

**NOTICE OF INTENT TO EXECUTE TAX-SUPPORTED  
CONTRACT AND RIGHT TO PETITION FOR  
REFERENDUM THEREON**

TO THE TAXPAYERS AND ELECTORS OF THE CITY OF IRON MOUNTAIN AND THE CITY OF KINGSFORD:

PLEASE TAKE NOTICE that the Cities of Iron Mountain and Kingsford in the County of Dickinson (collectively, the "Local Units" and each a "Local Unit") have each approved the execution of a contract (the "Contract") with the Iron Mountain-Kingsford Joint Sewage Authority (the "Authority") pursuant to Act No. 233, Public Acts of Michigan, 1955, as amended, which Contract will provide among other things that the Authority will acquire, construct, furnish and equip improvements to the Authority's sanitary sewer system, consisting generally of PROJECT, together with all necessary appurtenances and attachments thereto and will issue its bonds in the approximate amount of not to exceed \$6,000,000 to finance all or part of the cost of said improvements. Each Local Unit, including the City of Kingsford and the City of Iron Mountain, will pay to the Authority annually all sums necessary to retire its share of the principal of and interest of said bonds pursuant to a proposed Financing Contract among the Authority and the Local Units. Each Local Unit's share of such payments shall be based generally on the weighted average of the last fiscal year's flow percentages for each Local Unit served by the sanitary sewer system. For example, for the Authority's fiscal year ending June 30, 2017, the Local Units' shares are estimated to be:

<u>Local Unit</u>	<u>Percentage Share</u>
Iron Mountain	55.44%
Kingsford	44.56%

**CONTRACT OBLIGATIONS OF THE LOCAL UNITS**

It is presently contemplated that said bonds will be issued by the Authority in the principal amount of not to exceed \$6,000,000 and will be payable in not to exceed forty (40) years, and will bear interest at a rate not exceeding five percent (5.00%) per annum on the outstanding principal balance, subject to revision pursuant to Michigan law and the Contract. The Contract includes the pledge by each Local Unit of its limited tax full faith and credit as security for its obligations under the Contract including payment of its share of debt service on the bonds. PURSUANT TO SUCH PLEDGE, EACH CITY WILL BE REQUIRED TO LEVY AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN ITS BOUNDARIES, SUBJECT TO APPLICABLE CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS, TO THE EXTENT NECESSARY TO MAKE THE CITY'S REQUIRED PAYMENTS UNDER THE CONTRACT IF OTHER FUNDS ARE NOT AVAILABLE. It is the present intention of each Local Unit to use the revenues derived from the operation of its sanitary sewer system to make substantially all of the payments required under the Contract.

**RIGHT OF REFERENDUM**

FOR EACH LOCAL UNIT, THE CONTRACT WILL BECOME EFFECTIVE without a vote of the electors of the Local Unit, as permitted by law, UNLESS A VALID PETITION REQUESTING AN ELECTION on the question of entering into the Contract, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF SUCH LOCAL UNIT, is filed with the Clerk of the Local Unit WITHIN FORTY-FIVE (45) DAYS after publication of this notice. If a valid petition is so filed, the Contract will not become effective with respect to such Local Unit without an approving vote by the majority of electors of the Local Unit voting on the question.

THIS NOTICE is given pursuant to the requirements of Section 8 of Act No. 233, Public Acts of Michigan, 1955, as amended. Further information concerning the details of said contract and the matters set out in this notice may be secured from each City Clerk's office.

Anthony D. Edlebeck, City Clerk  
City of Kingsford

Isaac Micheau, City Clerk  
City of Iron Mountain