RESOLUTION #2020 - 47

DIRECTING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AND RESOLVING OTHER MATTERS RELATED TO THE SUBJECT

WHEREAS, this City Council deems it advisable to give notice of intention to issue certificates of obligation of the City of Commerce, Texas, as hereinafter provided; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed, was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; Now, Therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS:

Section 1. Attached hereto is a form of the Notice of Intention to issue Certificates of Obligation (the "Notice"), the form and substance of which is hereby adopted and approved.

Section 2. The City Secretary shall cause said notice to be published in substantially the form attached hereto, in a newspaper, as defined by Subchapter C, Chapter 2051, Texas Government Code, of general circulation in the area of the City, once a week for two (2) consecutive weeks, the date of the first publication thereof to be before the forty-fifth (45^{th}) day before the date tentatively set for the adoption of the ordinance authorizing the issuance of the Certificates of Obligation as shown in the Notice.

Section 3. The City Secretary shall cause said notice to be posted in substantially the form attached hereto, on the City's internet website for at least forty-five (45) days before the date tentatively set for the adoption of the ordinance authorizing the issuance of the Certificates of Obligation as shown in the Notice.

Section 4. Attached hereto as Schedule I is a list of outstanding debt obligations of the City which the City hereby designates as self-supporting debt for purposes of Texas Local Government Code, Subchapter C of Chapter 271, as amended.

Section 5. The City expects to pay, or have paid on its behalf, expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit A hereto (the "Projects") prior to the issuance of the Certificates of Obligation described herein as tax-exempt obligations. This Resolution is intended to establish official intent to reimburse the City for such costs of the Projects all as set forth in section 1.150-2 of the United States Treasury Regulations.

Section 6. This Resolution shall become effective immediately upon adoption.

ATTEST: CITY OF COMMERCE, TEXAS

Molly Jacobsen

Molly Jacobsen, City Secretary

Wyman Williams

Wyman Williams, Mayor

(seal)

APPROVED AS TO FORM:

Charles Anderson, City Attorney

SCHEDULE I

CITY OF COMMERCE, TEXAS
Self-Supporting Debt

The City designates all or a portion of the following outstanding debt obligations of the City as self-supporting debt for purposes of Texas Local Government Code, Subchapter C of Chapter 271, as amended.

Combination Tax & Revenue Certificates of Obligation, Series 2007

Combination Tax & Revenue Certificates of Obligation, Series 2010A

Combination Tax & Revenue Certificates of Obligation, Taxable Series 2010B

Combination Tax & Revenue Certificates of Obligation, Series 2010C

General Obligation Refunding Bonds, Series 2017

EXHIBIT A

CITY OF COMMERCE, TEXAS
NOTICE OF INTENTION TO ISSUE
CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Commerce, Texas, at its meeting to commence at 6:00 P.M. on February 16, 2021, at the City Council Chamber at City Hall, 1119 Alamo Street, Commerce, Texas, tentatively proposes to adopt one or more ordinances authorizing the issuance of interest bearing certificates of obligation, in one or more series, in an amount not to exceed $3,750,000 for paying all or a portion of the City's contractual obligations incurred in connection with: (i) constructing, improving, extending, expanding, upgrading the City's water and sewer system (the "System"), including, making repairs to the City's water treatment plant, (ii) reconstruction and rehabilitation of existing streets in the City, including any required utility relocations, landscaping, sidewalks, traffic safety and operational improvements, drainage and other costs related thereto, (iii) the acquisition and installation of public safety equipment for the police and fire departments, including the purchase of equipment for public safety vehicles, and repairs to existing fire stations and (iv) paying legal, fiscal, engineering and architectural fees in connection with these projects. The City proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the City as provided by law and from a pledge of surplus revenues of the System that remain after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the System. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended.

In accordance with the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended ("Chapter 271"), the following information has been provided by the City: (i) the principal amount of all outstanding debt obligations of the City is $7,499,881; (ii) the current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is $9,835,236 (clauses (i) and (ii) exclude debt service for $6,196,000 principal amount of outstanding debt obligations the City has designated as self-supporting and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations); (iii) the maximum principal amount of the certificates of obligation to be authorized is $3,750,000; (iv) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is $4,715,117; (v) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (vi) the maximum maturity date of the certificates of obligation to be authorized is February 15, 2040.

CITY OF COMMERCE, TEXAS