for all other purposes, and all payments made to such registered owner, or upon his order, in accordance with the provisions of section 3 of this resolution shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid, and the County shall not be affected by any notice to the contrary. Registration of the Bonds shall not be transferred less than five (5) days prior to an interest payment date.

For every exchange or transfer of the Bonds, the County may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

8. FORM OF BOND. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN

COUNTY OF GLADWIN

LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2019

No. 1

\$ \_\_\_\_\_

The County of Gladwin, State of Michigan (the "County"), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on the dates and in the amounts set forth on Exhibit A, attached hereto and made a part hereof, with interest on such principal sum from the date each principal payment is received by the County as set forth on the Registration Grid of this bond at the rate of \_\_\_\_\_ percent (\_\_\_\_ %) per annum, payable on the first day of \_\_\_\_\_ and \_\_\_\_\_ of each year commencing on \_\_\_\_\_ 1, 2020. Principal and interest shall be payable in lawful money of the United States of America and shall be paid through an electronic payment process or by check or draft mailed to the Registered Owner at the address shown on the Registration Grid.

This bond is issued by the County in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Resolution") for the purpose of defraying all or part of the cost of acquiring, constructing and improving County road commission facilities and making other improvements to the new and improved facilities and the site thereof.

The County has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on this bond as the same become due. The principal of and interest on the bond are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable statutory and constitutional limitations on the taxing power of the County. The amount of taxes necessary to pay the principal of and interest on this bond, together with the taxes levied for the same year, shall not exceed the limit authorized by law.

This bond shall be registered as to principal and interest, as provided in the Resolution, in the name of the owner upon the books of the County kept for that purpose by the County Treasurer as bond registrar and paying agent, and such registration shall be noted on the Registration Grid. This bond may be transferred only by submitting the same, together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing, to the bond registrar and paying agent for registration in the name of the transferee on the registration books and for

notation of such registration on the Registration Grid. This bond may not be transferred less than five (5) days prior to an interest payment date.

Principal installments may be prepaid prior to maturity without premium and in such order as shall be determined by the County on any one or more dates other than on a Saturday, Sunday or holiday. Principal installments that have been prepared shall be noted on Exhibit A and such installments no longer shall be considered outstanding for any purpose. Thirty days' notice of prepayment shall be given to the Registered Owner by mail to the address shown on the Registration Grid.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the County, including this bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Gladwin, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by signatures of its Chairperson of the Board of Commissioners and Clerk and its seal (or a facsimile thereof) to be impressed or imprinted hereon.

COUNTY OF GLADWIN

By: Sharon Smith  
Chairperson, Board of Commissioners

(SEAL)

And: Anna Brandon Maveal  
County Clerk

Dated: Dec 10, 2019

EXHIBIT A

COUNTY OF GLADWIN

Limited Tax General Obligation Bond, Series 2019

Due \_\_\_\_\_ 1

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2020		2035	
2021		2036	
2022		2037	
2023		2038	
2024		2039	
2025		2040	
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	
2034		2049	





9. DEBT SERVICE FUND. There shall be established for the Bonds a debt service fund which shall be kept in a separate bank account. From the proceeds of the sale of the Bonds there shall be set aside in the debt service fund any premium and accrued interest received from the purchaser of the Bonds at the time of delivery of the Bonds. Funds of the County to be used to pay the principal and interest on the Bonds when due shall be placed in the debt service fund and so long as the principal or interest on the Bonds shall remain unpaid, no moneys shall be withdrawn from such debt service fund except to pay principal and interest on the Bonds.

10. CASH CONTRIBUTION; CONSTRUCTION FUND. The County will deposit a cash contribution in an aggregate amount necessary to pay the cost of the Project not paid from proceeds of the Bonds into a construction fund (the "Construction Fund") at or prior to the delivery of the Bonds or at such other times as acceptable to Rural Development. The proceeds of the sale of the Bonds as received by the County shall be set aside in the Construction Fund and used solely to defray the cost of acquiring and improving the Project, including any engineering, legal and other expenses incidental thereto. Any unexpended balance of the proceeds of the sale of the Bonds remaining in the Construction Fund after completion of the Project shall be deposited in the debt service fund established in section 9 hereof.

11. PLEDGE OF FULL FAITH AND CREDIT. The full faith and credit of the County are pledged hereby to the payment of the principal and interest on the Bonds authorized by this resolution. Each year the County shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County. The amount of taxes necessary to pay the principal of and interest on the Bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law.

12. INVESTMENTS. Except as herein otherwise provided, moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds may be invested by the County in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America, and moneys derived from the proceeds of sale of the Bonds may also be invested in certificates of deposit of any bank whose deposits are insured by the Federal Deposit Insurance Corporation. Profit realized or interest income earned on investment of funds in the Principal and Interest Fund and the Construction Fund shall be deposited in or credited as received to the Construction Fund.

13. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimated period of usefulness of the Project of not less than thirty (30) years, and the estimated cost of the Project in an amount not less than \$4,000,000, as submitted to the Board of Commissioners, are hereby approved and adopted.

14. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BOND. The Chairperson of the Board of Commissioners, the County Treasurer, the County Clerk and all other officials of the County are authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Bonds in accordance with this resolution.

15. COVENANT REGARDING DEFEASANCE. The County hereby covenants and agrees that it will not defease this resolution with respect to the Bonds so long as the registered owner of the Bonds is the United States of America or an agency or department thereof.

16. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Bonds shall be subject to the County obtaining qualified status or

permission being granted therefor by the Michigan Department of Treasury pursuant to Act 34, and, if necessary, the Authorized Officer is authorized and directed to make application to the Department of Treasury for prior approval to issue and sell the Bonds as provided by the terms of this resolution and by Act 34 and to pay such fees related thereto.

17. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions, insofar as they are in conflict herewith, are rescinded.

YEAS: R. Taylor, Vernier, Smith, ~~Taylor~~  
K. Grove

NAYS: \_\_\_\_\_

ABSENT: R. Grove

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN     )  
  )ss  
COUNTY OF GLADWIN    )

I, the undersigned, the Clerk of the County of Gladwin, Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted at a regular meeting of the Board of Commissioners of said County held on the 10<sup>th</sup> day of December, 2019, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the Open Meetings Act.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 10<sup>th</sup> day of December, 2019.

  
Clerk, County of Gladwin