

**CULLMAN CITY COUNCIL MEETING ON APRIL 11, 2022
IN THE LUCILLE N. GALIN AUDITORIUM**

Council President Jenny Folsom called the Cullman City Council Meeting to order at 7:01 o'clock p.m. on Monday, April 11, 2022. Fire Chief Brian Bradberry led the Pledge of Allegiance and Boy Scout Troop 219 presented the invocation.

A roll call by City Clerk Wesley Moore reflected the following: Present - Mayor Woody Jacobs, Council President Pro Tem Johnny Cook, and Council President Jenny Folsom, Council Member David Moss, Council Member Clint Hollingsworth. Also present were Attorney Roy Williams and City Clerk Wesley Moore.

Council President Jenny Folsom asked the Council to consider the minutes from March 28, 2022. Council President Pro Tem Cook made a motion to suspend the rules to consider the minutes. Council Member Moss seconded the motion to suspend the rules, and the motion was approved by a roll call vote. Mr. Wesley Moore polled the Council Members: Council President Pro Tem Cook: Aye. Council President Folsom: Aye. Council Member Hollingsworth: Aye. Council President Pro Tem Cook made a motion to approve the minutes from March 28, 2022, as written. Council Member Moss seconded the motion to approve the minutes, and the motion was approved by a roll call vote. Mr. Wesley Moore polled the Council Members: Council President Pro Tem Cook: Aye. Council President Folsom: Aye. Council Member David Moss: Aye. Council Member Hollingsworth: Aye.

ADDITIONS/DELETIONS TO AGENDA – None.

REPORTS OF STANDING COMMITTEES

1. Public Safety (Fire, Police, etc.) – No report.
2. Utilities (Water, Sewer, etc.) - Chairman David Moss – No report.
3. Public Works (Street, Sanitation, etc.) - Chairman Johnny Cook – No report.
4. Tourism (Parks & Recreation, Airport, etc.) Chairman Clint Hollingsworth – Parks Director Nathan Anderson mentioned through strategic planning and support of the City Council, the Parks Department achieved the CAPRA Certification, created and updated community parks that families can enjoy at no cost such as Hurricane Creek Park, Art Park, Duck River Trails. Additionally, the city has added new park attractions to bring in visitors from out of town, such as the inflatable aqua park at the Palomino RV Resort; increasing the size and attractions at the Wild Water Water Park which will have entry rates comparable to Spring Valley Beach. The Strawberry Festival is upcoming and shares that Cullman is becoming a destination for recreation and events. The design for the skateboard park will be revealed on Tuesday, April 26th as well as the fundraising plan for the restroom building and shade structure.
5. General Government (Finance, Economic Development, etc.) - Chairwoman Jenny Folsom – No report.

REPORT FROM THE MAYOR

Mayor Jacobs gave a report to the council regarding the City's operations.

COMMENTS FROM ANYONE NOT ON THE AGENDA

John Leonardi, 1410 Legion Drive NW, spoke regarding the city's sidewalks.

PUBLIC HEARINGS

Councilwoman Folsom set a public hearing on May 9th, 2022 at 7:00 p.m. for Ordinance No. 2022-16 to rezone property located east of King Edward Street SW and 3rd Ave SE from R-1 to R-4, which received a favorable recommendation from the Planning Commission.

REQUESTS, PETITIONS, APPLICATIONS, COMPLAINTS

Council Member Moss made a motion to approve a special event request from Brian Monk of VFW Post 2214 for monthly social events for VFW members from 6:00 p.m. until 11:00 p.m. May through October 2022. Council President Pro Tem Cook seconded the motion and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council Member Hollingsworth made a motion to approve a special event request from St. Bernard Prep School to hold the Annual Bloomin' Festival on April 23rd - 24th, 2022. Council Member Moss seconded the motion and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council President Pro Tem Cook made a motion to approve a special event request from CPRST to hold the Annual Strawberry Festival at Festhalle and Depot Park on May 7, 2022. Council Member Moss seconded the motion and the motion was approved by a voice vote. Ayes: All. Nays: None.

RESOLUTIONS, ORDINANCES, ORDERS, AND OTHER BUSINESS

Council President Pro Tem Cook made a motion to adopt the following resolution:

RESOLUTION NO. 2022-58

TO APPROPRIATE ADDITIONAL FUNDS TO THE CCCDD, INC.

WHEREAS, the Cullman County Center for the Developmentally Disabled, Inc. is a non-profit organization who serves the developmentally disabled population in Cullman offering day services, residential services, early intervention services for babies from

birth to three years of age, a DHR certified daycare for children 6 weeks to 5 years old, a summer program for school aged children with disabilities, and a work center;

WHEREAS, the Cullman City Council has determined that appropriating additional funds to the Cullman County Center for the Developmentally Disabled, Inc. serves a public purpose;

THEREFORE, BE IT RESOLVED by the Cullman City Council that the City appropriates a one-time only additional funds in the amount not to exceed \$66,000 to the Cullman County Center for the Developmentally Disabled, Inc.

ADOPTED BY THE CITY COUNCIL this the 11th day of April, 2022.

ATTEST:

/s/ Wesley Moore, City Clerk

/s/ Jenny Folsom, President of the City Council

APPROVED BY THE MAYOR of the City of Cullman on the 11th day of April, 2022.

/s/Mayor Woody Jacobs

Council Member Moss seconded the motion, and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council Member Moss made a motion to adopt the following resolution:

RESOLUTION NO. 2022 - 59

TO ENTER INTO AGREEMENT WITH BYARS WRIGHT INSURANCE TO PROVIDE LIFE INSURANCE, ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE, AND SUPPLEMENTAL VISION INSURANCE COVERAGE FOR CITY OF CULLMAN EMPLOYEES

WHEREAS, the Cullman City Council approved Resolution No. 2019-98 authorizing the Mayor to enter into an agreement with The Prewitt Group to provide life insurance, accidental death and dismemberment insurance, and supplemental vision insurance coverage for city employees effective January 1, 2020;

BE IT RESOLVED by the City Council of the City of Cullman, in the State of Alabama, that the Mayor is hereby authorized and directed to terminate the agreement with The Prewitt Group to provide life insurance, accidental death and dismemberment insurance, and supplemental vision insurance coverage for city employees as soon as possible.

WHEREAS, Byars Wright Insurance has provided an agreement to provide life insurance, accidental death and dismemberment insurance, and supplemental vision insurance coverage for city employees;

BE IT FURTHER RESOLVED by the City Council of the City of Cullman, in the State of Alabama, that the Mayor is hereby authorized and directed to enter into an agreement with Byars Wright Insurance to provide life insurance, accidental death and dismemberment insurance, and supplemental vision insurance coverage for city employees as soon as possible.

ADOPTED BY THE CITY COUNCIL this the 11th day of April, 2022.

ATTEST:

/s/ Wesley Moore, City Clerk

/s/ Jenny Folsom, President of the City Council

APPROVED BY THE MAYOR of the City of Cullman on the 11th day of April, 2022.

/s/Mayor Woody Jacobs

Council Member Hollingsworth seconded the motion, and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council President Pro Tem Cook made a motion to adopt the following resolution:

RESOLUTION NO. 2022-60

TO AWARD BID FOR 22 FOOT TRAILER

WHEREAS, bids (R-01882) were opened on April 1, 2022, at 2:00 p.m. for a 22 foot trailer for the City of Cullman,

WHEREAS, the low bidder for a 22 foot trailer was Better Built Trailers, Inc.; and

WHEREAS, the Cullman City Council has evaluated the bids received and has determined that Better Built, Inc., is the lowest responsible bidder in the amount of \$21,000.

BE IT RESOLVED by the Cullman City Council that the bid for a 22 foot trailer be awarded to Better Built Trailers, Inc.

ADOPTED BY THE CITY COUNCIL this the 11th day of April, 2022.

ATTEST:

/s/ Wesley Moore, City Clerk

/s/ Jenny Folsom, President of the City Council

APPROVED BY THE MAYOR of the City of Cullman on the 11th day of April, 2022.

/s/Mayor Woody Jacobs

Council Member Moss seconded the motion, and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council Member Hollingsworth made a motion to adopt the following resolution:

RESOLUTION NO. 2022 – 61

TO ENTER INTO CONTRACT WITH GOODWYN, MILLS & CAWOOD FOR ENGINEERING SERVICES

WHEREAS, the Cullman City Council has determined that it would serve a public purpose to enter into contract with Goodwyn, Mills & Cawood for professional airport planning and engineering services related to the Cullman Regional Airport improvements for a five year period; and

NOW THEREFORE BE IT RESOLVED, by the Cullman City Council in the State of Alabama that the Mayor and/or Council President is hereby authorized to enter a contract with Goodwyn, Mills & Cawood for professional airport planning and engineering services related to the Cullman Regional Airport improvements for a five year period.

ADOPTED BY THE CITY COUNCIL this the 11th day of April, 2022.

ATTEST:

/s/ Wesley Moore, City Clerk

/s/ Jenny Folsom, President of the City Council

APPROVED BY THE MAYOR of the City of Cullman on the 11th day of April, 2022.

/s/Mayor Woody Jacobs

Council President Pro Tem Cook seconded the motion, and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council Member Moss made a motion to adopt the following resolution:

RESOLUTION NO. 2022 – 62

AMERICAN RESCUE PLAN ACT (ARPA) ALLOCATION PLAN

WHEREAS, on March 1, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President which established the Coronavirus State Fiscal Recover Fund and Coronavirus Local Fiscal Recover Fund; and

WHEREAS, the ARPA provides that recipients, with allocation of \$10 million or less, may elect to use a standard allowance instead of the lost revenue calculation; and

WHEREAS, the standard allowance from ARPA provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across many states and localities, and offers a simple, convenient way to determine revenue loss particularly for SLFRF's smallest recipients; and

WHEREAS, the total allocation from ARPA to the City of Cullman, Alabama (City) in response to the Covid-19 public health emergency will not exceed \$10 million which qualifies the City for the standard allowance; and

WHEREAS, the Cullman City Council has determined that it serves a public purpose to elect to use the standard allowance in determining the amount of revenue lost for the City of Cullman, Alabama, due to the Covid-19 public health emergency; and

THEREFORE, BE IT RESOLVED by the Cullman City Council in the State of Alabama that the City of Cullman, Alabama, hereby elects to use the standard allowance in determining the amount of lost revenue due to the Covid-19 public health emergency.

WHEREAS, the Cullman City Council has also determined that it serves a public purpose to use the total amount of SLFRF funding for "government services" which generally include any service traditionally provided by a government including the construction of roads and other infrastructure, provision of public safety and other services, and health and educational services; and

THEREFORE, BE IT RESOLVED by the Cullman City Council that the total amount of SLFRF funding be used for "government services" in an amount equal to the revenue loss experienced due to the Covid-19 public health emergency.

BE IT FURTHER RESOLVED that should additional funding be provided the Cullman City Council reserves the right to amend the ARPA Allocation Plan and such amendment, if any, shall be in accordance with the guidelines related to any such additional funding.

ADOPTED BY THE CITY COUNCIL this the 11th day of April, 2022.

ATTEST:

/s/ Wesley Moore, City Clerk

/s/ Jenny Folsom, President of the City Council

APPROVED BY THE MAYOR of the City of Cullman on the 11th day of April, 2022.

/s/Mayor Woody Jacobs

Council Member Hollingsworth seconded the motion, and the motion was approved by a voice vote. Ayes: All. Nays: None.

Council President Jenny Folsom held the first reading of Ordinance No. 2022-14 to adopt the 2022 Back-to-School Sales Tax Holiday. Council President Pro Tem Cook made a motion to suspend the rules to consider Ordinance No. 2022-14 to adopt the 2022 Back-to-School Sales Tax Holiday. Council Member Hollingsworth seconded the motion to suspend the rules, and the motion was approved by a roll call vote. Mr. Wesley Moore polled the Council Members: Council President Folsom: Aye. Council Members: Council President Pro Tem Johnny Cook: Aye. Council President Folsom: Aye. Council Member Moss: Aye. Council Member Hollingsworth: Aye. Council President Pro Tem Johnny Cook made a motion to adopt Ordinance No. 2022-14.

ORDINANCE NO. 2022-14

TO PROVIDE FOR THE EXEMPTION OF THE COVERED ITEMS IN ACT 2006-574 FROM CITY SALES TAX

WHEREAS, the Legislature of the State of Alabama through Act 2006-574 has allowed cities and counties to exempt certain items mainly for the purchase of supplies, course studies, and clothing for children at the beginning of each school year, from sales and use taxes, the items allowed to be exempt specifically outlined in Act 2006-574;

WHEREAS, Act 2017-120 also limits the exemption to items purchased during a specific period of time being 12:01 a.m. on the third full weekend in July;

WHEREAS, the City of Cullman, Alabama, receives directly or indirectly through ordinance or legislative act, certain sales and use taxes which may be exempted under the provisions of Act 2006-574;

WHEREAS, the Cullman City Council finds and determines that it concurs with the exemption enacted by the Legislature in order to encourage and assist families in the purchase of necessary and essential items to properly clothe and provide their children with quality equipment and sufficient supplies to enhance their learning, comfort, and enjoyment of the school year ahead.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CULLMAN, ALABAMA AS FOLLOWS:

Section 1. The City of Cullman, Alabama, hereby abates or suspends and exempts only those items listed in Act 2006-574 from sales and use taxes levied or received by the City of Cullman for sales completed (being purchased and delivered to the customer) during the period commencing on Friday, July, 15th, 2022 at 12:01 a.m. and ending on the following Sunday, July 17th, 2022 at 12:00 midnight. The items listed in Act 2006-574 shall not be exempt from sales or use tax during any time period other than the above stated third full weekend in July.

Section 2. The Cullman City Council may amend this ordinance or adopt a separate ordinance to extend this exemption of sales and use tax for the third full weekend in July for future years.

Section 3. Nothing in this Ordinance shall be construed to grant, exempt, amend, abate, or void any sales or use tax ordinance, law or legislation in any manner other than described in Alabama Legislative Act 2006-574.

ADOPTED BY THE CITY COUNCIL this the 11th day of April, 2022.

/s/ Jenny Folsom, City Council President

ATTEST:

/s/Wesley Moore, City Clerk

APPROVED BY THE MAYOR this the 11th day of April, 2022.

/s/Woody Jacobs, Mayor

Council Member Moss seconded the motion to approve the Ordinance, and the motion was approved by a roll call vote. Mr. Wesley Moore polled the Council Members: Council President Folsom: Aye. Council Members: Council President Pro Tem Johnny Cook: Aye. Council President Folsom: Aye. Council Member Moss: Aye. Council Member Hollingsworth: Aye.

Council President Jenny Folsom held the first reading of Ordinance No. 2022-14 to adopt the 2022 Back-to-School Sales Tax Holiday. Council President Pro Tem Cook made a motion to suspend the rules to consider Ordinance No. 2022-14 to adopt the 2022 Back-to-School Sales Tax Holiday.

Council President Jenny Folsom held the first reading of Ordinance No. 2022-15 to issue General Obligation Warrants in the amount of \$2,000,000 for airport improvements including but not limited to construction of a 100' x 100' hangar and purchase of property. Council President Pro Tem Cook made a motion to suspend the rules to consider Ordinance No. 2022-15. Council Member Hollingsworth seconded the motion to suspend the rules, and the motion was approved by a roll call vote. Mr. Wesley Moore polled the Council Members: Council President Folsom: Aye. Council Members: Council President Pro Tem Johnny Cook: Aye. Council President Folsom:

Aye. Council Member Moss: Aye. Council Member Hollingsworth: Aye. Council President Pro Tem Cook made a motion to adopt Ordinance No. 2022-15.

ORDINANCE NO. 2022-15
AUTHORIZING THE BORROWING OF \$2,000,000
AND THE ISSUANCE OF ONE
\$2,000,000 GENERAL OBLIGATION WARRANT
SERIES 2022
DATED APRIL 14, 2022

BE IT ORDAINED by the Mayor and City Council (herein together called the "Council") of the **CITY OF CULLMAN, ALABAMA** (herein called the "City") as follows:

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

- (a) The City has determined it to be necessary, wise and in the public interest to make certain public capital improvements to the public airport of the City (the "2022 Improvements"); and
- (b) In order to finance the costs of the 2022 Improvements, the City has undertaken a competitive bid process to identify a lender to make a loan (the "Loan") to the City to pay the costs of the 2022 Improvements and the costs of issuing the Warrant hereinafter described and authorized; and
- (c) Peoples Bank of Alabama presented the bid that provided the lowest interest cost to the City and on terms that complied with the requirements of the City, and has agreed to make the Loan to, and acquire the Warrant from, the City under the terms and conditions hereinafter set forth.

Section 2. Pursuant to the applicable provisions of the Constitution of Alabama of 1901, as amended, and the Code of Alabama 1975, as amended, including without limitation, Section 11-47-2 and Section 11-81-4 thereof, and for the purpose of providing funds to pay the cost of the 2022 Improvements, the City is hereby authorized to borrow from Peoples Bank of Alabama (herein called the "Lender") the sum of \$2,000,000, and, in evidence of the obligation of the City to repay the money so borrowed, is hereby authorized to issue and deliver to the Lender a \$2,000,000 General Obligation Warrant, Series 2022 (herein called the "Warrant"). The Warrant shall be dated April 14, 2022 (which shall be the date on which the loan evidenced thereby is made), shall be issued as a single fully registered warrant, shall be payable to the Lender, and shall bear interest at the rate of 2.95% per annum, [computed on a 365/360 basis]. The principal of and interest on the Warrant shall be payable on May 1, 2022, and on the first day of each month thereafter through and including April 1, 2032 (each such date, a "Payment Date"), all in accordance with the amortization schedule attached as Exhibit A to the form of the Warrant herein contained. Matured but unpaid installments of principal and interest of the Warrant shall bear interest after maturity, until paid, at the rate of interest borne by the Warrant. In the event a Payment Date is not a Business Day, the interest and principal due on such Payment Date (whether due upon scheduled maturity or by optional redemption) shall be payable on the then next succeeding Business Day. As used herein, "Business Day" means each day other than a Saturday, a Sunday, or any holiday on which the Lender's offices in the City of Cullman, Alabama are closed for business with the public. The City understands and acknowledges that the rate of interest charged on the Warrant is not necessarily the lowest rate charged by the Lender on its loans or other extensions of credit.

Section 3. Optional Redemption Privilege. The City reserves and shall have the privilege of redeeming and paying the principal of the Warrant on any date and at any time and from time to time, in whole or in part (but if in part, in multiples of \$5,000), without penalty or premium, upon not less than ten (10) Business Days' prior written notice to the Lender, at and for a price equal to the principal amount of the Warrant to be redeemed plus accrued interest thereon to the date set for redemption and payment.

Section 4. Execution of the Warrant; Registration. (a) The Warrant shall be executed and the corporate seal of the City shall be affixed thereto by the Mayor, and the City Clerk shall attest the same by affixing his signature thereto. The Warrant shall be registered in the records maintained by the City Treasurer as a claim against the City. Said officers are hereby authorized and directed so to execute and attest the Warrant, affix said seal thereto and make such registration.

(b) A registration certificate by the City, in substantially the form set forth in Section 6 hereof, duly executed by the manual signature of the City Clerk, shall be endorsed on the Warrant and shall be essential to its validity.

(c) The Warrant shall be registered as to both principal and interest in the name of the Lender and shall not be transferable except to an "accredited investor" as defined in the Securities and Exchange Act of 1933 (the "Securities Act") and the rules and regulations promulgated thereunder, or to a "qualified institutional buyer", as defined in the Securities Act and the rules and regulations promulgated thereunder, and only upon compliance with applicable State of Alabama and federal securities laws.

Section 5. General Obligation. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 6. Form of Warrant. The Warrant shall be in substantially the following form, with such changes therein as shall be necessary to comply with the provisions of this Ordinance:

(Form of Warrant)

THIS WARRANT MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 (THE "SECURITIES ACT") AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, OR TO A "QUALIFIED INSTITUTIONAL BUYER", AS DEFINED IN THE SECURITIES ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE ORDINANCE REFERRED TO HEREIN.

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

CITY OF CULLMAN

GENERAL OBLIGATION WARRANT

The City Treasurer of the **CITY OF CULLMAN** (herein called the "City") a municipal corporation under the laws of the State of Alabama, is hereby ordered to pay to **Peoples Bank of Alabama** (herein called the "Lender"), or its permitted assigns, the principal sum of

TWO MILLION DOLLARS

with interest thereon from the date hereof until the maturity hereof as is hereinafter specified at the rate of 2.95% per annum computed on a 365/360 basis. The principal hereof and interest hereon shall be payable on May 1, 2022, and on the first day of each calendar month thereafter through and including April 1, 2032 (each such date, herein called a "Payment Date"), all in accordance with the amortization schedule attached hereto as Appendix A. Matured but unpaid installments of principal on this warrant shall bear interest, until paid, at the aforesaid per annum rate of interest. In the event a Payment Date is not a Business Day, the interest and principal (whether due upon scheduled maturity or by optional redemption) due on such Payment Date shall be payable on the then next succeeding Business Day. As used herein, "Business Day" means each day other than a Saturday, a Sunday, or any holiday on which Lender's offices in the City of Cullman, Alabama, are closed for business with the public. The City understands and acknowledges that the rate of interest charged on this warrant is not necessarily the lowest rate charged by the Lender on its loans or other extensions of credit.

The City reserves and shall have the privilege of redeeming and paying the principal of this warrant, at any time and from time to time, in whole or in part (but if in part, in multiples of \$5,000), without penalty or premium, upon not less than ten (10) Business Days' prior written notice to the Lender, at and for a price equal to the principal amount hereof to be redeemed plus accrued interest thereon to the date set for redemption and payment.

This warrant has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including without limitation Section 11-47-2 and Section 11.81-4 of the Code of Alabama 1975, as amended, and an April 11, 2022 ordinance (herein called the "Ordinance") adopted by the governing body of the City to provide funds for the purposes for which the City is authorized to borrow money under said laws.

This warrant evidences a valid general obligation of the City for payment of the principal of and the interest on which the City has irrevocably pledged its full faith and credit.

It is hereby certified that the indebtedness evidenced hereby has been duly and legally incurred and will at the maturity hereof become lawfully due without condition, abatement or offset of any description; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed and happen precedent to and on the issuance of this warrant, exist, have been performed and have happened; and that the indebtedness evidenced by this warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now 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 executed and its official seal to be hereunto affixed by the Mayor and has caused the same to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this warrant to be dated April 14, 2022.

CITY OF CULLMAN, ALABAMA

By: /s/ Woody Jacobs
Mayor

[SEAL]

Attest:

/s/ Wesley Moore
City Clerk

(Form of Certificate of Registration by City Treasurer)

I hereby certify that this Warrant was at the time of issuance (April 14, 2022) thereof duly registered by me as a claim against the **CITY OF CULLMAN, ALABAMA**.

/s/Sherry Compton
City Treasurer of the
CITY OF CULLMAN, ALABAMA

EXHIBIT A
AMORTIZATION SCHEDULE

Section 7. Representations and Warranties of the City. The City hereby represents and warrants to the Lender as follows:

(a) the City is duly organized as a municipal corporation under the laws of the State of Alabama,

(ii) the City has the corporate power and authority to own its properties and assets and to carry on its governmental functions as now being conducted,

(c) the City has the power to issue the Warrant and to consummate the transactions contemplated by the Ordinance and this Agreement,

(d) by proper action of the City Council of the City, the City has duly authorized the issuance and delivery of the Warrant and the consummation of the transactions contemplated therein and herein, and

(e) the Warrant is the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

Section 8. Sale and Delivery of Warrant. The Warrant is hereby sold to the Lender at and for a purchase price equal to the face amount of the Warrant (\$2,000,000). The City Treasurer is hereby authorized and directed to deliver the Warrant, which shall have been executed, sealed, attested and registered as herein provided, to the Lender. All proceeds from the sale of the Warrant (\$2,000,000) shall be remitted to the City pursuant to written instructions delivered to the Lender by the City Clerk of the City.

Section 9. Use of Proceeds. All amounts paid to the City from the Loan and the Warrant shall be used to pay the costs of the 2022 Improvements.

Section 10. Authorization of Documents. The Mayor and the City Clerk, or either of them, are each hereby authorized and directed to execute such instruments, directions, orders, notices, agreements, certificates or other documents as shall be necessary or desirable in order to carry out the transactions contemplated by this Ordinance. The City understands that one of the principal inducements to the making of the loan herein described by the Lender and the acquisition by the Lender of the Warrant is that the interest income on the Warrant be and remain exempt from federal income taxation. Accordingly, without any way limiting the generality of the foregoing, the Mayor and the City Clerk are each hereby authorized and directed to cause to be prepared, signed on behalf of the City and filed with the Internal Revenue Service a Form 8038-G or other form prescribed by the Internal Revenue Service as a condition to the exemption of the interest income on the Warrant from federal income taxation. The Mayor and the City Clerk are each hereby authorized and directed to execute such certificates, agreements and other documents respecting the Internal Revenue Code of 1986, as amended (herein called the "Code"), as contemplated by this Ordinance, to the end that the interest income on the Warrant be and remain exempt from federal income taxation.

Section 11. Annual Audited Financial Statements. For each fiscal year of the City during which the Warrant is outstanding, the City shall cause to be delivered to the holder of the Warrant the audited financial statements of the City no later than 270 days after the end of such fiscal year. This obligation may be satisfied by the City by the timely filing of its audited financial statements on EMMA (or such substitute public repository for municipal filings established by the Municipal Securities Rulemaking Board or similar federal regulatory agency).

Section 12. Concerning the Code. (a) **General.** The City recognizes that the Code imposes certain conditions to the exemption from Federal income taxation of interest income on the Warrant. Accordingly, the City agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from Federal income taxation of the interest income on the Warrant. With respect to any question arising under this Section 13, the City may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Warrant not to be "Private Activity Bonds".** The City will not apply the proceeds of the Warrant in a manner that would cause the Warrant to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) **Concerning the Arbitrage Provisions of the Code; Rebate.** The City agrees that it will comply with all provisions of the Code necessary to preclude the Warrant from being considered "arbitrage bonds" within the meaning of Section 148 of the Code, and the City will make timely rebate payments to the United States of America as required by Section 148(f) of the Code.

(d) **Concerning Section 265(b) of the Code.** Pursuant to the provisions of Section 265 of the Code, the Warrant is hereby designated as a "qualified tax-exempt obligation" within the meaning of 265(b)(3) of the Code. In connection with such

designation, the City hereby finds and declares that, during the calendar year 2022, the amount of tax-exempt obligations heretofore issued by the City (including the Warrant) and by all "subordinate entities" and "on behalf of" entities of the City, when added to the amount of the tax-exempt obligations which the City reasonably anticipates are to be issued by the City and by all "subordinate entities" and "on behalf of" entities during calendar year 2022 (other than private activity bonds), will not together exceed \$10,000,000. The Council hereby finds and declares that the City has not, during calendar year 2022, issued any tax-exempt obligations, whether in the form of notes, bonds, warrants or bank loans (whether for capital improvements or operating expenses).

Section 13. Private Loan; Participations. (a) The City acknowledges and agrees that the Lender is acquiring the Warrant in evidence of a private loan and in that connection the Warrant shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

(b) The City agrees that the Lender may from time to time enter into a participation agreement or agreements with one or more persons (the "Participants"), pursuant to which the Participants may be given participations in the Warrant and that the Participants may from time to time similarly grant to one or more other persons (also included in the term "Participants") subparticipations in the Warrant; provided (i) no participation shall increase any liability of the City, (ii) the City shall not have any direct obligation to a Participant, whether respecting the payment of any portion of debt service on the Warrant, delivery of its audited financial statements, or otherwise, and (iii) the City shall correspond and deal only with the holder of the Warrant on any matters respecting the Warrant, the loan evidenced thereby, this Ordinance, or any matters relating to the foregoing. The holder of the Warrant may divulge to any Participant all information, reports, financial statements, certificates and documents obtained by it from the City. Prior to entering into any such participation agreement, the holder of the Warrant shall (i) notify the City in writing of such participation and the identity of each Participant, and (ii) take commercially reasonable steps to protect the confidentiality of financial and other information of the City that may be provided by the holder of the Warrant to a Participant.

Section 14. Role of the Lender. The City understands, acknowledges and agrees as follows:

(i) that the Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services; and

(ii) with respect to this Ordinance, the Warrant, and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Financing Agreement, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the City has been informed that the City should discuss this Ordinance, the Warrant, and all matters relating thereto and any such other information, materials or communications with any and all internal and external advisors and experts that the City deems appropriate before acting on this Ordinance or any such other information, materials or communications.

Section 15. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and the holder of the Warrant.

Section 16. Provisions of Ordinance Severable. The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED this the 11th day of April, 2022.

/s/ Jenny Folsom
City Council President
City of Cullman, Alabama

APPROVED this the 11th day of April, 2022.

/s/ Woody Jacobs
Mayor
City of Cullman, Alabama

Council President Pro Tem Cook seconded the motion to approve the Ordinance, and the motion was approved by a roll call vote. Mr. Wesley Moore polled the Council Members: Council President Folsom: Aye. Council Members: Council President Pro Tem Johnny Cook: Aye. Council President Folsom: Aye. Council Member Moss: Aye. Council Member Hollingsworth: Aye.

BOARD APPOINTMENTS – None.

Council President Folsom asked for a motion to adjourn. Council Member Hollingsworth made the motion to adjourn. Council President Pro Tem Cook seconded the motion, and the meeting was adjourned at 7:25 p.m. by a voice vote. Ayes: All. Nays: None.