

## CHAPTER 45

### ORDINANCE TO AMEND CHAPTER 44

**AN ORDINANCE TO AMEND ORDINANCE NO. 44 ENTITLED ? AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF SANITARY SEWER SYSTEM REVENUE BONDS OF THE CITY OF LAPEER FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS, REPAIRS, AND REPLACEMENTS TO THE CITY?S SANITARY SEWER SYSTEM; TO PRESCRIBE THE FORM OF BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM SAID SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF SAID SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; TO PROVIDE AN ADEQUATE RESERVE FUND FOR SAID BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF SAID REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS IN ENFORCEMENT THEREOF; TO PROVIDE FOR OTHER MATTERS RELATING TO SAID BONDS AND SAID SYSTEM.?**

**THE CITY OF LAPEER ORDAINS:**

#### **SECTION 1.**

Section 20(b) of Ordinance No. 44 be and is hereby amended to read as follows:

#### **SECTION 20(b)**

For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph,

- (a)** unless the average actual or augmented Net Revenues of the System for the then last two (2) preceding twelve month operating years or the actual or augmented Net Revenues for the last preceding twelve month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty-five percent (125%) of the average amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds the average annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements for each operating year the annual principal and interest requirements of any Bond to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph

- (b) the City may elect to use as the last preceding operating year any operating year ending not more than sixteen months from the date of delivery of the additional Bonds. If the System rates, fees or charges shall be increased at or prior to the time of authorizing the additional Bonds, the Net Revenues for each of the two preceding operating years shall be augmented by an amount reflecting the effect of the increase had the System's billings during such operating years been at the increased rates. Determination by the City Commission as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the City shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

## **SECTION 2**

Section 6 of Ordinance No. 44 be and is hereby amended to read as follows:

### **SECTION 6                    PAYMENT OF BONDS**

The Series 1987 Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holder of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

The foregoing lien shall continue until payment in full for the principal of and interest on all the Bonds or, until sufficient cash or direct obligations of the United States of America or obligations the principal of and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments on which, without reinvestment of interest, come due at such times and in such amounts as to be fully sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the Bonds on the stated maturity date or earlier redemption, shall have been deposited in trust for payment in full for all Bonds with respect to which this Ordinance is to be defeased to their maturity, or, if called for redemption, to the date fixed for redemption. If the Bonds are owned by the Authority at the time of such deposit, the sufficiency of such deposit shall be verified by a nationally recognized firm of

certified public accountants. Upon such deposit, the pledge and security herein created shall be terminated with respect to the Bonds, the holders of the Bonds shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds shall no longer be considered to be outstanding under this Ordinance.

**SECTION 3. REPEAL, SAVINGS CLAUSE**

All ordinance, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

**SECTION 4. SEVERABILITY; PARAGRAPH HEADINGS; AND CONFLICT**

If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. The paragraph headings in this ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

**SECTION 5. PUBLICATION AND RECORDATION**

This Ordinance shall be published in full in THE FLINT JOURNAL, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the ordinance Book of the City and such recording authenticated by the signatures of the Mayor and City Clerk.

**SECTION 6. EFFECTIVE DATE**

This ordinance shall be effective on adoption. (Effective July 27, 1987)