

**Grand Ledge City Council Resolution #\_\_\_\_\_ of 2022**

**A Resolution to Approve a Letter of Engagement with \_\_\_\_\_ as Bond Counsel  
for Proposed Clean Water State Revolving Fund Project Bonds and Proposed  
Drinking Water State Revolving Fund Project Bonds.**

A resolution adopted by the Grand Ledge City Council, at a regular meeting held on Monday, 10 October 2022, in the Council Chambers, City Hall, 310 Greenwood St., Grand Ledge MI 48837, in compliance with the Open Meetings Act, as amended.

**Whereas**, the City of Grand Ledge, Michigan (“City”) is a municipal corporation organized under the provisions of the Home Rule City Act, Public Act 279 of 1909, as amended, and is governed by the provisions of the Grand Ledge City Charter adopted 07 August 2018, as amended (“Charter”); and

**Whereas**, Charter §13.1A provides:

“The power to make and to authorize the making of contracts on behalf of the City is vested in the City Council and shall be exercised in accordance with the provisions of law”; and

**Whereas**, the City has previously acted to pursue funding through the Clean Water State Revolving Fund for Wastewater Treatment Plant and sanitary sewer collection system improvements; and

**Whereas**, the City has previously acted to pursue funding through the Drinking Water State Revolving Fund for Water Treatment Plant and water system improvements; and

**Whereas**, the City requested letters of engagement for bond counsel for proposed Clean Water State Revolving Fund Project Bonds and proposed Drinking Water State Revolving Fund Project Bond; and

**Whereas**, staff have reviewed the letters received;

**Now, Therefore, It Is Resolved:**

1. The City approves a letter of engagement from \_\_\_\_\_ for bond counsel for proposed Clean Water State Revolving Fund Project Bonds and proposed Drinking Water State Revolving Fund Project Bonds, as attached.
2. The City directs the City Manager and Finance Director / Treasurer to appropriate the funds necessary to implement said letter.
3. The City Manager, or their duly authorized agent or representative, is authorized and directed to implement said letter on behalf of the City of Grand Ledge; to do any other act(s) or thing(s) which shall be necessary to implement said letter on behalf of the City of Grand Ledge; to preserve and protect the rights, duties and obligations of the City thereunder; and to do any act or thing required by statute, Charter, ordinance, rule, regulation or other provision of law in order to implement said letter.

**Motion by**

**Second by**

**Ayes:**

**Nays:**

**Absent:**

Approved:

\_\_\_\_\_  
Keith O. Mulder, Mayor

I, Gregory L. Newman, Grand Ledge City Clerk, certify this is Resolution #\_\_\_\_\_ of 2022, adopted by the Grand Ledge City Council at a regular meeting held on Monday, 10 October 2022; in the Council Chambers, City Hall, 310 Greenwood St., Grand Ledge MI 48837, in compliance with the Open Meetings Act, as amended.

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Gregory L. Newman, City Clerk

Founded in 1852  
by Sidney Davy Miller

# MILLER CANFIELD

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October 5, 2022

*Via email only*

Mr. Adam Smith  
City Manager  
City of Grand Ledge  
310 Greenwood Street  
Grand Ledge, MI 48837

Re: Clean Water State Revolving Fund (“CWSRF”) Project Bonds and Drinking Water  
State Revolving Fund (“DWSRF”) Project Bonds

Dear Adam:

We appreciate the opportunity to submit this proposal to serve the City of Grand Ledge (the “City”) as bond counsel in connection with the proposed issuance of bonds (the “Bonds”) to finance the improvements to the City’s water and sewer systems. We understand that the projects are expected to be financed each respectively through the DWSRF and CWSRF loan programs administered by the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) and the Michigan Finance Authority (“MFA”). We value highly our relationship with the City and you may be assured of our prompt and complete attention to this financing. It is our practice when beginning work on a new matter to send an engagement letter like this which sets forth the scope of our services as bond counsel, our conflict of interest policy, and the nature of our compensation.

### ***Bond Counsel’s Role***

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of the bonds. Our approving legal opinion with respect to the bonds will be executed and delivered by us in written form on the date the bonds are exchanged for their purchase price, and will be based upon facts and law existing as of its date. In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and by other persons furnished to us without undertaking independent verification of the information contained in the proceedings and certifications.

In performing our services as bond counsel, our client is the City and we will represent its interests. Our representation of the City, however, does not alter our responsibility to render an objective opinion as bond counsel. Upon delivery of the opinion our responsibilities as bond counsel will be concluded with respect to the bonds.

***Scope of Bond Counsel Services – What We Will Do***

As bond counsel, we would provide the following services customarily performed by bond counsel respecting the authorization, sale, issuance and delivery of bonds:

1. Meet or consult with the City Council, City Officials, the City's financial advisor, engineer, attorneys, and others to explain the legal nature of a proposed borrowing, the City's power to borrow and the limitations on that power, and consult with City officials and the financial advisor in the design of the bonding program and timing schedules.
2. Prepare all of the necessary resolutions, notices, agreements, and other documents to authorize, award, issue and deliver the bonds. We also would assist your financial advisor and engineer in preparing applications to the Michigan Department of Treasury, the Michigan Finance Authority, and the EGLE. We also will advise the City regarding relevant disclosure obligations under SEC Rule 15c2-12 in connection with the marketing and sale of municipal securities, if any.
3. Examine the tax issues related to the bonds (done by an attorney specializing in the requirements of the Internal Revenue Code as they apply to municipal tax-exempt bonds) to assure that all requirements of the Internal Revenue Code are complied with and that any adverse tax consequences are minimized.
4. Assist as needed in arrangements for and participation in presentations to rating agencies, bond insurance providers, the MFA and the EGLE.
5. Coordinate the sale and delivery of the bonds to the MFA or purchaser in order to handle legal matters that may arise at those times.
6. Render the approving opinion as to validity and enforceability of the bonds and their authorizing documents and as to the exemption of the interest on the bonds from federal and state income taxation.

Our professional responsibilities as attorneys in this matter will be limited to interpretations of law and other legal issues and the drafting of legal documents. In no event, of course, would we presume to assume the responsibilities of the City or the professional responsibilities of any other advisor with respect to such non-legal matters. We are not registered municipal advisors under the federal Dodd-Frank Act. We understand that the City will retain a registered municipal advisor for the financing.

***Additional Services***

We believe that the above services encompass the normal scope of bond counsel activities. Our services as bond counsel do not include activities outside of that norm, such as review of construction contracts, condemnation, title issues or recording deeds involved in land acquisition, representation of the City in litigation or administrative proceedings that might arise in connection with the Bonds. In the event that serious matters or matters outside the norm arise in these areas, we would provide you at that time with a fee quote for such additional services.

Our engagement does not include any obligation to monitor compliance with the federal tax requirements found in the Internal Revenue Code of 1986 (the "Code") and applicable to the Bonds, including the rebate requirements of Code Section 148(f), if applicable, as described in an exhibit attached to the Nonarbitrage and Tax Compliance Certificate that the City will execute in connection with the issuance of the Bonds, or in connection with any audit or examination of the Bonds by the Internal Revenue Service. However, we would be available to assist with rebate calculations or any audit or examination as a separate engagement.

***Conflict of Interest Policy***

Our firm is one of the largest in Michigan. In addition to having the largest public finance practice in the State, our attorneys represent a great many clients and our practice is in many different legal areas. We call your attention to the fact that our firm frequently represents MFA in a variety of State of Michigan financings. This firm may be asked to represent MFA in connection with the DWSRF or CWSRF programs during the time the City is selling the Bonds to MFA. However, this representation would not involve the City, its project or its Bonds specifically and therefore we do not believe our firm's representation of the MFA, should it occur, would interfere in any way with our representation of the City as bond counsel in connection with the Bonds. However, we wish to make you aware of the possibility of such representation and invite you to discuss with us this matter further if you have any questions or concerns.

***Fees***

It is our understanding that the City intends to issue one series of bonds in the approximate principal amount of \$30 to \$35 million to be sold through the CWSRF program and one series of bonds in the approximate principal amount of \$15 to \$20 million to be sold through the DWSRF program. Based upon the terms, structure, size and schedule of financing, the time we anticipate devoting to the financing, and the responsibilities that we assume, we estimate our legal fee as bond counsel will be \$35,000 for the CWSRF project bonds and \$25,000 for the DWSRF project bonds. Each quoted fee would include all out-of-pocket expenses, including document production, deliveries, and other necessary office disbursements. Such fees may vary if: (i) the principal amount stated above is changed substantially, (ii) if material changes in the structure of the financing occur, or (iii) unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. Our customary practice is to

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. Adam Smith

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submit our invoice for payment at the time of the delivery of the Bonds. The invoices may be paid from the proceeds of the Bonds.

We appreciate the opportunity to be of service to the City and look forward to working with you. Should you have any questions or comments regarding this letter or about any aspect of our representation as this financing goes forward, please do not hesitate to contact me.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By:   
\_\_\_\_\_  
Steven D. Mann

cc: David Pawley, City Treasurer/Finance Director