Resolution No. 2016-03

RESOLUTION AUTHORIZING ISSUANCE OF UP TO $6,750,000 OF UTILITY REVENUE REFUNDING WARRANTS OF THE CITY OF BRUNDIDGE WITHIN DEFINED PARAMETERS:

The City Council (the "Council") of the City of Brundidge, Alabama (the "City"), does hereby determine and declare as follows:

(a) The City has heretofore issued its Utility Revenue Warrants, Series 2005, originally issued in the aggregate principal amount of $7,785,000 and presently outstanding in the aggregate principal amount of $6,605,000 (the "Refunded Warrants").

(b) To realize present value savings due to reduced interest rates and to achieve cash flow improvement for the City, it is necessary, advisable, and in the public interest that the City currently refund all of the Refunded Warrants.

(c) The City is not in default on the payment of the principal of and the interest on the Refunded Warrants.

(d) Pursuant to applicable law the City is authorized to issue its warrants in order to refund outstanding indebtedness of the City.

(e) It is necessary, advisable, and in the interest of the public that the City issue its Utility Revenue Refunding Warrants, Series 2015 (the "Warrants") to refund the Refunded Warrants and to pay costs of issuance and sale of such Warrants.

(f) Having determined that it is necessary to proceed with the issuance of the Warrants for the foregoing purposes, the Council finds it in order to direct its professional advisors to prepare for sale of the Warrants and, upon determination of proposed final pricing information with respect to the Warrants within the parameters herein provided, to authorize the Mayor to enter into an agreement for the issuance and sale of the Warrants with Thornton Farish, Inc., as Underwriter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRUNDIDGE, ALABAMA, as follows:

Section 1. Thornton Farish, Inc. (the "Underwriter"), with the assistance of Capell & Howard, P.C. ("Bond Counsel"), and Calhoun, Faulk, Curtis & Faircloth, L.L.C. ("Issuer's Counsel"), is authorized and directed to prepare for the issuance and sale of the Warrants by the City within the following parameters (the "Parameters"):

(a) The aggregate principal amount of the Warrants shall not exceed $6,750,000.

(b) The stated final maturity of the Warrants shall not be later than December 1, 2031.

(c) The net interest cost ("NIC") of the Warrants shall not exceed 3% and the maximum coupon rate of any Warrant shall not exceed 3.5%.

(d) The Warrants shall be limited obligations of the City payable solely from and secured by a pledge of the net revenues from the City's water, sewer and electric system, on a parity of lien with any warrants hereafter issued under the trust indenture pursuant to which the Warrants will be issued.

(e) The Warrants shall be issued on a tax-exempt basis, in compliance with any applicable provision of the Internal Revenue Code of 1986, as amended.

Section 2. The officials of the City, with the assistance of Bond Counsel and the Underwriter, are authorized and directed to prepare a preliminary official statement with respect to the Warrants, and their prior actions in connection with such preliminary official statement are hereby approved and ratified. The preliminary official statement shall be in substantially the form reviewed by the Council, with such changes as the officials of the City shall deem necessary or appropriate to cause the information presented therein to be correct. The Underwriter is authorized and directed to distribute such preliminary official statement on behalf of the City Council.

Section 3. The Mayor is authorized to enter into an agreement on behalf of the City with the Underwriter providing for the issuance and sale of the Warrants upon terms agreed between the parties within the Parameters set forth in Section 1 hereof. The agreement shall contain the principal amount of the Warrants to be issued, a schedule of the maturities of the Warrants, the interest rates borne by the Warrants, provisions for the early call and redemption of the Warrants, and other customary provisions.

Section 4. The Underwriter, Bond Counsel, and Issuer's Counsel are authorized and directed to assist with preparation for issuance and sale of the Warrants, and Bond Counsel is directed to proceed with the preparation of the documentation necessary for such issuance and sale and the performance of the actions necessary for the consummation of the transactions herein described.

Section 5. This resolution shall take effect immediately upon its adoption.

ADOPTED this 3rd day of November, 2015.

James T. Ramage, III
Mayor

ATTEST:

Britt Thomas
City Manager/Clerk

I the undersigned qualified and acting clerk of the City of Brundidge, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the Council of the City of Brundidge, at a regular meeting held November 3, 2015, and that such Resolution is on file in the City Clerk's office.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the City of Brundidge this the 3rd day of November, 2015.

Britt Thomas

Britt Thomas, City Clerk/Manager