

ORDINANCE NO. 2023-1166
ORDINANCE PRELIMINARILY AUTHORIZING THE ISSUANCE
OF GENERAL OBLIGATION WARRANTS AND VALIDATION
PROCEEDINGS IN CONNECTION THEREWITH

WHEREAS, the City Council of Boaz, Alabama (the “City Council”) has found and determined that it will be in the best interests of the City of Boaz, Alabama (the “City”) and the residents thereof, subject to the conditions contained in this resolution, to issue its General Obligation Warrants, Series 2023-A (the “Series 2023-A Warrants”), the proceeds of which shall be used to pay for the acquisition, construction, and equipping of one or more of the following capital improvement projects being site grading, paving, utility relocation, new asphalt, parking lot lighting, sidewalks, decorative lighting, new roundabout and public road improvements to and from said roundabout, new pavilions, retention pond, fencing, curb and gutter (generally referred to as the “Boaz Commons Project”), new baseball/softball field improvements constituting redesign and repair and construction of pickleball courts (generally referred to as the “Recreational Improvements”), public road improvements, and/or other capital improvements (collectively the “Series 2023-A Improvements”). The City also plans to issue its General Obligation Warrants, Series 2023-B (Federally Taxable) (the “Series 2023-B Warrants”), the proceeds of which shall be used to finance parking areas to be located in front of retail sites located at the Boaz Commons Project and/or other capital improvements (collectively, the “Series 2023-B Improvements”). The Series 2023-A Warrants and Series 2023-B Warrants are collectively referred to herein as the “Series 2023 Warrants”).

WHEREAS, the Series 2023 Warrants will be issued under the terms of a warrant ordinance to be adopted by the City at a later date (the “Warrant Ordinance”).

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOAZ, ALABAMA as follows:

1. Subject to the conditions contained in this resolution, the governing body does hereby approve the issuance of the Series 2023-A Warrants in an aggregate principal amount not to exceed \$11,500,000 and Series 2023-B Warrants in an aggregate principal amount not to exceed \$1,500,000. The Series 2023 Warrants shall be issued under the Warrant Ordinances (draft copies of which are attached to this ordinance and shall be made a part of the minutes of this meeting in substantially similar form expected to be adopted by the governing body of the City once final sale terms for the Warrants are finalized). The Warrants shall be general obligations of the City secured by its full faith and credit. The Warrant Ordinance provides that the proceeds from the sale of the Series 2023-A Warrants shall be used to finance the Series 2023-A Improvements and that the proceeds from the sale of the 2023-B Warrants shall be used to finance the Series 2023-B Improvements. Other proceeds of the Series 2023 Warrants may be used to pay the expenses of issuing the Series 2023 Warrants.

2. The Series 2023 Warrants shall bear interest at fixed or variable rates that will be determined at the time of the sale of the Warrants; provided however, the maximum interest rate on the Series 2023-A Warrants shall not exceed 5.00% per annum and the maximum interest rate on the Series 2023-B Warrants shall not exceed 7.00%. Interest on the Series 2023 Warrants shall

be payable semiannually on dates to be set forth in the Warrant Ordinance. The principal of the Series 2023 Warrants shall be payable in installments and in such amounts as shall be approved by the governing body of the City prior to the issuance of the Series 2023 Warrants. The final maturity of the Series 2023 Warrants shall be no later than thirty (30) years after the issuance date of the Series 2023 Warrants.

3. The Series 2023 Warrants shall be subject to redemption in whole or in part, at the option of the City, in the manner and subject to the terms and conditions provided in the Warrant Ordinance. The redemption dates and redemption prices shall be determined prior to the sale and issuance of the Series 2023 Warrants and shall be consistent with the requirements of Alabama law.

4. The City Council shall approve by subsequent ordinance such other matters and documents as may be necessary, appropriate or helpful in connection with the sale and issuance of the Series 2023 Warrants. In anticipation of the sale and issuance of the Series 2023 Warrants the Mayor, all members of the City Council, the attorney for the City ("City Counsel"), Bond Counsel for the City (defined below), and any other officers of the City are each hereby authorized and directed to do and perform or cause to be done and performed in the name and on behalf of the City such other acts, to pay or cause to be paid on behalf of the City such reasonable and necessary related costs and expenses, and to execute and deliver or cause to be executed and delivered in the name and on behalf of the City such other notices, requests, demands, directions, consents, approvals, orders, applications, certificates, agreements, further assurances, or other instruments or communications, under the official seal of the City, or otherwise, as they or any of them may deem necessary, advisable, or appropriate in order to (i) carry into effect the intent of the provisions of this ordinance, or (ii) demonstrate the validity of the Series 2023 Warrants, and the exemption of interest on the Series 2023-A Warrants from federal and State of Alabama income taxation.

5. The City Council hereby authorizes Maynard Cooper & Gale, P.C., in its capacity as bond counsel ("Bond Counsel") on behalf of the City, to file a validation petition pursuant to Sections 6-6-750, et seq. of the Recompiled Code of Alabama, 1975, in connection with the proposed issuance of the Series 2023 Warrants and the security therefor. The Mayor of the City, City Council, City Attorney, and/or Bond Counsel are each hereby separately authorized to take such action and to participate in any proceedings necessary or convenient to effectuate the validation of said Series 2023 Warrants and the security therefor.

6. The City Council hereby engages Raymond James & Co., Inc. (the "Underwriter"), to serve as underwriter for the offering of the Series 2023 Warrants and hereby authorizes and instructs Bond Counsel to participate with said Underwriter in the offering of the Series 2023 Warrants, to prepare a Preliminary Official Statement and such other documents necessary or convenient to solicit proposals from various rating agencies and/or credit enhancement providers in connection with the Warrants and to report said findings to the governing body of the City.

7. The City plans to issue the Series 2023 Warrants pursuant to Article IV, Section 94.01 of the Alabama Constitution and hereby authorizes Bond Counsel to coordinate with the City to conduct a public hearing required by said constitutional provision and any other public notices or hearings required by said constitutional provision and/or bond validation proceeding.

Adopted this 13th day of February, 2023.

Mayor

ATTEST:

City Clerk