Ordinance C-45-55

Continued from Page 6A)

signal transmission house; one Chronoflow Telemetering Automatic Electronic Pump and Pressure Control System; two 600 gal. per minute deep well turbine pumps and appurtenances including and reinstallation of existing Pomona deep well turbine pump

3. Storm Sewers located as follows:

(a) From a point 18' north of North line of Shiawassee Road and 100' west of Lakeway Avenue; thence southeasterly to the North branch of the River Rouge at Grand River Avenue — 1500' of 24" sewer

(b) From the south line of Bel Aire Hills Subdivision at Prospect Avenue, thence south in said avenue to and across Valley Views Avenue; thence southwest in easements to approximately 500' to Out Lot A; thence northwest to the North Branch of the River Rouge — 1463' of 48" and 245' of 30" sewer

(c) In easement approximately 250' north of and parallel to Shiawassee Road, from Prospect Avenue to a point 300' distant — 300' of 12" sewer

4. Sanitary Sewers located as follows:

(a) From the southerly line of Out Lot B of Bel Aire Hills Subdivision, in easements to the River Rouge in Grand River Avenue — 581' of 8" and 1537' of 15" sewer

(b) From easement north of Grand River Avenue at the west line of Lot 71, Brookdale Subdivision, thence northeast in easement 530' — 530' of 10" sewer

(c) From easement north of Grand River Avenue at a point 1253' east of the east line of Lakeway Avenue, thence in easement parallel to Lakeway Avenue 620' — 620' of 10" sewer

(d) From Farmington Road opposite Cloverdale, thence west and southwest in easements to east line of Alta Loma Subdivision — 850' of 18" sewer

5. Combined storm and sanitary sewer located as follows:

(a) In Farmington Road from Cloverdale to Slocum — 520' of 15" and 512' of 12" sewer

all substantially in accordance with maps, plans and specifications prepared by L.N. Hayden, registered professional engineer, which maps, plans and specifications are now on file with the City Clerk and are hereby approved and adopted.

Section 4. The Council does hereby adopt the said engineer's estimate of 20 years upwards as the period of usefulness of said project and also the said engineer's estimate of One Hundred Seventy-five Thousand Dollars ($175,000) as the cost of said project, including no capitalized interest upon the bonds herein authorized therefor, both of which are on file with the City Clerk.

Section 5. There are hereby authorized to be issue and sold pursuant to the provisions of Act No. 94, Michigan Public Acts of 1933, as amended, revenue bonds in the aggregate principal sum of One Hundred Seventy-five Thousand Dollars ($175,000) for the purpose of paying the cost of said project. Said bonds shall be known as "Water Supply and Sewage Disposal System Revenue Bonds"; shall be dated as of September 1, 1955; shall be numbered consecutively in the direct order of their maturities from 1 to 175, both inclusive; shall be coupon bonds in the denomination of $1,000 each; shall be registerable as to principal only, in the manner hereinafter set forth in the bond form; shall bear interest at a rate or rates to be hereafter determined not exceeding 3½% per annum, payable on January 1, 1956, and thereafter semi-annually on the first days of January and July in each year; and shall mature on July first in each year as follows: $10,000 in each year from 1958 to 1964 and $15,000 in each year from 1965 to 1971, all years inclusive. The bonds of said issue maturing in the years 1962 thru 1971, shall be subject to redemption prior to maturity, at the option of the city, in inverse numerical order, on any date or more interest payment dates on and after July 1, 1961. Each bond called to be redeemed shall be redeemed at the par value thereof and accrued interest, plus a premium in accordance with the following schedule, to-wit:

$25 if called to be redeemed on or after July 1, 1961 but prior to July 1, 1963

$20 if called to be redeemed on or after July 1, 1963 but prior to July 1, 1965

$15 if called to be redeemed on or after July 1, 1965 but prior to July 1, 1967

$10 if called to be redeemed on or after July 1, 1967 but prior to July 1, 1969

$5 if called to be redeemed on or after July 1, 1969.

Notice of redemption shall be given to the holders of the bonds to be redeemed by publication of such notice not less than thirty (30) days prior to the date fixed for redemption at least once in a newspaper or publication circulated in the City of Detroit, Michigan, which carries as a part of its regular service notices of the sale of municipal bonds; provided, that where any bond shall be registered, then notice of the redemption thereof shall be given by registered mail addressed to the registered holder thereof at the address shown on the City Clerk's bond registration books, which notice shall be mailed within the State of Michigan, not less than thirty (30) days prior to the date fixed for redemption. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the paying agent to redeem the same. The principal of said bonds and the interest therein shall be payable in lawful money of the United States of America at such bank or trust company as shall be designated by the original purchaser of the bonds, upon presentation and surrender of said bonds and attached coupons as they severally mature.

Section 6. The Mayor and City Clerk of the city are hereby authorized and directed to execute said bonds for and on behalf of the city and to affix the city seal to said bonds; they are hereby authorized and directed to execute the interest coupons to be attached to said bonds by causing to be affixed thereto their facsimile signatures. Upon the execution of said bonds and attached coupons, the same shall be delivered to the Treasurer of the city who is hereby authorized and directed to deliver said bonds and attached coupons to the purchaser thereof as hereinafter determined by the Council upon receipt of the purchase price therefor.

Section 7. The bonds herein authorized shall be sold in the manner provided in Section 12 of Act No. 94, Michigan Public Acts of 1933, as amended.

Section 8. Said bonds and attached coupons shall not be a general obligation of the city and shall not be an indebtedness of the city within any state constitutional provision or statutory limitation or within any charter limitation. The principal of and interest on said bonds shall be payable solely from the net revenues derived from the operation of the system, including future improvements, enlargements and extensions thereof. To secure the payment of the principal of and interest on the bonds issued hereunder and on any additional bonds of equal standing issued as hereinafter provided, there is hereby created a first lien upon the net revenues of said bonds and the interest coupons pertaining thereto, and each of such holders, a first lien (by said Act No. 94, Michigan Public Acts of 1933, as amended, made a statutory lien) upon the net revenues from the said system, including future improvements, enlargements and extensions thereof. The net revenues so pledged shall be and remain subject to said lien until the payment in full of the principal of and interest on said bonds.

Section 9. The holder or holders of any of the bonds or interest coupons herein authorized to be issued, shall have all the rights and remedies given by Act No. 94, Michigan Public Acts of 1933, as amended, for the collection and enforcement of said bonds and coupons and the security therefor, including the right to have a receiver appointed for the system in event of default on the part of the city in the performance of the terms of the bond contract.

Section 10. The system shall be operated upon the basis of a fiscal year beginning on July 1st of each year and ending on June 30th of the following year.

Section 11. The operation, maintenance and management of the system shall be under the immediate supervision and control of the Council or of such officer or board as shall be designated or created by the Council and subject to its control.

Section 12. Except as herein otherwise provided, water to be furnished by the system to each premises shall be measured by a meter installed and controlled by the city. Charges for water service to each premises within the city connected with the water supply system, for each quarterly (3 months) period, shall be as follows:

First 7,000 gallons or less	$3.50
Next 10,000 gallons over 7,000 gallons	20c per 1000 gallons used
All over 17,000 gallons	18c per 1000 gallons used

The minimum quarterly water charge to each premises shall be $3.50.

Charges for water service to premises outside the city shall be fixed by the Council, but shall not be less than those charged for such service to premises within the city.

The city shall pay for all water used by it at the foregoing rates, except that for fire hydrant service, the charge shall be $10.00 per year for each hydrant in the city. Charges against the city shall be payable in quarterly installments from the current funds of the city or from the proceeds of taxes, which the city, within constitutional limitations, is hereby authorized and required to levy in an amount sufficient for that purpose.

The cost of water service connections from the city water mains to private premises shall not be paid from the proceeds of the bond issue or from the revenues of the system.

Section 13. Charges for sewage disposal services to each premises within the city connected with the sewage disposal system, for each quarterly period, shall be 25% of the water charges to such premises for such period.

Charges for sewage disposal services furnished to premises outside the city, shall be fixed by the Council but shall not be less than those charged for such service to premises within the city.

If the character of sewage or waste from any industrial plant, or from any building or premises, is such that it imposes an unreasonable additional burden upon the sewage disposal system of the city or any other sewage disposal system through which it flows, then an additional charge shall be made over and above the regular rates, or it may be required that such sewage be treated by the person, firm or corporation responsible therefore before being emptied into any public drain or sewer, or the right to so empty said sewage may be denied, if necessary for the protection of any such sewage disposal system or the public health or safety.

The cost of sewer connections from the city sewers to private premises shall not be paid from the proceeds of the bond issue or from the revenues of the system.

Section 14. No free service shall be furnished by the system to the city or to any person, firm or corporation, public or private, or to any public agency or instrumentality. Charges for services furnished by the system shall be billed in the months of March, June, September and December in each year and such charges shall become due on the 15th day of the following April, July, October and January, respectively, and if such charges are not paid on or before such due date, then a penalty of ten (10) per cent shall be added thereto. In the event that the charges for any such services furnished to any premises shall not be paid within thirty (30) days after the due date thereof, then all services furnished by the system to such premises shall be discontinued. Services so discontinued shall not be restored until all sums then due and owing, including penalties, shall be paid, plus a shut-off charge of One Dollar ($1.00) and a turn-on charge of One Dollar ($1.00).

Section 15. Charges for services furnished by the system to any premises shall be a lien thereon, and on May 1st of each year the person or agency charged with the management of said system, shall certify any such charges which have been delinquent six (6) months or more, to the city assessor who shall enter the same upon the next tax roll against the premises to which such services shall have been rendered, and said charges shall be collected and said lien shall be enforced in the same manner as provided in respect to taxes upon such roll; provided, that when a tenant is responsible for the payment of any such charge against the premises and the landlord is so notified in writing, with a true copy of the lease of the affected premises (if there be one) attached, then no such charge shall become a lien against such premises from and after the date of such notice. However, in event of the filing of such notice, no further service shall be rendered by the system to such premises, unless the landlord shall give the average quarterly charge to such premises shall have been made as security for the payment of charges thereto.

Section 16. The rates hereinbefore established are estimated to be sufficient to provide for the payment of the expenses of administration and operation of said system and such expenses of repair and maintenance thereof as may be necessary to preserve the same in good repair and working order; to provide for the payment of the interest upon and the principal of all bonds payable therefrom, as and when the same shall become due and payable, and to provide a reserve for payment of principal and interest as required in this ordinance; and to provide for such other expenditures and funds for the system as are required by this ordinance. Rates shall be fixed and revised from time to time by the Council so as to produce the foregoing amounts, and the Council covenants and agrees to maintain such rates sufficient for services furnished by the system as shall be sufficient to provide for the foregoing.

Section 17. The revenues of the system are hereby pledged for the purpose of the following funds, and as collected shall be set aside into a fund to be known as the "Receiving Fund" of the system, and shall be transferred therefrom periodically into separate and special funds, as follows:

1. Operation and Maintenance Fund. Out of the revenues in the Receiving Fund, there shall be first set aside in each quarter (3 months) into a fund to be designated "Operation and Maintenance Fund," a sum sufficient for the payment for the next quarter of all current expenses of administration and operation of the system and such current expenses for the maintenance thereof as may be necessary to preserve the system in good repair and working order. The Council at the beginning of each fiscal year, shall adopt a budget covering such forthcoming expenses for such year, and such expenses shall not exceed the amount specified in said budget except by a vote of 2/3 of the members of the Council, and then only in event of an absolute necessity for such additional expenditures.

2. Bond and Interest Redemption Fund. Out of the remaining revenues in the Receiving Fund, there shall be next set aside in each quarter into a fund to be designated "Bond and Interest Redemption Fund", a sum proportionately sufficient to provide for the payment as the same becomes due of the next maturing principal and interest on each issue of bonds then payable from this revenue system; provided, that there shall be set aside for interest on the bonds herein authorized, in each quarter during the first six (6) months of each fiscal year, shall not be less than one-half (½) of the total amount of interest maturing on the following January first and during the last six (6) months of each fiscal year, shall be not less than one-half (½) of the total amount of interest maturing on the following July first, and the amount so set aside for principal on the bonds herein authorized, in each quarter during each fiscal year, shall not be less than one-fourth (¼) of the amount of principal maturing on the next July first immediately following such fiscal year, and if there shall be any deficiency in the amount previously set aside, then the amount of deficiency shall be added to the current requirement. In addition thereto, there shall also be set aside in quarterly installments for the purpose of creating a reserve in said Bond and Interest Redemption Fund, the sum of $3,000 per year, and not less than $7,500 per year during each of the fiscal years beginning July 1, 1955 and July 1, 1956 and if at any time thereafter said reserves shall be less than $15,000, then there shall be set aside in said reserve quarterly a sum sufficient to restore such deficiency in not more than one year from such time. If any additional bonds of equal standing shall be issued, the authorizing ordinance shall provide for a comparable reserve therefor. Moneys in Said Bond and Interest Redemption Fund may be used for the redemption of bonds; provided, that except as hereinafter provided, no bonds shall be redeemed unless bonds of said issue shall be called for redemption unless the city shall have on hand in said fund sufficient moneys therefor not otherwise appropriated or pledged. In excess of the amount of interest and principal maturing within the next eighteen (18) months from the redemption date, and for the purpose of determining the amount on hand, money in the reserve shall not be considered as appropriated or pledged. In any case where moneys are available for the redemption of bonds, such moneys may be used instead to purchase bonds on the open market at the best price or prices available, but in no event shall any bond be purchased at a price when the principal amount owing upon any bonds shall be reduced to the amount of the reserve therefor, then the principal of such bonds shall be paid for such reserve.

3. Replacement Fund. Out of the remaining revenues in the Receiving Fund, there shall be next set aside in equal quarterly installments in a fund to be designated "Replacement Fund", a sum not less than $3,000 per year commencing with the fiscal year beginning July 1, 1955, until such fund shall reach at least $15,000, to hold up a reserve for any replacements to the system which may become necessary from time to time. If such replacements shall be made from such fund or any part thereof, said fund shall be restored to the sum of $15,000 as soon as possible thereafter.

4. Improvement Fund. Out of the remaining revenues in the Receiving Fund, there may be set aside in any quarter, after meeting the requirements of the foregoing funds, such sums as the City Council may from time to time determine, into a fund to be designated "Improvement Fund", such sum as the Council may deem advisable, to be used for improvements, enlargements, extensions and repairs to the system.

5. Surplus Fund. Revenues remaining in said Receiving Fund at the end of any fiscal year after all of periodical transfers have been made therefrom as above required, shall be deemed to be surplus and may be left in the Receiving Fund or may be transferred to a fund to be designated "Surplus Fund". Moneys in said Surplus Fund from time to time may be transferred to one or more of the foregoing funds or may be used for any purpose hereinbefore or hereinafter provided, however, that if at any time there shall exist any default in making any periodical transfer to any of the above-mentioned funds, then such default shall be rectified so far as possible by the transfer of moneys from said Surplus Fund. If any such default shall exist as to any one fund, then such transfers shall be made in the order in which such funds are listed above.

No disbursements shall be made from said Receiving Fund except to the special funds as above provided.

Section 18. In the event that moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Bond and Interest Redemption Fund, any moneys and/or securities in other funds of the system shall be transferred, first, to the Operation and Maintenance Fund, and, second, to the Bond and Interest Redemption Fund, to the extent of any deficits therein. Any amount so transferred from the Replacement Fund shall be replaced as soon as possible.

Section 19. All moneys in the several funds of the system except those in the Bond and Interest Redemption Fund, shall be deposited with the Farmington State Bank in the City of Farmington, Michigan. All moneys from time to time in the Bond and Interest Redemption Fund (including reserve moneys) shall be kept on hand with the bank or trust company at which the principal and interest on the herein authorized bonds are currently payable. The moneys in the Receiving Fund, in the Operation and Maintenance Fund and in the Bond and Interest Redemption Fund, shall each be kept in a separate depository account. Moneys in the Bond and Interest Redemption Fund, over and above those being accumulated for the payment of the next maturity principal and interest, may be invested in any other fund except the Receiving Fund and the Operation and Maintenance Fund, may be invested in United States Government obligations. In the event of any such investment, the securities representing the same shall be kept on deposit with the bank or trust company having the depository of the fund from which such purchase was made and the income therefrom shall be a part of such fund.

Section 20. The city hereby covenants and agrees with the holder or holders, from time to time, of the bonds herein proposed to be issued, that it will punctually perform all duties with reference to the system and such bonds required by the Constitution and laws of the State of Michigan, by the charter of the city and by this ordinance; that it will construct the project herein provided for in substantial accordance with the maps, plans and specifications hereinbefore referred to, and will have the same in operation on or before the 1st day of July, 1956; that it will not dispose of the system in any manner dispose of the system or any substantial part thereof, until all bonds payable from the revenues thereof shall have been paid in full; and that it will not permit any person, form or corporation to compete with it in the furnishing of water and sewage disposal to premises within its corporate limits. Said city further covenants and agrees with the holders of said bonds that it will maintain said system in good condition and operate the same in an efficient manner and at a reasonable cost, so long as any of said bonds are outstanding; that it will maintain insurance on the system for the benefit of the holders of said bonds in an amount which usually would be carried by private companies engaged in a similar type of business; that it will prepare, keep and file such records, statements and accounts as may be required by Act No. 94, Michigan Public Acts of 1933, as now or hereafter amended; that it will promptly file with the original purchasers of said bonds a copy of each annual statement which it is required to file with the Municipal Finance Commission and will also file with such purchasers a copy of the Annual Audit of the system certified to by a Certified Public Accountant, within 90 days after the close of each fiscal year; and that it will furnish a copy of the foregoing statement and audit to any bondholder upon payment of the actual cost of such copy. Any such audit shall be in such form as shall generally conform to the financial condition of the system to the holders of bonds and shall include auditor's comments on the manner in which the system's management has complied with the provisions of this ordinance in respect to the several funds of the system.

Section 21. While any of the bonds herein authorized to be issued shall be outstanding, no additional bonds payable from the revenues of the system shall be issued which shall have a prior or equal standing therewith, except as hereinafter provided. The city shall have the right to issue additional bonds of equal standing in sum not exceeding $75,000 for the purpose of the improvement, in event the bonds herein authorized shall prove to be insufficient therefor. The city shall also have the right to issue additional bond payable from the net revenues of the system for the purpose of improving, enlarging and/or extending the system, which bonds shall be issued subject to and with the lien of the bonds herein authorized; provided, that no such additional bonds of equal standing shall be issued unless the average actual or augmented net revenues for the then last two preceding fiscal years or the actual or augmented net revenues for the then last preceding fiscal year, which net revenues for the last year however, shall be equal to at least 135% of the largest amount of principal and interest thereafter maturing in any fiscal year on any bonds then outstanding payable from the revenues of the system and on such additional bonds then being issued. The actual net revenues shall be used in making the foregoing determination, unless the city shall raise the water and/or sewage disposal rates at the time of authorizing such additional bonds, in which case the net revenues of the system for each of the last two preceding years shall be augmented to an amount reflecting the rates so established and the city's water and/or sewage disposal billings such years been at the increased rates. No such additional bonds shall be issued if the city shall then be in default in making any payments to the Operation and Maintenance Fund or the Bond and Interest Redemption Fund, or in complying by the Municipal Finance Commission of the State of Michigan (or such other state commission or agency as shall have jurisdiction over the issuance of municipal bonds) to issue such additional bonds shall constitute a conclusive presumption of the existence of conditions permitting the issuance thereof.

Section 22. The bonds and attached coupons herein authorized to be issued, shall be substantially in the following form, to-wit:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF FARMINGTON

Number $1,000

WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM
REVENUE BOND

KNOW ALL MEN BY THESE PRESENTS, that the City of Farmington, Oakland County, Michigan, hereby acknowledges that it is indebted and for value received promises to pay the bearer hereof (or if this bond be registered, to the registered holder hereof) the sum of

ONE THOUSAND DOLLARS

on the first day of July, A. D. 19 . . . . , and to pay interest thereon at the rate of . . . . . (. . . . .) per centum per annum, from the date hereof until paid, said interest being payable on January 1, 1956 and thereafter semi-annually on the first days of January and July in each year, which principal and interest are to be paid solely out of the revenues hereinafter specified. Both principal and interest are payable in lawful money of the United States of America at . . . . . in the . . . . . of . . . . . upon presentation and surrender of this bond and the coupons hereto attached as they severally mature.

This bond is one of a series of bonds of like date and tenor except as to maturity . . . . . numbered consecutively in the direct order of their maturities from 1 to 175, both inclusive, aggregating the principal sum of One Hundred Seventy-five Thousand Dollars ($175,000) issued by said City of Farmington under and pursuant to and in full conformity with the constitution and statutes of the State of Michigan (especially Act No. 94 of the Michigan Public Acts of 1933, as amended), the charter of said city and Ordinance No. C-45-55 duly adopted by the Council of said city on the 5th day of July, 1955, for the purpose of improving, enlarging and extending the city's water supply and sewage disposal system.

This bond is a self-liquidating revenue bond, is not a general obligation of said city, and does not constitute an indebtedness of the state of said city within any constitutional, statutory or charter limitation. The principal of and interest on the bonds of this series are payable solely from the revenues of said water supply and sewage disposal system, including future improvements, enlargements and extensions thereof) remaining after deducting the reasonable expenses of the administration, operation and maintenance of said system, and the payment of both the principal of and interest on said bonds, and on any additional bonds of equal standing which may be issued pursuant to the terms of said ordinance, is secured by a statutory first lien on net revenues.

The bonds of this series are subject to redemption prior to maturity at the option of the city, in inverse numerical order, on any date or more interest payment dates on and after July 1, 1961, at the par value thereof and accrued interest plus a premium on any bond in accordance with the following schedule, to-wit:

$25 if called to be redeemed on or after July 1, 1961, but prior to July 1, 1963

$20 if called to be redeemed on or after July 1, 1963 but prior to July 1, 1965

$15 if called to be redeemed on or after July 1, 1965 but prior to July 1, 1967

$10 if called to be redeemed on or after July 1, 1967 but prior to July 1, 1969

$5 if called to be redeemed on or after July 1, 1969

Notice of redemption shall be given to the holders of bonds called to be redeemed, by publication of such notice not less than thirty (30) days prior to the date fixed for redemption, at least once in a newspaper or publication circulated in the City of Detroit, Michigan, which carries as a part of its regular service notices of the sale of municipal bonds; provided that where any bond shall be registered, then notice shall be sent by registered mail to the registered holders, at least thirty days prior to the date fixed for redemption. Bonds principal and interest will be payable at such bank or trust company as shall be designated by the original purchaser of the bonds.

The bonds are to be issued under Act No. 94 of the Michigan Public Acts of 1933, as amended, and Ordinance No. C-45-55, for the purpose of defraying the cost of improving, enlarging and extending the city's water supply and sewage disposal system. The bonds will not be a general obligation of the city but will be payable solely from the net revenues of the water supply and sewage disposal system, including all improvements, enlargements and extensions thereof, and for the payment of the principal and interest on said bonds and on any additional bonds of equal standing, a first lien has been created on the aforesaid net revenues.

The ordinance provides that no additional bonds payable from the revenues of said system, of prior or equal standing with the said Water Supply and Sewage Disposal System Revenue Bonds, shall be issued except as permitted under the terms and conditions specified in Section 21 of the ordinance.

For the purpose of awarding the bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total dollar value of all interest on the bonds from . . . . . (here insert the first day of the month next following the date of receiving bids or the date of the bonds, whichever is later) to their respective maturities and deducting therefrom any premium. The bonds will be awarded to the bidder whose bid shall be the most advantageous to the City of Farmington and to said city. No proposal for the purchase of less than all of the bonds or at a price less than their par value, will be considered.

A certified or cashier's check in the amount of $3,500 drawn upon an incorporated bank or trust company and payable to the order of the Treasurer of said city must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the bonds. No interest shall be allowed on the good faith checks and checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by registered mail.

Bids shall be conditioned upon the unqualified opinion of Berry, Stevens and Moorman, attorneys, Detroit, Michigan, approving the legality of said issue and to the effect that said "Official Statement" and of the printing of the bonds will be paid by the city. Bonds will be delivered at Detroit, Michigan.

The right is reserved to reject any or all bids.

Envelopes containing the bids should be plainly marked "Proposal for Bonds".

Any interested bidder will be furnished, upon request, a report of the essential facts pertaining to the financial condition of said city. Such request should be addressed to Matthew Carey, Financial Advisor for the city, Box 3768, Kercheval Station, Detroit 15, Michigan.

Kathryn D. Cotter, City Clerk

Dated: July 5, 1955

BE IT FURTHER RESOLVED, that the City Clerk be and he is hereby authorized and directed to forward the foregoing notice of sale to the Municipal Finance Commission for its approval.

Roll Call: Chapman, Bates, Calkins, Lindbert. Motion carried, all yeas.

State of Michigan)
) ss:
County of Oakland)

I, the undersigned, the duly qualified and acting Clerk of the City of Farmington, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of proceedings taken at a regular meeting of the Council held on the 5th day of July, 1955, insofar as said proceedings relate to the adoption of Ordinance No. C-45-55 and the issuance and sale of $175,000 Water Supply and Sewage Disposal System Revenue Bonds, to be dated September 1, 1955) the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 5th day of July, A. D. 1955.

Kathryn D. Cotter, City Clerk

In Whose Name Registered	REGISTRY Date of Registration	Signature of City Clerk of City of Farmington

Section 23. The proceeds of the sale of the bonds herein authorized to be issued, shall be deposited in the Farmington State Bank, in the City of Farmington, Michigan. From said moneys there shall first be transferred to the Bond and Interest Redemption Fund, any premium and accrued interest paid to the city by the purchaser of said bonds. The balance of such proceeds shall be used solely to pay the cost of the project hereinbefore described and any engineering, legal and other expenses incident thereto, and shall be paid out only upon authorization of the Council; provided, that said Council shall have authorize the payment of any such moneys for construction work until there shall have been first filed with it by the consulting engineer in charge of such work, a written statement to the effect that the sum so to be paid is in full or partial payment of a contract obligation in connection with said project and that the city has received the consideration for such payment. Said statement of the engineer shall also show the amount of construction estimates which have been theretofore approved by him for payment and the amount of the balance which will be required for the completion of the project.

Section 24. The said Water Supply and Sewage Disposal System Revenue Bonds shall not be issued until the Municipal Finance Commission of the State of Michigan has approved such issuance, and the City Clerk is hereby authorized and directed to make application to said commission for such approval.

Section 25. Any unexpended balance of the proceeds of the sale of the bonds herein authorized, remaining after the completion of the project, may to the extent of $20,000 be used for the improvement, enlargement, or extension of the system, if the system shall be approved by the Municipal Finance Commission, and any remaining balance shall be paid immediately into the Bond and Interest Redemption Fund and the same shall be used only for the redemption or purchase at not more than the fair market value of said bonds. Any bond so acquired by redemption or purchase shall be canceled and shall not be reissued.

Section 26. This ordinance shall be recorded in the minutes of the meeting of the Council at which it was adopted, as soon as practicable after its passage, which minutes shall be authenticated by the signatures of the Mayor and City Clerk of said city, and shall be published once in the Farmington Enterprise, a newspaper of general circulation within the said city. This ordinance shall become effective immediately upon its adoption.

Section 27. If any section, paragraph, sentence, clause or phrase of this ordinance shall be held invalid, the same shall not affect any other part of this ordinance.

Section 28. All ordinances and resolutions and parts thereof, insofar as the same may be in conflict herewith, are hereby repealed.

Robert Lindbert, Mayor
Kathryn D. Cotter, City Clerk

The follow ingresolution was offered by Chapman and seconded by Calkins:

THE IT RESOLVED, that sealed proposals for the purchase of $175,000 Water Supply and Sewage Disposal System Revenue Bonds, be received up to 8:00 o'clock p.m., Eastern Standard Time, on a date to be later determined by the City Council and that notice thereof be published in accordance with law in the Michigan Investor, a publication of the Detroit Bond Dealers Association and circulated in the State of Michigan, and which carries as a part of its regular service, notices of the sale of municipal bonds, which notice shall be substantially in the following form:

NOTICE OF SALE
$175,000
CITY OF FARMINGTON, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM
REVENUE BONDS

Sealed bids for the purchase of Water Supply and Sewage Disposal System Revenue Bonds, to be issued by the City of Farmington, Oakland County, Michigan, of the par value of $175,000 will be received by the undersigned, at the city hall in the City of Farmington, Michigan, until . . . . . o'clock p.m. Eastern Standard Time, on . . . . . the . . . . . 195 . . , at which time and place said bids will be publicly opened and read.

Said bonds will be dated September 1, 1955, will be coupon bonds (registerable as to principal only) in the denomination of $1,000 each, will be numbered consecutively in the direct order of their maturities from 1 to 175, both inclusive, and will bear interest from their date at a rate or rates not exceeding 3½% per annum, payable on January 1, 1956, and therafter semi-annually on each January 1 and July 1. Each bid shall state the annual interest rate or rates upon which it is submitted, expressed in multiples of ¼ of 1%. The interest rate specified in any bond shall be uniform for all bonds of one rate only. Accrued interest to date of delivery of such bonds must be paid by the purchaser at the time of delivery.

Said bonds will mature serially on the 1st day of July in each year as follows: $10,000 in each year from 1958 to 1964 and $15,000 in each year from 1965 to 1971, all years inclusive. The bonds of said issue maturing in the years 1962 thru 1971 will be subject to redemption prior to maturity, at the option of the city, in inverse numerical order, on any one or more interest payment dates on and after July 1, 1961. Each bond called for redemption shall be redeemed at its par value and accrued interest plus a premium in accordance with the following schedule:

$25 if called to be redeemed on or after July 1, 1961 but prior to July 1, 1963

$20 if called to be redeemed on or after July 1, 1963 but prior to July 1, 1965

$15 if called to be redeemed on or after July 1, 1965 but prior to July 1, 1967

$10 if called to be redeemed on or after July 1, 1967 but prior to July 1, 1969

$5 if called to be redeemed on or after July 1, 1969

Notice of redemption shall be published not less than thirty days prior to the date fixed for redemption, at least once in a newspaper or publication circulated in the City of Detroit, Michigan, which carries as a part of its regular service, notices of the sale of municipal bonds, or if the bonds be registered, then notice shall be sent by registered mail to the registered holders, at least thirty days prior to the date fixed for redemption. Both principal and interest will be payable at such bank or trust company as shall be designated by the original purchaser of the bonds.

The bonds are to be issued under Act No. 94 of the Michigan Public Acts of 1933, as amended, and Ordinance No. C-45-55, for the purpose of defraying the cost of improving, enlarging and extending the city's water supply and sewage disposal system. The bonds will not be a general obligation of the city but will be payable solely from the net revenues of the water supply and sewage disposal system, including all improvements, enlargements and extensions thereof, and for the payment of the principal and interest on said bonds and on any additional bonds of equal standing, a first lien has been created on the aforesaid net revenues.

The ordinance provides that no additional bonds payable from the revenues of said system, of prior or equal standing with the said Water Supply and Sewage Disposal System Revenue Bonds, shall be issued except as permitted under the terms and conditions specified in Section 21 of the ordinance.

For the purpose of awarding the bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total dollar value of all interest on the bonds from . . . . . (here insert the first day of the month next following the date of receiving bids or the date of the bonds, whichever is later) to their respective maturities and deducting therefrom any premium. The bonds will be awarded to the bidder whose bid shall be the most advantageous to the City of Farmington and said city. No proposal for the purchase of less than all of the bonds or at a price less than their par value, will be considered.

A certified or cashier's check in the amount of $3,500 drawn upon an incorporated bank or trust company and payable to the order of the Treasurer of said city must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the bonds. No interest shall be allowed on the good faith checks and checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by registered mail.

Bids shall be conditioned upon the unqualified opinion of Berry, Stevens and Moorman, attorneys, Detroit, Michigan, approving the legality of said issue and to the effect that said "Official Statement" and of the printing of the bonds will be paid by the city. Bonds will be delivered at Detroit, Michigan.

The right is reserved to reject any or all bids.

Envelopes containing the bids should be plainly marked "Proposal for Bonds".

Any interested bidder will be furnished, upon request, a report of the essential facts pertaining to the financial condition of said city. Such request should be addressed to Matthew Carey, Financial Advisor for the city, Box 3768, Kercheval Station, Detroit 15, Michigan.

Kathryn D. Cotter, City Clerk

Dated: July 5, 1955

BE IT FURTHER RESOLVED, that the City Clerk be and he is hereby authorized and directed to forward the foregoing notice of sale to the Municipal Finance Commission for its approval.

Roll Call: Chapman, Bates, Calkins, Lindbert. Motion carried, all yeas.

State of Michigan)
) ss:
County of Oakland)

I, the undersigned, the duly qualified and acting Clerk of the City of Farmington, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of proceedings taken at a regular meeting of the Council held on the 5th day of July, 1955, insofar as said proceedings relate to the adoption of Ordinance No. C-45-55 and the issuance and sale of $175,000 Water Supply and Sewage Disposal System Revenue Bonds, to be dated September 1, 1955) the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 5th day of July, A. D. 1955.

Kathryn D. Cotter, City Clerk