Directive No. 007

No. 007

DEPARTMENT OF TREASURY
ORDER FOR BORROWING UNDER THE
EMERGENCY MUNICIPAL LOAN ACT

ORDER OF THE EMERGENCY FINANCIAL MANAGER AUTORIZING THE ISSUANCE OF GENERAL OBLIGATION NOTES OF THE CITY.

WHEREAS, it is hereby determined that it is necessary to request a loan in the amount of $3,000,000.00 from the Local Emergency Financial Assistance Loan Board (the "Board"); and

WHEREAS, the City of Ecorse is levying, during the fiscal year in which the loan application is made, the maximum ad valorem property tax millage authorized by the City's charter, if chartered, or by State law; and

WHEREAS, a deficit for the City's general fund is projected for the current fiscal year; and

WHEREAS, the City meets one or more of the following conditions:

1. Its income tax revenue growth rate is .90 or less (as defined in section 1(d), Act No. 243 of the Public Acts of 1980).
2. Its local tax base growth rate is 75% or less of the statewide tax base growth rate (as defined in section 1(f) and (g), Act No. 243 of the Public Acts of 1980).
3. The state equalized valuation of real and personal property within the municipality at the time the loan application is made is less than the state equalized valuation of real and personal property within the municipality in the immediately preceding year (as defined in section 1(h), Act No. 243 of the Public Acts of 1980).

NOW, THEREFORE, it is ordered that:

1. An application for a loan in the amount of $3,000,000.00 will be submitted to the Board.
2. The Deputy Finance Director be and is hereby authorized to, at my direction, make application to the Board for and on behalf of the City of Ecorse for an order permitting this municipality to borrow $3,000.000.00 and issue its notes of indebtedness to the State of Michigan.
3. Said notes shall not require payment of principal until 10 years after the loan is issued. Repayment shall be made in not more than 10 equal annual installments. Nowithstanding the established payment schedules, a municipality may agree to repay or initiate repayment of the principal at an earlier date, to conform with the long-range financial plan of the unit.

4. Said loan shall bear an annual rate of interest as established by the Board pursuant to section 6(1), Act No. 243 of the Public Acts of 1980. The first interest payment shall become due and payable 1 year after the loan is issued to the municipality.
5. The said interest and notes, when due, shall be paid in lawful money of the United States of America to the State of Michigan. The loan shall be a General Obligation of the municipality.
6. The Emergency Financial Manager of the municipality be and is hereby authorized and directed to execute said note for and on behalf of the municipality and that upon the execution of said note the same shall be delivered to the Treasurer of the municipality who is hereby authorized and directed to deliver said notes to the Treasurer of the State of Michigan upon receipt of the loan.

I HEREBY CERTIFY that the foregoing is a true and complete and compared copy of the order of the Emergency Financial Manager.

Joyce A. Parker

Joyce A. Parker
Emergency Financial Manager
City of Ecorse

12/15/09
Date