

RESOLUTION NO. 2023 – 57

BE IT RESOLVED by the City Council (the "Council") of the **CITY OF CULLMAN, ALABAMA**, a municipal corporation under the laws of the State of Alabama (the "City"), as follows:

Section 1. Findings. The Council has ascertained and does hereby find and declare as follows:

(a) there presently exists a landfill for the processing and disposal of solid waste (the "Facility") and certain related real property (the "Expansion Land") aggregating approximately 311 acres and located at 2885 AL Highway 69 South, Cullman, Alabama 35057, all of which is located in unincorporated Cullman County, outside the corporate limits of any municipality within the state; and

(b) the Facility is the primary solid waste disposal site for the City, as well as Cullman County, Alabama (the "County"), and it is in the public interest that the Facility be operated, maintained and expanded over the near and distant future to ensure a reliable location for the solid waste disposal needs of the City and its citizens and to safeguard the overall quality of life in the City; and

(c) the Facility is presently owned and operated by Cullman Environmental, Inc., an Alabama corporation (the "Company"), which has indicated it no longer desires to own or operate the Facility and has proposed selling the same; and

(d) it would be in the public interest for the Facility to be acquired and operated by a public corporation organized as a solid waste disposal authority (the "SWDA") under Section 11-89A-1, *et seq.*, of the Code of Alabama 1975, as amended, created jointly by the City and the County and governed by a five-member board of directors appointed jointly by the City and the County (with the City Council appointing two of the directors, the Cullman County Commission appointing two of the directors, and the directors appointed by the City and the County appointing one of the directors), all as more particularly described in the Memorandum of Understanding hereinafter authorized and described; and

(e) the Company holds an option to purchase the Expansion Land for the sum of \$1,300,000, which option expires on July 29, 2023, and the City believes that causing the Expansion Land to be conveyed to the SWDA along with the Facility would enhance and promote the long-term operations of the Facility by extending significantly the overall life and utility of the Facility; and

(f) the Company has proposed to transfer the Facility, and to acquire and transfer the Expansion Land, to the SWDA through the SWDA's purchase of all shares of the Company by September 30, 2023, at and for a price equal to \$27,100,000, of which amount the City will pay \$13,550,000 and the County will pay \$13,550,000; and

(g) it will be necessary that the City issue one or more series of general obligation warrants secured by a pledge of the full faith and credit of the City and aggregating approximately \$14,000,000 in principal amount (the "Series 2023 Warrants") in order to provide the City portion (*i.e.*, \$13,550,000) of funds for the purchase and acquisition of the Facility and the Expansion Land, and to pay the costs of issuing the Series 2023 Warrants; and

(h) the City has determined to engage The Frazer Lanier Company Incorporated ("Frazer Lanier") to serve as underwriter, and Bradley Arant Boult Cummings, LLP ("Bradley Arant") to serve as bond counsel to the City, for the Series 2023 Warrants; and

(i) it will be necessary for the City to enter an agreement (the "Purchase Agreement") with Frazer Lanier respecting the sale by the City to Frazer Lanier of the Series 2023 Warrants prior to the date on which the issuance and delivery of the Series 2023 Warrants will be approved by the Council; and

(j) the City expects to incur certain costs to be paid out of its General Fund (the main operating fund of the City) to pay a portion of the price of causing the transfer of the Facility and the Expansion Land, and it is intended that proceeds of the Series 2023 Warrants be allocated to reimburse the City for certain of the costs incurred in connection with the said transfer of the Facility and the Expansion Land paid prior to the issuance of the Series 2023 Warrants.

Section 2. Engagement of Frazer Lanier and Bradley Arant; Authorization to Execute Purchase Agreement. The Council does hereby approve the engagement of Frazer Lanier, as underwriter, and Bradley Arant, as bond counsel to the City, respecting the Series 2023 Warrants, and does hereby further authorize and direct the Mayor of the City to execute the Purchase Agreement between the City and Frazer Lanier with respect to the sale and delivery by the City of the Series 2023 Warrants. The final form of the Purchase Agreement shall be subject to ratification and approval by the Council following its execution by the Mayor at such time as the Council adopts an ordinance authorizing the issuance and delivery of the Series 2023 Warrants. The Mayor is hereby authorized and directed to execute and deliver on behalf of the City such agreements, instruments, and documents as shall be necessary or desirable to evidence the engagement of Frazer Lanier, as underwriter, and Bradley Arant, as bond counsel to the City, respecting the Series 2023 Warrants. Frazer Lanier and Bradley Arant are hereby authorized to work with officers of the City in preparing the documents and other materials necessary for the sale and authorization of the Series 2023 Warrants.

Section 3. Declaration of Official Intent. The City does hereby declare its intention that there be allocated a portion of the proceeds of the Series 2023 Warrants to reimburse the City for expenditures incurred after the date that is no more than sixty (60) days prior to the date of the adoption of this resolution, but prior to the issuance of the Series 2023 Warrants, in connection with the acquisition and transfer of the Facility and the Expansion Land as aforesaid. This resolution is being adopted pursuant to the requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 1.150-2(e) promulgated thereunder.

ADOPTED BY THE CITY COUNCIL, this the 24th day of July, 2023.

President of the City Council

ATTEST:

City Clerk

APPROVED BY THE MAYOR this the 24th day of July, 2023.

Mayor