

10.900

**CHAPTER 9
BORROWING POWER**

10.901

Sec. 9.1. AUTHORITY TO BORROW: NOTES, BONDS, ISSUANCE: REGULATIONS.

Subject to the applicable provisions of statute and constitution, the council may by ordinance or resolution borrow money and issue bonds and other evidence of indebtedness therefor, for any purpose within the scope of powers vested in the city.

Such bonds or other evidences of indebtedness shall include, but not be limited to, the following types:

- a. General obligation bonds which pledge the full faith, credit and resources of the city for the payment of such obligations, including bonds for the city's portion of public improvements.
- b. Notes issued in anticipation of the collection of taxes, but the proceeds of such notes may be spent only in the manner provided by law.
- c. In case of fire, flood or other calamity, emergency loans due in not more than five years for the relief of the inhabitants of the city and for the preservation of municipal property.
- d. Special assessment bonds issued in anticipation of the payment of special assessments made for the purpose of defraying the cost of any public improvement, or in anticipation of the payment of any combination of such special assessments. Such special assessment bonds may be an obligation of the special assessment district or districts and a general obligation of the city.
- e. Mortgage bonds for the acquiring, owning, purchasing, constructing, improving or operating of any public utility which the city is authorized by this charter to acquire or operate; provided any such bonds shall not impose any liability upon such city but shall be acquired only upon the property and revenues of such public utility, including a franchise, stating the terms upon which, in case of foreclosure the purchaser may operate the same, which franchise shall in no case extend for a longer period than twenty years from the date of the sale of such utility and franchise on foreclosure. A sinking fund shall be created in the event of the issuance of such bonds, by setting aside such percentage of the gross or net earnings of the public utility as may be deemed sufficient for the payment of the mortgage bonds at maturity, unless serial bonds are issued of such nature that no sinking fund is required.
- f. Bonds issued at a rate of interest not to exceed that statutory limit per annum to refund money advanced or paid on special assessments.
- g. Bonds for the refunding of the funded indebtedness of the city.

- h. Revenue bonds as authorized by statute which are secured only by the revenues from a public improvement and do not constitute a general obligation of the city.
(char. eff. Nov. 25, 1974)

10.902 Sec. 9.2. NET INDEBTEDNESS, RESTRICTION.

The net bonded indebtedness incurred for all public purposes shall not at any time exceed ten per cent of the assessed value (state equalized) of all the real and personal property in the city, provided that in computing such net bonded indebtedness there shall be excluded therefrom all borrowed moneys permitted to be excluded by the laws or statutes of the State of Michigan.

The amount of emergency loans which the council may take under the provisions of section 9.1.(c) of this Charter may not exceed three-eighths of one per cent of the assessed value (state equalized) of all the real and personal property in the city.
(char. eff. Nov. 25, 1974)

10.903 Sec. 9.3. BONDS, ISSUANCE; STATE LAW; ELECTORS; APPROVAL REQUIRED.

- a. Except as provided in section 9.3.(b), no bonds pledging the full faith and credit of the city shall be issued without the approval of the majority of the electors voting thereon at any general or special election.
- b. The restrictions of 9.3.(a) shall not apply to general obligation bonds issued to pay the city's portion of public improvements the remainder of which are to be financed by special assessments; tax anticipation notes issued under section 9.1.(b); emergency bonds issued under section 9.1.(c); special assessment bonds issued under section 9.1.(d); refunding bonds issued under section 9.1.(g); or to bonds the issuance of which cannot, by statute, be so restricted by this Charter.
(char. eff. Nov. 25, 1974)

10.904 Sec. 9.4. SAME; STATE LAW.

The issuance of any bonds not requiring the approval of the electors shall be subject to applicable requirements of statute with regard to public notice in advance of the authorization of such issues, filing of petitions for a referendum on such issues, holding of such referendum and other applicable procedural requirements.
(char. eff. Nov. 25, 1974)

10.905 Sec. 9.5. BONDS; CONTENTS, SIGNATURES; RECORDS; CANCELLATION; PROCEEDS, USE RESTRICTION.

Each bond or other evidence of indebtedness shall contain in its face a statement specifying the general purpose for which the same is issued, and it shall be unlawful for any officer of the city to use the proceeds thereof for any other purpose. Any officer who shall violate this provision shall be deemed guilty of misconduct in office.

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All bonds and other evidences of indebtedness issued by the city shall be signed by the mayor and countersigned by the clerk, under the seal of the city. Interest coupons may be executed with the facsimile signatures of the mayor and clerk. A complete and detailed record of all bonds and other evidences of indebtedness issued by the city shall be kept by the treasurer. Upon the payment of any bond or other evidence of indebtedness, the same shall be marked "cancelled".
(char. eff. Nov. 25, 1974)

10.906 Sec. 9.6. UNISSUED BONDS; VOID AFTER SPECIFIED TIME.

No unissued bonds of the city shall be issued or sold to secure funds for any other purpose other than that for which they were specifically authorized, and if such bonds are not sold within three years after authorization such authorization shall, as to such bonds, be null and void, and such bonds shall be cancelled, except when delay is caused by liquidation or when a bond issue has been authorized to be issued in two or more parts or series. In case of liquidation, the three-year period shall start at a time of the filing of the final judgment or decree. In case of bonds authorized to be issued in two or more parts or series, the first part or series shall be sold within three years after authorization and the final series shall be sold within ten years after authorization.
(char. eff. Nov. 25, 1974)

10.907 Sec. 9.7. DEFERRED PAYMENT CONTRACTS.

The city may enter into installment contracts for the purchase of property or capital equipment. Each of such contracts shall not extend over a period greater than five years nor shall the total amounts of principal payable under all such contracts exceed the sum equal to one-quarter (1/4) of one per cent of the total assessed valuation (state equalized) of the city in any one fiscal year, unless a majority of the electors voting thereon at any general or special election approve thereof.

All such deferred payments shall be included in the budget for the year in which the installment is payable.
(char. eff. Nov. 25, 1974)