

**A RESOLUTION TO AUTHORIZE THE BROWN CITY LIBRARY BOARD
TO PURCHASE PROPERTY BY INSTALLMENT PURCHASE AGREEMENT WITH
TRI-COUNTY BANK**

WHEREAS the City of Brown City has established a Library Board pursuant to its Charter, Article VII - General Provisions, Section 7.03 Library Board to operate a public library.

WHEREAS the City, Village, and Township Libraries, Act 164 of 1877 authorizes cities to establish a library governing board and under Sec. 5 of the Act, the governing board of the library has exclusive control of the expenditure of all money collected to the credit of the library fund, and the governing library board may purchase an appropriate building for library use.

WHEREAS the Brown City Library Board has entered into negotiations with Tri-County Bank for purchase of property for \$150,000.00 at 2% interest upon occupancy which will be paid through an Installment Land Contract Purchase Agreement over a 15-year term.

WHEREAS the City of Brown City finds it is in the best interest of residents of the City of Brown City and authorizes the Brown City Library Board to enter a purchase agreement for a certain parcel of real property and purchase on installments more particularly described as:

**SECTION 18, T9N, R13E, BROWNS DIVISION OF BROWN CITY SOUTH ½
OF LOT 1 AND LOT 2 SOUTH OF RAILROAD, LOTS 3 AND 9 BLOCK 3.**

WHEREAS under the provisions of the Purchase of Lands and Property for Public Purposes, Act 99 of the Public Acts of Michigan of 1933 as amended, the Brown City Library Board is authorized to enter into a purchase agreement and installment (land contract) agreement for the purchase of property for public purposes to be paid for in installments over a period of not to exceed the useful life of the property but no more than 15 years as determined by Resolution of the Library Board.

WHEREAS the purchase and any outstanding balance of such purchase shall be an obligation of the Brown City Library Board pursuant to Act 164 of 1877 and is not an obligation of the City of Brown City.

WHEREAS the purchase of the property, pursuant to an Installment Purchase Agreement, will not result in the outstanding balance to be in excess of the limitations contained within Act 99 of

WHEREAS the outstanding balance of all such purchases by the Brown City Library Board under said Act 99, exclusive of interest, shall not exceed one and one-quarter percent (1-1/4 %)

of the taxable value of the real and personal property of the City at the date of such contract or agreement of purchase; and,

WHEREAS, funds have been pledged by the Library Board for such acquisition of 4222 Main Street in installment payments over a fifteen-year period, together with interest at 2.0% per annum on the unpaid balance; and,

WHEREAS, the City Council has reviewed a proposed Purchase Agreement and Installment (Land Contract) Purchase Agreement with Tri-County Bank for the acquisition of the property for a Library Building which appears reasonable and proper to accomplish such installment purchase;

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL
FOR THE CITY OF BROWN CITY:**

1. The Brown City Library Board is authorized to enter the proposed Purchase Agreement attached hereto with Tri-County Bank pursuant to the Purchase of Lands and Property for Public Purposes, Act 99 of the Public Acts of Michigan of 1933.

2. The useful life of the Library Building is hereby determined to be at least 15 years.

3. The Library Board is hereby authorized to execute any additional documents as shall be necessary to effectuate the closing of the Purchase Agreement and Installment Purchase (Land Contract) Agreement.

4. The Library Board hereby agrees to include in its budget for each year during the period of the within Installment Purchase Agreement a sum sufficient to pay the principal and interest coming due under said Installment Purchase Agreement before the beginning of each fiscal year pertinent to such installment payments. In addition, the Library Board hereby pledges its limited full faith and credit for the payment of the installments due under such Installment Purchase Agreement.

5. The Library Board shall designate its obligations under the Agreement as 'qualified tax exempt obligations' for purposes of the deduction of interest due under said Installment Purchase Agreement from income tax liability pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

6. The acquisition of the aforesaid Library Building and the approval of the Installment Purchase Agreement therefore are hereby found and declared to be for a valid public purpose

and in the best interest of the health and welfare of the residents and property owners of the City of Brown City.

7. All resolutions or parts of resolutions insofar as they conflict with the provisions of the within Resolution are hereby rescinded to the extent of any such conflict.

The foregoing Resolution was offered on October 28, 2019, by Councilmember _____, and seconded by Councilmember _____.

There followed a Roll Call Vote with ____ () Councilmembers present:
CM Biel-____, CM Jacobson-____, CM Lee-____, CM McIvor-____, CM Navock-____, CM Robison-____.

Yeas: ____ Abstaining: ____

Nays: ____ Absent: ____

A QUORUM BEING PRESENT – MOTION DECLARED ____ CARRIED.

I, Juanita M. Smith, City Clerk of the City of Brown City, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the government of the City of Brown City, County of Sanilac, State of Michigan at a regular meeting held on October 28, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Juanita M. Smith
City Clerk
City of Brown City
Sanilac County, Michigan