

RESOLUTION NO. R-2024-013

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS, AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AUTHORIZING THE PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE; AND APPROVING OTHER MATTERS INCIDENTAL THERETO

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §
CITY OF BAY CITY §

WHEREAS, the City Council (the “City Council”) of the City of Bay City, Texas (the “City”) deems it advisable to issue certificates of obligation (the “Certificates”) of the City in accordance with the notice hereinafter set forth; and

WHEREAS, the City desires to authorize the preparation of a preliminary official statement (the “Preliminary Official Statement”) and notice of sale (the “Notice of Sale”) in anticipation of its issuance of the Certificates; and

WHEREAS, it is hereby found and determined that the meeting at which this resolution is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; NOW, THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS THAT:

Section 1. The findings, determinations, definitions and recitations set out in the preamble to this resolution are found to be true and correct and are hereby adopted by City Council and made a part hereof for all purposes.

Section 2. The City Secretary is hereby authorized and directed to cause to be published and posted in the manner required by law and in substantially the form attached hereto as Exhibit A, a notice of the City’s intention to issue the Certificates (the “Notice”).

Section 3. The Notice shall be published once a week for two (2) consecutive weeks in a newspaper that is of general circulation in the City, the date of the first publication to be at least forty-five (45) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates. In addition, the Notice shall be posted continuously on the City’s website for at least forty-five (45) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates.

Section 4. For the purposes of the Notice, the City hereby designates as self-supporting those public securities listed in the attached Exhibit B, the debt service on which the City currently pays from sources other than ad valorem tax collections. The City plans to continue to pay these

public securities based on this practice; however, there is no guarantee this practice will continue in future years.

Section 5. For purposes of section 1.150-2(d) of the Treasury Regulations, to the extent that an official intent to reimburse has not previously been adopted by the City, this resolution and the Notice serve as the City's official declaration of intent to reimburse itself from proceeds of the Certificates in the maximum principal amount and for expenditures paid in connection with the projects, each as set forth in Exhibit A hereof. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date the project to which such expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

Section 6. The City hereby authorizes the preparation and distribution of a Notice of Sale and Preliminary Official Statement relating to the Certificates and authorizes the Finance Director or the person performing the duties of the City Manager to approve the final form of and deem final the Preliminary Official Statement within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

Section 7. The City's financial advisor, USCA Municipal Advisors, LLC, and bond counsel, Bracewell LLP, are hereby authorized and directed to proceed with the necessary arrangements for the sale of the Certificates.

Section 8. The Mayor, the person performing the duties of the City Manager, Finance Director, City Secretary, and other officers and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this resolution.

Section 9. This resolution shall take effect immediately from and after its passage by the City Council.

Section 10. The notice and agenda relating to this meeting and heretofore posted by the City Secretary, and the posting thereof, are hereby authorized, approved, and ratified.

[Execution Page to Follow]

PASSED AND APPROVED on this the _____ day of _____, 2024
by the City Council of the City of Bay City, Texas.

The Honorable Robert K. Nelson, Mayor,
City of Bay City, Texas

ATTEST:

Jeanna Thompson, City Secretary
City of Bay City, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Bay City, Texas

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

(City of Bay City, Texas Resolution No. 2024-013)

NOTICE IS HEREBY GIVEN that the City Council of the City of Bay City, Texas (the “City”), will meet at City Hall, 1901 5th Street, Bay City, Texas 77414 at 6:00 p.m. on the 11th day of June, 2024, which is the time and place tentatively set for the final passage of an ordinance authorizing the issuance of a series of certificates of obligation (the “Certificates”) and such other action as may be deemed necessary to authorize the issuance of the Certificates, in the maximum aggregate principal amount not to exceed \$17,500,000, payable from ad valorem taxes and from a limited pledge of a subordinate lien on the surplus revenues of the City’s water and sewer system, bearing interest at any rate or rates not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council of the City at the time of issuance of the Certificates, and maturing over a period not to exceed thirty (30) years from the date of issuance, for the purposes of evidencing the indebtedness of the City for all or any part of the costs associated with (i) the design, construction, acquisition and equipment of water and sewer system improvements, including the rehabilitation of the City’s wastewater treatment plant, (ii) design, construction, acquisition and equipment of public safety facilities, including a new police station, and (iii) the costs of professional services incurred in connection therewith. The estimated combined principal and interest required to pay the Certificates on time and in full is approximately \$31,700,772. Such estimate is provided for illustrative purposes only and is based on an assumed interest rate of approximately 4.727%. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with the Certificates. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting in Resolution No. R-2024-013, dated March 26, 2024, which resolution is available from the City upon request) is \$8,690,050. Based on the City’s expectations, as of the date of this notice, the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting) on time and in full is approximately \$10,485,247.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY, this ___ day of _____, 2024.

Jeanna Thompson
City Secretary
City of Bay City, Texas

EXHIBIT B

SELF-SUPPORTING DEBT

\$70,725,951 Total Principal Amount Designated as Self-Supporting

The total principal amount of self-supporting debt is comprised of some or all of the debt from the following series of obligations:

Series Designation

- Tax and Revenue Certificates of Obligation, Series 2014
- Tax and Revenue Certificates of Obligation, Series 2016
- Tax and Revenue Certificates of Obligation, Series 2020
- General Obligation Refunding Bonds, Series 2021
- Tax and Surplus Revenue Certificates of Obligation, Series 2021A (CWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2021B (DWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2022A (CWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2022B (DWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2023A (CWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2023B (DWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2024A (CWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2024B (DWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2024C (DWSRF)
- Tax and Surplus Revenue Certificates of Obligation, Series 2024D (DWSRF)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §

I, the undersigned officer of the City Council of the City of Bay City, Texas, hereby certify as follows:

1. The City Council of the City of Bay City, Texas, convened in a regular meeting on the 26th day of March, 2024, at the regular meeting place thereof, within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Robert K. Nelson	Mayor
Benjamin Flores	Council Member, Position No. 1
James Folse	Council Member, Position No. 2
Brad Westmoreland	Council Member, Position No. 3
Becca Sitz	Council Member, Position No. 4
Blayne Finlay	Mayor Pro Tem and Council Member, Position No. 5

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

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was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

_____ Member(s) of City Council shown present voted "Aye."

_____ Member(s) of City Council shown present voted "No."

_____ Member(s) of City Council shown present abstained from voting.

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said

resolution has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this _____ day of _____, 2024.

[SEAL]

City Secretary
City of Bay City, Texas