

ORDINANCE NO. 2023-03

**CITY OF ST. CLAIR
COUNTY OF ST. CLAIR, MICHIGAN**

**AN ORDINANCE TO AMEND CERTAIN PROVISIONS OF ORDINANCE NO. 2023-02
OF THE CITY OF ST. CLAIR:**

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF ADDITIONS AND IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE CITY; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COST THEREOF; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF SYSTEM REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO ESTABLISH SEPARATE SERIES OF BONDS OF SENIOR AND SUBORDINATE STATUS WITH RESPECT TO THE NET REVENUES OF THE SYSTEM; TO PRESCRIBE THE FORM OF THE BONDS; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

WHEREAS, on July 17, 2023, the City Council of the City of St. Clair (the "City"), adopted Ordinance No. 2023-02 authorizing the issuance of its Water Supply System Junior Lien Revenue Bond, Series 2023 (the "Series 2023 Bonds") to finance improvements and repairs to the City's Water Supply System; and

WHEREAS, the Series 2023 Bonds will be sold to the Michigan Finance Authority (the "MFA") pursuant to its Drinking Water Revolving Loan program; and

WHEREAS, since the adoption of Ordinance 2023-02, certain parameters of the loan from the MFA have changed, requiring an amendment to Ordinance 2023-02 to provide for a higher par amount of the Series 2023 Bonds to evidence a higher loan from the MFA, a longer term, and a higher interest rate on the Series 2023 Bonds.

THEREFORE, THE CITY OF ST. CLAIR ORDAINS:

Section 1. Enacting Clause.

The following emergency ordinance is adopted under Section 5.10(a) of the City Charter to provide for the acquisition, construction, installation, furnishing, equipping, and financing of additions and improvements to the City's water supply system.

Section 2. Declaration of Emergency.

City Council, by adoption of this ordinance, determines that an emergency exists at the time of its adoption; to wit, the City is embarking on a multi-million dollar infrastructure project through the Drinking Water State Revolving Fund ("DWSRF") to ensure the citizens of St. Clair the delivery of potable water; to ensure system capacity; and to ensure necessary pressure for

delivery and fire suppression. The successful completion of the project is vital to public health and safety, and its financing is an urgent matter requiring immediate attention by the requirements of the Revenue Bond Act, MCL Section 141.101 *et seq.* The introduction and immediate adoption of this Ordinance addresses the emergency presented.

Section 3. Purpose.

The purpose of this emergency ordinance is to:

1. Meet a public emergency affecting public health, safety and welfare related to the DWSRF project; and
2. Allow a more timely administrative response and approval processes than is otherwise available through existing City ordinances, resolutions, or processes.

Section 4. Global Amendment to Maximum Par Amount, Maturity and Interest Rate on the Series 2023 Bonds. All provisions establishing the maximum par amount of the Series 2023 Bonds are hereby amended to provide that the maximum par amount of the Series 2023 Bonds to be issued shall not exceed Eight Million Nine Hundred Seventy-Five Thousand Seven Hundred Thirty Dollars (\$8,975,730).

All provisions establishing the maximum interest rate to be paid on the Series 2023 Bonds are hereby amended to provide that the maximum interest rate to paid on the Series 2023 Bonds shall not exceed two and one-eighth percent (2.125%) per annum.

All provisions establishing the maximum maturity of the Series 2023 Bonds are hereby amended to provide that the maximum maturity of the Series 2023 Bonds shall not exceed thirty (30) annual installments.

Section 5. Amendment and Restatement of Section 6 of Ordinance 2023-02. Section 6 of Ordinance 2023-02 is hereby amended and restated in its entirety as follows:

Section 6. Costs; Useful Life. The cost of the Project is estimated to be Eighteen Million Seven Hundred Eighty Thousand Eight Hundred Fifty-One Dollars (\$18,780,851), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Project is estimated to be not less than thirty-five (35) years.

Section 6. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed, and each section of this Ordinance and each subdivision of any section hereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this Ordinance.

Section 7. Publication and Recordation. This Ordinance shall be published in full in *The Times-Herald*, a newspaper of general circulation in the City, qualified under State law to publish legal notices, promptly after its adoption, and the same shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 8. Effective Date. This Ordinance is hereby determined by the City Council to be immediately necessary for the preservation of the peace, health and safety of the Issuer and shall be in full force and effect from and after its passage and publication as required by law.

Passed and adopted by the City of St. Clair, County of St. Clair, State of Michigan, on August 7, 2023.

ORDINANCE DECLARED ADOPTED

William Cedar, Jr., Mayor
City of St. Clair, Michigan

CERTIFICATION

The foregoing is a true and complete copy of an Ordinance adopted by the City Council of the City of St. Clair, County of St. Clair, State of Michigan, at a special meeting of the City Council held on the 7th day of August 7, 2023, and public notice of said meeting was given pursuant to and in accordance with the requirements of Act No. 267 of the Public Acts of 1976, as amended, being the Open Meetings Act, and the minutes of said meeting have been or will be made available as required by said Act.

Members Present: Cedar, Gottler, Kuffa, LaPorte, Paul, Volz, Watt

Members Absent: None

It was moved by Member LaPorte and supported by Member Volz to adopt the Ordinance.

Members voting yes: Gottler, Kuffa, LaPorte, Paul, Volz, Watt, Cedar

Members voting no: None

The Ordinance was declared adopted by the Mayor and has been recorded in the Ordinance Book of the City of St. Clair.

Annette M. Sturdy, City Clerk
City of St. Clair, Michigan

INTRODUCED: August 7, 2023
ADOPTED: August 7, 2023
PUBLISHED: August 11, 2023
EFFECTIVE: August 11, 2023