

ORDINANCE NO. 2025 – 04

AN ORDINANCE CONFIRMING AND RATIFYING THE LEVY OF A 7.5 MILL AD VALOREM TAX AND A ONE-HALF CENT SALES AND USE TAX FOR PUBLIC SCHOOL PURPOSES IN THE CITY OF CULLMAN

BE IT ORDAINED by the Cullman City Council (herein called "the Council"), the governing body of the City of Cullman (herein called "the City"), as follows:

Section 1. Findings. The Council hereby finds and declares as follows:

(a) that there is presently being levied in the City, pursuant to Section 216.04 of the Constitution of Alabama of 2022, and proceedings taken thereunder, a special school tax of 7.5 mills per dollar, the proceeds of which are used exclusively for general public school purposes (herein called the "Special School Tax") and are paid to the Cullman City Board of Education (herein called "the Board");

(b) that there are presently being levied in the City, pursuant to Article 3 of Chapter 51 of Title 11 of the Code of Alabama 1975, as amended, sales and use taxes at the rate of one-half of one percent (herein together called the "City Sales and Use Tax"), the proceeds of which are appropriated and paid to the Board for general public school purposes;

(c) that the Board has reported to the City that the Board proposes to issue its Special Tax School Warrants, Series 2024-A, in the approximate principal amount of \$30,415,000 (herein called "the Series 2024-A Warrants"), for the purpose of financing a portion of the costs of various public school capital improvements in the City, including, without limitation, a new Cullman Intermediate School and a new technical education/STEM wing at Cullman High School (herein called "the 2024 School Improvements"), and to pledge, for the payment of the principal of and interest on the Series 2024-A Warrants and among other revenues available to the Board, the proceeds of the Special School Tax presently being paid to the Board; and

(d) that the Board has reported to the City that the Board proposes to issue its Special Tax School Warrants, Series 2024-B, in the approximate principal amount of \$1,920,000 (herein called "the Series 2024-B Warrants"), for the purpose of financing a portion of the costs of the 2024 School Improvements, and to pledge, for the payment of the principal of and interest on the Series 2024-B Warrants, the proceeds of the City Sales and Use Tax presently being paid to the Board.

Section 2. Pledge. (a) The City hereby pledges, to the Board and to the registered owners of the Series 2024-A Warrants, the Special School Tax and the proceeds therefrom and agrees that it shall continue to levy and provide for the collection and assessment of the Special School Tax and to pay the same over to the Board until the final retirement of the Series 2024-A Warrants, now expected to occur on or before March 1, 2054.

(b) The City hereby pledges, to the Board and to the registered owners of the Series 2024-B Warrants, the City Sales and Use Tax and the proceeds therefrom and agrees that it shall continue to levy and provide for the collection and assessment of the City Sales and Use Tax and to pay the same over to the Board until the final retirement of the Series 2024-B Warrants, now expected to occur on or before March 1, 2032.

ADOPTED BY THE CITY COUNCIL this 28th day of October, 2024.

President of the City Council

ATTEST:

City Clerk

APPROVED BY THE MAYOR this the 28th day of October, 2024.

Mayor