Matthew F. Hiser

(248) 533-0737

mhiser@thrunlaw.com

June 17, 2021

***Via Email Only***

Ms. Sara Leson

Superintendent of Schools

Union City Community Schools

430 St. Joseph Street

Union City, Michigan 49094-1298

Re: $914,000 State Aid Note

Dear Ms. Leson:

**IMPORTANT**: **Please see the checklist attached to this letter for details about the Michigan Finance Authority’s (“MFA”) procedures for completing the MFA Application form and MFA cash flow and forwarding both to Thrun Law Firm. We will file the materials with the MFA on your behalf.**

Attached please find the following:

1. A form of Limited Tax Pledge Notice, to be completed and posted at least 18 hours in advance of your board’s upcoming meeting. Also attached is an Affidavit of Posting Notice related to the Notice that must be completed and returned to me along with a copy of the Notice when you return the adopted authorizing resolution. **THE NOTICE MUST BE POSTED BEFORE THE BOARD MEETING, REGARDLESS OF WHETHER THE MEETING IS A REGULAR OR SPECIAL MEETING.**
2. The resolution to be adopted by your board at its upcoming meeting relative to the details of the issue and sale of state aid notes against a portion of the 2021/2022 state aid payments. Please print three (3) copies of the resolution and have the Secretary originally sign all copies where indicated. One (1) copy of the resolution is for the board’s minutes and two (2) originally-signed copies should be returned to me. **Also complete/verify the information in Exhibit A to the resolution.** Do not sign or complete the other attachments to the resolution. If your board meeting will be held virtually, in whole or in part, please refer to the enclosed Notice Requirements for Meetings Held Electronically for important information.

Make certain that the attached resolution is adopted at a legal meeting of your board; preferably, a meeting at which all members are present. In addition, public notice of a special board meeting or a rescheduled regular board meeting must be *posted more than 18 hours before that meeting* ***and****, if your district includes monthly or more frequent board agenda and/or minutes updates on its website, posted on the home page of the district’s website*. If the resolution is adopted at a special or rescheduled regular meeting, please furnish me with: (A) a signed copy of the written call for the special or rescheduled regular meeting; (B) an affidavit as to method of service used; (C) a copy of the public notice as posted; (D) an affidavit regarding the physical posting of the public notice; and (E) an affidavit regarding posting of the public notice on the district’s website.

1. A memorandum disclosing Thrun Law Firm’s representation of the underwriter and the structuring agent for the MFA’s August 2021 state aid note program.

Attached to assist you is a checklist that details (A) the MFA Application procedure, and (B) the documents to be returned to me. If you have any questions regarding this matter, do not hesitate to contact me.

Very truly yours,

Thrun Law Firm, P.C.



By

Matthew F. Hiser

MFH/ssw

Attachments

**LIMITED TAX PLEDGE**

**NOTICE**

PLEASE TAKE NOTICE that there will be a meeting of the Board of Education of Union City Community Schools, Branch and Calhoun Counties, Michigan.

At said meeting, the Board of Education will consider for approval its proposed State Aid Note (General Obligation - Limited Tax). The proposed State Aid Note (General Obligation - Limited Tax), if issued, will contain the limited tax full faith and credit pledge of Union City Community Schools, Branch and Calhoun Counties, Michigan.

DATE OF MEETING: June 21, 2021

PLACE OF MEETING: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(place and address)

HOUR OF MEETING: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ o’clock, \_\_\_\_\_.m.

TELEPHONE NUMBER OF

PRINCIPAL OFFICE OF THE

BOARD OF EDUCATION: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BOARD MINUTES ARE

LOCATED AT THE PRINCIPAL

OFFICE OF THE BOARD OF

EDUCATION: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(address)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Secretary, Board of Education

(typed name or signature)

**AFFIDAVIT OF POSTING NOTICE**

STATE OF MICHIGAN )

)ss

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

The undersigned, being first duly sworn, deposes and says that he/she posted the public notice attached hereto at least eighteen (18) hours prior to the below-referenced meeting of the Board of Education of Union City Community Schools, Branch and Calhoun Counties, Michigan, held on:

DATE OF MEETING: June 21, 2021

HOUR OF MEETING: \_\_\_\_\_\_\_ o’clock, \_\_\_\_\_.m.

PLACE OF POSTING NOTICE:

(Signature)

|  |
| --- |
|  |

(Print Name)

Subscribed and sworn to before me in \_\_\_\_\_\_\_\_\_\_\_\_\_\_ County, Michigan, on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 2021.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Notary Public

State of Michigan, County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

My commission expires: \_\_\_\_\_\_\_\_\_\_\_

Acting in the County of \_\_\_\_\_\_\_\_\_\_\_\_\_

**NOTICE REQUIREMENTS FOR MEETINGS HELD ELECTRONICALLY**

Please note that there are special website notice requirements relative to holding meetings electronically. If you need assistance with ensuring those notice requirements have been satisfied, please advise. In summary, those requirements are as follows if the school district maintains an official internet presence that includes monthly or more frequent updates of public meeting agendas or minutes:

1. Post notice of the meeting to be held electronically at least 18 hours in advance either on the school district’s homepage or on a separate webpage dedicated to public notices for non-regularly scheduled public meetings or electronic meetings and accessible through a prominent and conspicuous link on the school district’s homepage that clearly describes its purpose for public notification of those non-regularly scheduled or electronic public meetings. Notice of a meeting that will be held electronically must be posted at least 18 hours in advance and must include:
   1. The reason(s) why the school board is meeting electronically.
   2. How members of the public may participate electronically and any telephone number, internet address or both that may be required for electronic participation.
   3. Procedures by which the public may contact board members to provide input or ask questions about business that will come before the public body.
   4. Procedures by which persons with disabilities may participate in the meeting.
2. If an agenda exists for an electronic meeting, post that agenda on the school district’s website at least two hours before the electronic meeting begins.
3. Print a screenshot of the website posting, including the agenda, and complete the attached Affidavit of Website Posting of Electronic Meeting of the Board of Education regarding the electronic posting.

**AFFIDAVIT OF WEBSITE POSTING OF**

**PUBLIC NOTICE OF ELECTRONIC MEETING**

**OF THE BOARD OF EDUCATION**

State of Michigan )

County of \_\_\_\_\_\_\_\_\_\_\_\_\_ )ss

The undersigned, being first duly sworn, deposes and says that he/she did verify that on the website homepage of the District was posted a public notice of a meeting and the related agenda, if one existed, of the Board of Education of Union City Community Schools, Branch and Calhoun Counties, Michigan, to be held electronically on:

Date of Meeting: June 21, 2021

Hour of Meeting \_\_\_\_\_\_ o’clock, \_\_.m.

prior to the meeting, a true copy of that website notice and the related agenda, if one existed, is hereto attached.

|  |  |
| --- | --- |
|  |  |
|  | Signature |

Subscribed and sworn to before me this

\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2021.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public in and for the County of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, State of Michigan

Acting in the County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

My Commission expires \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_

**MEMORANDUM**

**To:** School District Clients Borrowing Through the Michigan Finance Authority State Aid Note Program

**Date:** June 17, 2021

**From:** Thrun Law Firm, P.C.

As you may be aware, Section 1352 was added to the Revised School Code, effective July 10, 1994, requiring disclosure of and consent to representation of third parties for **bond** issues. Section 1352 reads as follows:

Sec. 1352. The board of a school district or intermediate school district shall not contract for legal representation by an attorney or law firm in connection with borrowing money and issuing bonds under this act unless the board or intermediate school board does all of the following:

(a) Requests from the attorney or law firm and obtains before entering into the contract disclosure of whether the attorney or law firm also represents the underwriter of the bonds or any other party involved in the bond issue.

(b) If the disclosure under subdivision (a) indicates that the attorney or law firm represents the underwriter or another party involved in the bond issue, consents by majority vote of the board or intermediate school board to entering into the contract notwithstanding the attorney’s or law firm’s representation of the underwriter or other party as well as the board or intermediate school board.

(c) In its contract with the attorney or law firm, requires the attorney or law firm to submit itemized billings on at least a monthly basis that itemize at least time and services provided and any payments made by the attorney or law firm to third parties in connection with the representation of the board or intermediate school board.

The purpose of this memorandum is to advise your Board of Education that Thrun Law Firm, P.C., is providing legal services to the underwriter and the structuring agent for the Michigan Finance Authority’s August 2021 state aid note program.

Although the disclosure required by Section 1352(a) relates to “bond issues,” we believe it is important that we inform the Board of Education of our representation of the underwriter and the structuring agent for the state aid note program and to obtain the approval and consent of a majority of the Board of Education to our representation of the underwriter and the structuring agent at the same time we are representing your Board of Education as note counsel. Consequently, the authorizing resolution contains a provision that addresses the consent to our representing the underwriter and the structuring agent for the Authority’s state aid note program.

We can assure both you and the Board of Education that there is no conflict of interest resulting from this law firm representing the underwriter and the structuring agent in this transaction where we also represent the Board of Education. The functions and responsibilities are completely independent of one another. Further, we believe that by participating in the Authority’s program, with our background and expertise in short term borrowing programs for schools in the State of Michigan, we are providing a service both to the State of Michigan and to the local school districts we represent.

In closing, we would also represent to your Board of Education that we do not believe that Section 1352 was intended to apply to a state aid note borrowing. However, for our firm to be as open and transparent as possible, we are going to operate as if that provision does in fact apply to this transaction. If you have any questions pertaining to the above, please contact this office immediately.

**CHECKLIST FOR SAN BORROWING**

**A**. **STEP ONE - Complete and Save Michigan Finance Authority (“MFA”) Application and Cash Flow**

The MFA Application form and cash flow are available on the MFA’s website at (select “State Aid Note Program (SAN)” under the “School” subsection of the “Finance Programs” section). If you are unable to obtain the Application form or cash flow from the MFA’s website, and need to have one sent to you, please contact the MFA (phone 517-335-0994). **THE MFA REQUIRES THAT SCHOOL DISTRICTS USE THE MFA’s CASH FLOW FORM.**

The MFA Application is a fillable Microsoft Word document, and the cash flow is a fillable Excel spreadsheet. To assist the MFA with processing the Application and cash flow, the MFA requests that you perform the following steps when completing those documents:

|  |
| --- |
| **MFA APPLICATION PROCEDURE** |
| 1. Complete the Application form and cash flow from MFA’s website by entering the required information. 2. Once completed, save the Word Application form and Excel cash flow on your computer. 3. Review and finalize the Application and cash flow with your Note Counsel at Thrun Law Firm. 4. **Once finalized, email the Application (the saved Word file) and cash flow (the saved Excel file) to Thrun Law Firm at: mfa@thrunlaw.com** 5. Print out one hard copy of the Application, to be signed by the appropriate school official, and cash flow and forward by mail to Thrun Law Firm (see below). |

**B. STEP TWO - Return Hard Copies of Documents to Thrun Law Firm**

To help our clients organize the documents that must be returned to Thrun Law Firm for filing with the MFA, we have compiled this checklist for your convenience:

|  |  |
| --- | --- |
| **RETURN TO THRUN LAW FIRM** | |
| U.S. Mail Address (including U.S. Mail overnight deliveries): P.O. Box 2575, East Lansing, Michigan 48826-2575 | All Other Shipping: 2900 West Road, Suite 400, East Lansing, Michigan 48823 |
| **MFA Application**  1. Page 1  ○ Are all boxes completed?  2. Page 2  ○ Are all questions/boxes completed?  3. Page 3  ○ Is Application signed?  4. Are the 2020/2021 and 2021/2022 budgets and MFA cash flow included with Application? | |
| **Cash Flow**  1. Are the boxes across the top of the cash flow completed?  ○ Does stated amount of the August 2021 Note match the note proceeds in monthly cash flow?  ○ Is the amount of the August 2021 Note equal to or less than amount listed in Exhibit A, item #2 of the authorizing resolution?  ○ For the “FY 2021 State Aid” amount, use the total amount of state aid for fiscal year 2020/2021 as reported in the Department of Education’s May 2021 state aid financial status report under “Current Year Allowances – Amount”.  ○ For the “Projected FY 2022 State Aid”, use the total amount of state aid for fiscal year 2021/2022 as reported in the budget approved or to be approved by the board of education.  2. Monthly cash flow  ○ Are the note proceeds in the month of August 2021?  ○ If the note is in the set-aside pool, are the correct set-asides reported from May to July (3 set-asides), March to July (5 set-asides) or January to July (7 set-asides)?  ○ Is there state aid in each month except September?  ○ **If the school district issued a state aid note in 2020, is the repayment of the 2020 note reflected in the cash flow?**  3. Weekly cash flow  ○ The weekly cash flow’s beginning and ending balances should correspond to the beginning and ending balances for the monthly cash flow for which it pertains in the “Balance Without 2021 Note Proceeds” line. | |
| **Resolution**  1. Are all blank lines filled in on page 1, including board meeting information, members in attendance and names of board members who moved and supported motion?  2. Is the vote recorded on the signature page?  3. Did the board secretary sign the signature page?  4. Exhibit A:  ○ Are all blank lines completed?  ○ The amount of state aid reported in item #1 should match the “Projected FY 2022 State Aid” reported in the box at the top of the cash flow.  5. Are special meeting documents included, if applicable?  6. **DO NOT COMPLETE OR SIGN ANY EXHIBITS/DOCUMENTS THAT FOLLOW EXHIBIT A.** | |
| **Budgets**  1. Included with materials?  2. Are they for fiscal years and 2020/2021 and 2021/2022?  3. Is the estimated fund balance for end of fiscal year 2021/2022 indicated? | |
| **Limited Tax Pledge Notice and Affidavit of Posting Notice;**  1. Are all blank lines filled in, and are both affidavits signed?  2. Does the meeting date in the Notice and the Affidavit match the date the authorizing resolution was adopted? | |

**WE WILL FILE THE APPROPRIATE DOCUMENTS WITH THE MFA**

**ON THE SCHOOL DISTRICT’S BEHALF**