



# Rochester Hills

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## Master

**File Number: 2010-0095**

**File ID:** 2010-0095

**Type:** Finance

**Status:** To Council

**Version:** 1

**Reference:** 2010-0095

**Controlling Body:** City Council  
Regular Meeting

**File Created Date :** 02/17/2010

**File Name:** Surplus Bond Proceeds to Redeem Part of  
Outstanding Bonds

**Final Action:**

**Title label:** Request for Authorization to Use Surplus Bond Proceeds to Redeem Part of Outstanding  
Bonds

### Notes:

### Sponsors:

**Enactment Date:**

**Attachments:** Agenda Summary.pdf, 2005 WS- Defeasance  
Analysis.pdf

**Enactment Number:**

**Contact:**

**Hearing Date:**

**Drafter:**

**Effective Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File 2010-0095

#### Title

Request for Authorization to Use Surplus Bond Proceeds to Redeem Part of Outstanding Bonds

#### Body

**WHEREAS**, pursuant to the provisions of Act No. 342, Public Acts of Michigan, 1939, as amended ("Act 342"), the City of Rochester Hills (the "City") and the County of Oakland (the "County"), acting by and through its Water Resources Commissioner as county agency, have entered into the Oakland County Water Supply and Sewage Disposal Systems for Rochester Hills - Extension No. 5A Project Contract, dated May 1, 2005 (said contract hereinafter referred to as the "Contract"); and

**WHEREAS**, the County has issued its Oakland County Rochester Hills Water Supply and Sewage Disposal System Bonds, Series 2005, dated December 1, 2005 in the original principal amount of \$3,800,000 (the "Prior Bonds"), which Prior Bonds were issued by the County pursuant to the Contract to defray the cost of acquiring and constructing water supply system and sewage disposal system improvements as described in the Contract; and

**WHEREAS**, the Prior Bonds remain outstanding in the aggregate principal amount of \$3,250,000, mature in various principal amounts in the years 2010 through 2025 and bear interest at rates per annum which vary from

4.00% to 4.50%; and

**WHEREAS**, the City has determined it is in its best interests that surplus bond proceeds be used to redeem part of the Prior Bonds.

**THEREFORE, BE IT RESOLVED:**

1. The County is requested and authorized to use surplus proceeds of the Prior Bonds and investment earnings thereon, presently determined to be \$894,568.29 (the "Surplus Proceeds"), for the purpose of redeeming part of the outstanding Prior Bonds (as shall be determined by the County) in inverse order of maturity on April 1, 2012, which date is the first redemption date of the Prior Bonds.
2. The City authorizes the County to enter into an escrow agreement for the purpose of redeeming part of the Prior Bonds in accordance with the immediately preceding paragraph. The City acknowledges and agrees that the County's costs and expenses related to such redemption and escrow agreement shall be paid from the Surplus Proceeds.
3. All resolutions and parts of resolutions, insofar as the same may be in conflict herewith, are hereby rescinded.