

**MINUTES FROM A WORK SESSION OF THE
COUNCIL OF MUSCLE SHOALS, ALABAMA, HELD**

July 17, 2023

The City Council of Muscle Shoals, Alabama met at the Muscle Shoals City Hall auditorium in said City at 5:00 p.m. on the 17th day of July 2023. The following members were found to be present or absent, as indicated:

PRESENT: CHRIS HALL, GINA CLARK, WILLIS THOMPSON, KEN
SOCKWELL, DAVID MOORE

ABSENT: NONE

Ken Sockwell, Council President, presided at the meeting. Mayor Mike Lockhart was also present. Brittney Walker, Finance Officer, and Kate McCollister, Administrative Assistant/Marketing, were present and kept the minutes of the meeting.

The City Council interviewed the following applicants for the position on the Utilities Board in the City Hall Conference Room before beginning the work session in the auditorium: Lisa Claunch and Joe Underwood. One applicant did not attend the interviews.

Upon completion of the interviews, the City Council reconvened their work session in the auditorium at 5:40 p.m.

Mayor Lockhart discussed the contract with Place Associates, LLC and LVL Design Consulting, LLC. The Mayor expressed that we would need help navigating next steps after the comprehensive plan process.

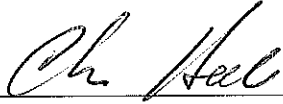
Johnny Dill of The Frazier Lanier Company discussed the bond rating with the Mayor and Council. He explained that the City of Muscle Shoals is a AA3 rating.

Jalen Johnson, Director of Human Resources, discussed changes to three job descriptions with the Mayor and Council. The Essential Functions of the City Clerk, Finance Officer, and HR Director were reviewed and revised as necessary.

Jason Jones, Building Planning Officer, discussed the unpaid business licenses for 2022/2023 with the Mayor and Council. There were two local businesses that have not yet paid.

Robert Eaton discussed access to the Muscle Shoals Parks and Recreation gyms for pickle ball. He requested increasing the hours of access at MSPR Gym 3 to accommodate pickle ball players who work during the day and are available in the afternoon.

CITY OF MUSCLE SHOALS, ALABAMA
A Municipal Corporation



COUNCIL MEMBER – PLACE ONE



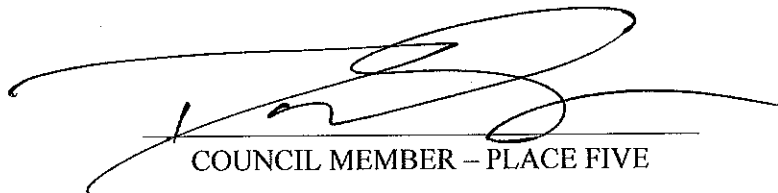
COUNCIL MEMBER – PLACE TWO



COUNCIL MEMBER – PLACE THREE

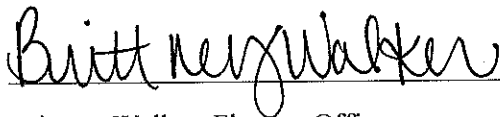


COUNCIL MEMBER – PLACE FOUR



COUNCIL MEMBER – PLACE FIVE

ATTEST:



Brittney Walker, Finance Officer



Kate McCollister, Administrative Assistant/Marketing

AYES: All
NAYS: None

President Sockwell announced that the next item of business was consideration of approving the resolution to approve an increase in issuance fee for all permits. Council Member Moore made a motion to approve the resolution; Council Member Hall seconded that motion.

RESOLUTION NUMBER 3271-23

WHEREAS, the City Council of the City of Muscle Shoals has reviewed the costs for the issuance of permits and has reviewed the following proposal for the increase of the issuance fee for permits; and

WHEREAS, the City Council of the City of Muscle Shoals deems it beneficial, economical and expedient that action be taken to approve and authorize an increase in said issuance fee for the permits;

WHEREAS, the fees for the building permits shall remain the same and shall be in addition to the issuance fee herein set out;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Muscle Shoals does hereby authorize and approve the following issuance fees for building permits:

Residential

Issue Fee:	Building	\$10.00
	Plumbing	\$10.00
	Electrical	\$10.00
	Mechanical	\$10.00
	Gas	\$10.00
	Pool	\$10.00

Inspections Outside of business hours [2hr minimum]	\$25.00 per hour
RE-Inspection fees [based on inspectors' judgement]	\$25.00

Commercial

Issue Fee:	Building	\$10.00
	Plumbing	\$10.00
	Electrical	\$10.00
	Mechanical	\$10.00
	Gas	\$10.00

Inspections Outside of business hours [2hr minimum]	\$25.00 per hour
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Chris Hall
Gina Clark
David Moore
Ken Sockwell

Absent: None

The Finance Officer was also present. The Council President stated that a quorum was present and that the meeting was open for the transaction of business.

Councilmember Thompson moved for unanimous consent of the Council to suspend the rules of procedure to allow for the immediate consideration of the following Ordinance:

Ordinance No. 1555-23

**AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, DELIVERY, AND PAYMENT OF
\$6,860,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION WARRANTS,
SERIES 2023, TO BE DATED August 1, 2023**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MUSCLE SHOALS,
ALABAMA, AS FOLLOWS:

Section 1. Definitions and Use of Phrases.

The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

"Authorized Denominations" means with respect to all Warrants the amount of \$5,000 and any integral multiple thereof for each maturity.

"Authorizing Ordinance" means this ordinance authorizing the issuance of the Warrants.

agreement by whatsoever name or identification with respect to the Warrants between said parties from time to time in effect.

"City" means the City of Muscle Shoals, Alabama, a municipal corporation under the laws of the State of Alabama, and any successor to its functions.

"Original Ordinance" means Ordinance No. 1039, adopted by the Board of Commissioners of the City on June 25, 1984.

"Parity Warrants" means collectively the City's outstanding (1) General Obligation Warrants, Series 2021-A, dated May 5, 2021 (the "Series 2021-A Warrants"), (2) General Obligation Warrants, Series 2021-B, dated May 5, 2021 (the "Series 2021-B Warrants"), (3) General Obligation Warrants, Series 2018, dated February 28, 2018 (the "Series 2018 Warrants"), and (4) General Obligation Taxable Warrants, Series 2015-B, dated June 1, 2015 (the "Series 2015-B Warrants")

"Parity Obligations" means those bonds, warrants or other obligations of the City authorized to be issued as Additional Parity Securities equally and ratably and on a parity of lien with the Warrants and the Parity Warrants with respect to the pledge of the Sales Tax, subject to the terms and conditions of the Parity Ordinance.

"Parity Ordinance" means collectively the Original Ordinance, as amended and supplemented by the ordinances authorizing the Parity Warrants and this Authorizing Ordinance.

"Qualified Investments" shall mean:

- (1) Government Obligations; or
- (2) Eligible Certificates; or
- (3) Money market funds customarily utilized by the Depository for the investment of public funds and rated "AA-m" or "AAM-G" or better by Standard & Poor's Rating Group.

"Record Date" means, with respect to the Warrants, that date which is 15 calendar days before any date on which interest is due and payable on the Warrants.

"Sales Tax" means that gross receipts tax levied pursuant to Ordinance No. 1011 adopted by the governing body of the City on March 18, 1980, as amended, against persons, firms or corporations, engaged or continuing within the corporate limits of the City of Muscle Shoals, Alabama in the business of selling at retail or storing, using or otherwise consuming any tangible personal property whatsoever, or the business of operating places of amusement or entertainment,

"Warrants" or "Series 2023 Warrants" means the City's \$6,860,000 principal amount of General Obligation Warrants, Series 2023, to be dated the date of delivery authorized hereunder.

"Warrant Fund" means the Warrant Fund for the Series 2023 Warrants.

"Warrant Register" means the register or registers for the registration and transfer of Warrants maintained by the City pursuant to Section 3(e).

"Warrant Registrar" means the agent of the City appointed as such pursuant to Section 3(e) for the purpose of registering Warrants and transfers of Warrants.

The definitions set forth in this section shall be deemed applicable whether the words defined are used herein in the singular or the plural. Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings and Representations.

The City, by and through its City Council, does hereby find, determine, represent, and warrant as follows:

(a) It is necessary and in the best public interest for the City to issue the Series 2023 Warrants for the purposes of (1) acquiring, constructing, and equipping certain capital improvements within the City (the "Series 2023 Improvements"), and (2) paying issuance expenses.

(b) The assessed valuation of the taxable property in the City for the preceding fiscal year ending September 30, 2022 (including motor vehicles) is not less than \$290,313,830, and the total indebtedness of the City (including the Warrants) chargeable against the debt limitation for the City prescribed by the Constitution of the State of Alabama will not be more than twenty percent of said assessed valuation.

(c) The City has levied and is presently collecting the Sales Tax. The levy and collection of the Sales Tax at rates not less than those currently levied is hereby ratified, confirmed and approved through the final maturity of the Warrants and the Parity Warrants.

(d) The Sales Tax has not heretofore been pledged for the benefit of any outstanding bonds, notes, warrants or other obligations of the City other than the Parity Warrants heretofore issued.

(e) The Warrants will be payable from the Sales Tax on a parity of lien with the Parity Warrants.

(f) The City is not in default under any Parity Ordinance.

(c) Book-Entry System

(i) The Warrants shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of any Warrant to any person. One Warrant for each maturity of such series will be issued, registered in the name of the Securities Depository Nominee, and immobilized in the custody of the Securities Depository. Beneficial ownership interests in Warrants held by the Securities Depository may be purchased by or through Direct Participants. The holders of these beneficial ownership interests in such Warrants are referred to as the "Beneficial Owners." The Beneficial Owners will not receive certificated warrants representing their beneficial ownership interests. Ownership of the interests in Warrants in Authorized Denominations will be evidenced on the records of the Securities Depository and the Direct Participants and Indirect Participants pursuant to rules and procedures established by the Securities Depository. During a period in which the Book-Entry System is in effect for the Warrants, the City and the Depository shall treat the Securities Depository or the Securities Depository Nominee as the only registered owner of such Warrants for all purposes under the Ordinance, including, without limitation, receipt of all principal of, premium (if any) and interest on the Warrants, receipt of notices, voting, and requesting or directing the Depository or City to take or not to take, or consenting to, certain actions under the Ordinance. In the event the Securities Depository or the Securities Depository Nominee assigns its rights to consent or vote under the Ordinance to any Direct Participant or Indirect Participant, the City and the Depository shall treat such assignee or assignees as the only registered owner or owners of the Warrants of such series for the purpose of exercising such rights so assigned.

(ii) During a period in which the Book-Entry System is in effect for the Warrants, payments of principal and interest, with respect to such Warrants will be paid by the Depository directly to the Securities Depository, or the Securities Depository Nominee, as Holder, and as provided in the Letter of Representations; provided, that payment of the principal of such Warrants due at final maturity of such Warrants shall be made only upon surrender thereof at the designated office of the Depository. The Securities Depository and the Direct Participants and the Indirect Participants shall be responsible for the disbursement of such payments to the Beneficial Owners. All such payments to the Securities Depository or the Securities Depository Nominee, as Holder, of principal of, and interest on such Warrants on behalf of the City or the Depository shall be valid and effectual to satisfy and discharge the liability of the City and the Depository to the extent of the amounts so paid, and the City and the Depository shall not be responsible or liable for payment to any Beneficial Owner by the Securities Depository or by any Direct Participant or by any Indirect Participant, or for sending transaction statements or for maintaining, supervising or reviewing records maintained by the Securities Depository or Direct Participants or Indirect Direct Participants.

(iii) Transfers of ownership interests in the Warrants by the Beneficial Owners thereof, and conveyance of notices and other communications by the Securities Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners of the Warrants, will be governed by arrangements among the Securities Depository, Direct Participants, Indirect Participants and the Beneficial Owners, subject to any statutory and regulatory requirements as may be in effect from time to time. For every transfer and exchange of beneficial ownership in such Warrants, the Beneficial Owners

(i) The Warrants may be issued in certificated form, and not pursuant to a Book-Entry System, in accordance with the provisions hereof.

(ii) The Securities Depository may determine to discontinue the Book-Entry System with respect to the Warrants at any time upon notice to the City and the Depository and upon discharge of its responsibilities with respect thereto under applicable law. Upon such notice and compliance with law the Book-Entry System for such Warrants will be discontinued unless a successor securities depository is appointed by the City.

(iii) In the event the Book-Entry System for the Warrants is discontinued, Warrants in certificated form in Authorized Denominations will be physically distributed to the Beneficial Owners thereof and such Warrants will be registered in the names of the owners thereof on the registration books of the Depository pertaining thereto, and the Depository will make payments of principal of, premium (if any) and interest on such Warrants to the registered owners thereof as provided in the Warrants and this ordinance and the following provisions with respect to registration, transfer and exchange of such Warrants by the registered owners thereof shall apply:

(1) Each of the Warrants may be transferred by the Holder thereof or his duly authorized attorney, only on the Warrant Register upon surrender of such Warrant to the Warrant Registrar for cancellation. Upon surrender for transfer of any Warrant, the City shall execute, and the Depository shall authenticate, register and deliver, in the name of the designated transferee or transferees, one or more new Warrants of any Authorized Denominations and in a principal amount equal to the unpaid or unredeemed portion of the principal of the Warrant so presented.

(2) At the option of the Holder, Warrants may be exchanged for other Warrants of the same series, of any Authorized Denomination and of a like aggregate principal amount, upon surrender of the Warrants to be exchanged at a designated corporate office of the Warrant Registrar. Whenever any Warrants are so surrendered for exchange, the City shall execute, and the Depository shall authenticate, register and deliver, the Warrants which the Holder making the exchange is entitled to receive.

(3) All Warrants surrendered upon any exchange or transfer provided for in this Ordinance shall be canceled.

(4) All Warrants issued upon any transfer or exchange of Warrants shall be the valid obligations of the City and be entitled to the same security and benefits under this Ordinance as the Warrants surrendered upon such transfer or exchange.

(5) Every Warrant presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer in form satisfactory to the City and the Warrant Registrar duly executed by the Holder thereof or his attorney duly authorized in writing.

Section 4. Redemption of Warrants.

(a) Optional Redemption.

The Series 2023 Warrants maturing on August 1, 2034 and thereafter are subject to redemption, in whole or in \$5,000 multiples, on August 1, 2033 or any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium or penalty.

(b) Mandatory Redemption

(a) The Series 2023 Warrants with a stated maturity on August 1, 2041 (the "2041 Term Warrants") are required to be redeemed on August 1, 2039 and August 1, 2040 in the following principal amounts (with those to be redeemed to be selected by the Depository) at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without premium or penalty:

<u>Year</u>	<u>Principal Amount to be Mandatorily Redeemed</u>
2039	\$305,000
2040	320,000

The remainder of the 2041 Term Warrants in principal amount of \$330,000 will mature on August 1, 2041.

(b) The Series 2023 Warrants with a stated maturity on August 1, 2043 (the "2043 Term Warrants") are required to be redeemed on August 1, 2042 in the principal amount of \$345,000 (with those to be redeemed to be selected by the Paying Agent) at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without premium or penalty. The remainder of the 2043 Term Warrants in the principal amount of \$360,000 will mature on August 1, 2043.

(c) The Series 2023 Warrants with a stated maturity on August 1, 2048 (the "2048 Term Warrants") are required to be redeemed on August 1 in the following years and principal amounts

registered or certified mail not less than 30 days prior to the proposed redemption date to the registered owner of each Warrant, all or a portion of the principal of which is to be redeemed, at the address thereof as it last appears on the registration books of the Depository pertaining to the Warrants. Notice having been so given and payment of the redemption price duly made or provided, Warrants (or portions thereof) so called for redemption shall cease to bear interest from and after the redemption date unless default is made in the payment of the redemption price.

Section 5. Form of Warrants.

The form of the Series 2023 Warrants and the requisite certificates thereof shall be substantially as follows:

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF MUSCLE SHOALS
GENERAL OBLIGATION WARRANT
SERIES 2023**

No. R _____
\$ _____

MATURITY DATE:

August 1, 20__

INTEREST RATE:

CUSIP:

_____%

The CITY OF MUSCLE SHOALS, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted to CEDE & CO. or registered assigns in the principal sum of

_____ DOLLARS (\$ _____)

and hereby orders and directs the Finance Officer of the City to pay to said payee or registered assigns solely from the Fund hereinafter designated said sum on the Maturity Date specified above, and to pay from said Fund interest on said sum from the date hereof at the per annum Interest Rate specified above, payable on February 1 and August 1 in each year, first interest payable on February 1, 2024. Interest shall be computed on a 360-day year with twelve months of thirty days each. The principal of and interest on this Warrant are payable in lawful money of the United States of America, at par and without deduction for exchange or costs of collection. The principal of and premium (if any) on this Warrant, shall be payable only upon presentation and surrender of this Warrant at the designated office of The Bank of New York Mellon Trust Company, N.A, Jacksonville, Florida (the "Depository"). Subject to the requirements of the Book-Entry System

described Warrants will be registered in the names of the owners thereof on the registration books of the Depository pertaining thereto, the Depository shall make payments of principal of and interest on the Warrants to the registered owners thereof as provided in the Warrants and the Authorizing Ordinance, and the provisions of this warrant and of the Authorizing Ordinance with respect to registration, transfer and exchange of warrants by the registered owners thereof shall apply.

The City has established in the Authorizing Ordinance a special fund designated "Series 2023 General Obligation Warrants Fund" for the payment of the principal of, premium, if any, and interest on the Warrants and has obligated itself to pay or cause to be paid into said Fund from the Sales Tax or other taxes, revenues or other funds of the City sums sufficient to provide for the payment of the principal of, premium, if any, and interest on the Warrants as the same mature and come due.

The Series 2023 Warrants maturing on August 1, 2034 and thereafter are subject to redemption, in whole or in \$5,000 multiples, on August 1, 2033 or any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium or penalty.

The Series 2023 Warrants with a stated maturity on August 1, 2041 (the "2041 Term Warrants") are required to be redeemed on August 1, 2039 and August 1, 2040 in the following principal amounts (with those to be redeemed to be selected by the Depository) at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without premium or penalty:

<u>Year</u>	<u>Principal Amount to be Mandatorily Redeemed</u>
2039	\$305,000
2040	320,000

The remainder of the 2041 Term Warrants in principal amount of \$330,000 will mature on August 1, 2041.

The Series 2023 Warrants with a stated maturity on August 1, 2043 (the "2043 Term Warrants") are required to be redeemed on August 1, 2042 in the principal amount of \$345,000 (with those to be redeemed to be selected by the Paying Agent) at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without premium or penalty. The remainder of the 2043 Term Warrants in the principal amount of \$360,000 will mature on August 1, 2043.

appears on the registration books of the Depository pertaining to the Warrants. Notice having been so given and payment of the redemption price duly made or provided, Warrants (or portions thereof) so called for redemption shall cease to bear interest from and after the redemption date unless default is made in the payment of the redemption price.

The Warrants are issuable only as fully registered Warrants in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Authorizing Ordinance for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denomination, all upon the terms and subject to the conditions set forth in the Authorizing Ordinance with respect thereto.

If the Book-Entry System is not in effect, then the Warrants may be transferred by the registered owner in person or by authorized attorney, only on the books of the Depository and only upon surrender of the Warrant to the Depository for cancellation with a written instrument of transfer acceptable to the Depository executed by the registered owner or his duly authorized attorney, and upon any such transfer, a new Warrant of like tenor shall be issued to the transferee in exchange thereof. Each registered owner, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that insofar as the City and the Depository are concerned, this Warrant may be transferred only in accordance with the provisions of the Authorizing Ordinance.

Provision is made in the Authorizing Ordinance for the replacement of any Warrant which shall be or become mutilated, lost, stolen or destroyed by the issuance, authentication and registration of a new Warrant of like tenor, subject, however, to the terms, conditions and limitations contained in the Authorizing Ordinance with respect thereto.

The Depository shall not be required to transfer or exchange any Warrant during the period of fifteen days next preceding any February 1 or August 1; and in the event that any Warrant (or any principal part thereof) is duly called for redemption and prepayment, the Depository shall not be required to register or transfer any such Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption or prepayment. No charge shall be made for the privilege of transfer, but the registered owner of any Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description, that this Warrant has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this Warrant, and the adoption of the Authorizing Ordinance have happened, do exist and have been performed as so required and that the principal amount of this Warrant, together with all other indebtedness of the City, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this Warrant to be manually executed in its name and on its behalf by its Mayor and manually attested by its City Clerk, who has signed this

ASSIGNMENT

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within Warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within mentioned Depository.

Dated this _____ day of _____, 20__.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank, Broker or Firm*)

By: _____

Its: _____

Medallion Number: _____

- * Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Section 6. Execution of the Warrants, Registration Certificate and Authentication and Registration Certificate.

(ii) On or before July 25, 2023, and on or before the 25th day of each July thereafter, to and including July 25, 2048, an amount equal to the principal amount coming due or subject to mandatory redemption on the next ensuing principal payment or mandatory redemption date, the first such principal payment date being August 1, 2024.

(b) If on any principal or interest payment date the balance in the Warrant Fund is insufficient to pay the principal of, premium, if any, and interest on the Warrants due and payable on such date, the City shall forthwith pay any such deficiency into the Warrant Fund.

(c) The City and the Depository shall cause all money deposited in the Warrant Fund to be applied to the payment of principal or interest on the Warrants within thirteen months from the date of such deposit and shall cause all income and profits received from the investment of money in the Warrant Fund to be applied to the payment of principal or interest on the Warrants within twelve months from the date of receipt of such income or profits.

(d) Income and profits received from any investment of money in the Warrant Fund shall be credited against the deposit next required to be made into the Warrant Fund.

Section 9. Pledge of Sales Tax.

(a) There is hereby appropriated and ordered segregated and the City hereby irrevocably pledges, on a parity of lien with the Parity Warrants, to the punctual payment of the principal of, premium, if any, and interest on the Warrants, so much as may be necessary of the proceeds of the Sales Tax. The City hereby covenants and agrees, so long as any of the Warrants are outstanding, as a part of the contract whereunder the money is borrowed and the Warrants issued, to continue to levy and collect the Sales Tax, to pay into the Warrant Fund, and to apply to the payment of the principal and interest on the Warrants, on a parity of lien with the Parity Warrants, the proceeds of the Sales Tax so pledged. The City represents that upon the issuance of the Warrants there will be no lien, encumbrance, pledge or assignment on or of the proceeds of the Sales Tax except for the benefit of the Warrants and the Parity Warrants.

(b) The City does hereby covenant and agree that, except as otherwise provided in Section 8 of the Original Ordinance and in Section 15 hereof with respect to the issuance of Parity Obligations, the Sales Tax shall not hereafter be pledged by it to the payment of any other obligation or obligations of the City unless such pledge or pledges are made subject to and subordinate in all respects to the respective pledges of the Sales Tax herein made for the benefit of the Warrants and the Parity Warrants.

(c) The City will not reduce the rate of the Sales Tax below the current rate while the Warrants and any Parity Warrants are outstanding.

Section 10. Transfer of Funds.

realized therefrom shall be deposited in the Warrant Fund. Any losses resulting from liquidation of investments shall be charged to the Warrant Fund and shall be added to the next ensuing deposit specified herein. The Depository shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in the Warrant Fund is insufficient to pay the principal and interest requirements on the Warrants.

Section 13. Depository for the Warrant Fund.

(a) The City does hereby designate and appoint The Bank of New York Mellon Trust Company, N.A. as the Depository for the Warrants.

(b) The Depository, by acceptance of its duties hereunder, shall have undertaken to perform only such duties as are specifically set forth in this Authorizing Ordinance and no implied covenants or obligations shall be read in this Authorizing Ordinance against the Depository. The Depository is not required to risk or expend its own funds in the performance of its duties hereunder.

(c) The Depository, by acceptance of its duties hereunder, shall be construed to have agreed thereby with the registered owners from time to time of the Warrants that it will make all remittances of principal of and interest on the Warrants from money supplied by the City for such purpose in bankable funds at par and without discount or deduction for exchange; fees or expenses. The City hereby covenants and agrees with the registered owners of the Warrants and with the Depository that it will pay all charges for exchange, fees or expenses which may be incurred by the Depository in the making of remittances in bankable funds at par.

(d) The Depository may resign and be discharged of all duties imposed upon it as Depository, Warrant Registrar and transfer agent by giving written notice of such resignation by certified or registered mail to the City at least thirty (30) days prior to the date when such resignation shall take effect.

(e) If at any time the Depository shall resign or be or become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Depository or of its property shall be appointed or any public officer shall take charge or control of the Depository or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the City may remove the Depository and the City shall promptly appoint a successor Depository.

(f) Any successor Depository shall be a bank or trust company authorized to act as Depository and Warrant Registrar and having, at the time of its acceptance of such appointment, combined capital and surplus of at least \$50,000,000.

(g) Every successor Depository appointed hereunder shall execute, acknowledge and deliver to the City and to the retiring Depository an instrument accepting such appointment and thereupon the resignation or removal of the retiring Depository shall become effective and such

at the direction of the City be transferred to and constitute a part of the trust fund created pursuant to the aforesaid trust agreement providing for the retirement of the Warrants.

(c) When the Warrants shall have been paid in full, or shall be deemed paid within the meaning of this section, the pledge of the Sales Tax to the payment of the Warrants shall be terminated and released.

Section 15. Authorization of Parity Obligations; Subsequent Pledge of Sales Tax.

So long as the City is not in default hereunder or under the Series 2014 Warrants Authorizing Ordinances and the Series 2015 Warrants Authorizing Ordinances, other bonds, warrants or obligations ("Parity Obligations") without limit as to aggregate principal amount, payable from and secured by a pledge of the Sales Tax equally and ratably with the Warrants and the Parity Warrants, may at any time and from time to time be issued, sold and delivered by the City for any lawful purpose, upon satisfaction of the Parity Ordinance and the following conditions:

(a) The governing body of the City shall have adopted an ordinance or ordinances reciting that the City is not at the time in default hereunder or under the Series 2018 Warrants Authorizing Ordinance, the Series 2023 and 2021-B Warrants Authorizing Ordinances, and the Series 2015 Warrants Authorizing Ordinances and that no such defaults are imminent, authorizing the issuance, execution, sale and delivery of such Parity Obligations, and setting forth the date thereof, the date or dates of maturity, the rate or rates of interest, the dates of payment thereof, the maximum aggregate principal amount of such Parity Obligations, the redemption provisions, if any, the text of the form of the Parity Obligations, and a brief description of the facilities, if any, that will be constructed or acquired with the proceeds thereof or that have been financed by other obligations of, or assumed by, the City being refunded by the Parity Obligations proposed to be issued. Any such ordinance or ordinances may contain any other or additional statements, materials, provisions, covenants and agreements which the governing body of the City shall elect to include therein.

(b) An Independent Auditor (as defined in the Original Ordinance) shall have filed in the office of the Finance Officer a certificate stating that the proceeds of the Sales Tax received by the City during the fiscal year next preceding the fiscal year in which such Parity Obligations are proposed to be issued are not less than 125% of the maximum annual principal and interest that will mature during any then succeeding fiscal year with respect to the Warrants and the Parity Warrants, any other Parity Obligations then outstanding, and the Parity Obligations then proposed to be issued. For purposes of this calculation, the principal amount of any Warrants and the Parity Warrants subject to a mandatory redemption requirement during such fiscal year shall be considered as maturing in the year during which such redemption is required and not in the fiscal year in which their stated maturity occurs.

Nevertheless, the proceeds of the Warrants shall be held in trust and applied solely for the purposes specified in this ordinance.

Section 18. Application of Proceeds.

(a) The proceeds from the sale of the Series 2023 Warrants shall be applied as follows:

(i) \$7,003,161.20 shall be applied to the Series 2023 Improvements in accordance with the Non-Arbitrage Certificate.

(ii) \$69,000 shall be applied to the payment of issuance expenses in accordance with the Closing Memorandum.

Section 19. Covenant With Respect to Tax Exemption for Interest.

The City hereby covenants and agrees with the registered owners from time to time of the Warrants that the proceeds of the Warrants shall not be used or applied by it, and the taxes or other revenues of the City shall not be accumulated in the Warrant Fund in such a manner and no investment thereof shall be made, as to cause the Warrants to be or become "arbitrage bonds", as that term is defined in Section 148 of the Code.

With respect to the Code, the City does hereby make the following representations and covenants:

(a) None of the proceeds of the Warrants will be applied for any "private business use" nor will any part of the proceeds of the Warrants be used (directly or indirectly) to make or finance loans to persons other than a governmental unit.

(b) The payment of the principal of and interest on the Warrants is not (i) secured in any way by any property used or to be used for a "private business use" or by payments in respect of such property or (ii) to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a "private business use."

(c) The City hereby covenants and agrees with the registered owners of the Warrants that, to the extent permitted by law, it will not take any action, or omit to take any action with respect to the Warrants that would cause the interest on the Warrants not to be and remain excludable from gross income pursuant to the provisions of Section 103 of the Code.

(1) to the Municipal Securities Rulemaking Board (“MSRB”), audited financial statements, by March 31 for the prior fiscal year ending September 30, or if such audited financial statements are unavailable within such time, the City’s unaudited draft financial statement by said date;

(2) the City’s budget for the next fiscal year and, if audited financial information is not available, then unaudited financial information for the fiscal year ending on the preceding September 30, will be made available to the MSRB on or before March 31 in each calendar year; and

(3) within ten Business Days after the occurrence of a reportable event, to the MSRB, notice of the occurrence of any of the following events with respect to the Series 2023 Warrants: (a) principal and interest payments delinquencies, (b) non-payment related defaults, (c) unscheduled draws on debt service reserves reflecting financial difficulties, (d) unscheduled draws on credit enhancements reflecting financial difficulties, (e) substitution of credit or liquidity providers or their failure to perform, (f) adverse tax opinions or events affecting the tax-exempt status of the Warrants, (g) modifications to rights of holders of the Series 2023 Warrants, (h) calls for redemption, (i) defeasances, (j) release, substitution or sale of property securing repayment of the securities, (k) rating changes, if any are then in effect, (l) bankruptcy, insolvency, receivership or similar events, (m) merger, consolidation, acquisition or sale of assets involving an obligated party, (n) appointment of a successor or additional paying agent or the change of name of a paying agent, (o) the incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect holders of the Warrants, if material, and (p) default, an event of acceleration, a termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties of the City.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that, the City agrees that any such modification will be done in a manner consistent with the Rule. The City reserves the right to terminate its obligation to provide the annual operating information and financial information and notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Warrants within the meaning of the Rule. The City acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the registered owners of the Warrants and shall be enforceable by the holders; provided that, the holders’ rights to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City’s obligations hereunder and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Warrants and shall not subject the City to money damages in any amount, whether compensatory, penal or otherwise.

The motion for unanimous consent was seconded by Councilmember Moore and upon the question, the vote thereon was as follows:

President Sockwell announced that the next item of business was to suspend the rules and approve a resolution to open a bank account where the funding from the GO Warrant Bond would be placed. Council Member Thompson made a motion to approve the resolution; Council Member Moore seconded that motion.

STATE OF ALABAMA

COLBERT COUNTY

RESOLUTION NUMBER 3269-23

WHEREAS, the City Council of the City of Muscle Shoals deems it necessary and expedient that various actions be taken and appointments be made to insure the continued and efficient and orderly conduct of the City's business; and

WHEREAS, the City Council finds it necessary to appoint the City's depository for the proceeds and disbursements of the proceeds of the Muscle Shoals G. O. Warrants, Series 2023:

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Muscle Shoals, Alabama that the following depository of the City is hereby approved and ratified;

Account

2023 Warrant Fund

Bank

CB&S Bank

BE IT FURTHER RESOLVED by the Council that the City Clerk-Treasurer of the City, for and on behalf of the City of Muscle Shoals, is hereby authorized to enter into and execute all necessary and required documents, agreements and authorizations to effectuate the terms, conditions and purposes of this Resolution; and

BE IT FURTHER RESOLVED by the Council that the Mayor or Council President and the City Clerk-Treasurer or Assistant City Clerk of the City, for and on behalf of the City of Muscle Shoals, are hereby authorized to serve as signatories for disbursements on this account.

Council Member Sockwell: Joe Underwood
Council Member Thompson: Joe Underwood
Council Member Moore: Abstain

WHEREAS, Council President Sockwell announced that Joe Underwood had received a majority of the votes cast,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Muscle Shoals, Alabama does hereby appoint the following named person to serve as set forth herein:

APPOINTEE	BOARD	EXPIRATION OF TERM
Joe Underwood	Utilities Board	July 2029

The Clerk is hereby directed to notify the above named person of their appointment and to further notify the respective board of said appointment.

ADOPTED and APPROVED this 17th day of July 2023.

There being no further business to come before the meeting, upon the motion duly made and seconded the meeting was adjourned.

CITY OF MUSCLE SHOALS, ALABAMA
A Municipal Corporation
