

\$760,000
CITY OF KENNEDALE, TEXAS TAX NOTE, SERIES 2018

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CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

I, the undersigned City Secretary of the **CITY OF KENNEDALE, TEXAS** (the "**City**"), hereby certify as follows:

1. The City Council of the City (the "**City Council**") convened in Special Meeting on October 9, 2018, at the City Hall (the "**Meeting**"), and the roll was called of the duly constituted officers and members of the City Council, to wit:

Brian Johnson, Mayor	Chris Pugh, Council Member - Place 2
Jan Joplin, Mayor Pro Tem, Place 5	Sandra Lee, Council Member - Place 3
Rockie Gilley, Council Member - Place 1	Linda Rhodes, Council Member - Place 4

and all of the officers and members of the City Council were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

ORDINANCE AUTHORIZING THE ISSUANCE OF \$760,000 IN PRINCIPAL AMOUNT OF CITY OF KENNEDALE, TEXAS TAX NOTE, SERIES 2018; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE LETTER, AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

(the "**Ordinance**") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be adopted; and, after due discussion, said motion carrying with it the adoption of the Ordinance, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full and correct copy of the Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Note; the Ordinance has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 9th day of October, 2018.

(SEAL)

City Secretary
City of Kennedale, Texas

GENERAL CERTIFICATE

THE STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

We, the undersigned, hereby officially certify that we are the Mayor and City Secretary, respectively, of the CITY OF KENNEDALE, TEXAS (the "**City**"), and we further certify as follows:

1. This Note is given for the benefit of the Attorney General of the State of Texas and all parties interested in the CITY OF KENNEDALE, TEXAS TAX NOTE, SERIES 2018 (the "**Note**"), dated as of October 1, 2018, and authorized by an ordinance passed by the City Council of the City on October 9, 2018 (the "**Ordinance**").

2. The City is a duly incorporated Home Rule City, having more than 5,000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted Home Rule Charter of the City, which Charter has not been changed or amended since the voters of the City approved certain amendments at an election held on May 16, 2016.

3. No litigation of any nature has ever been filed pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the proposed Note; (b) the authority of the officers of the City to issue, execute and deliver the Note; or (c) the validity of the corporate existence or the current Tax Rolls of the City; and no litigation is pending pertaining to, affecting or contesting the boundaries of the City.

4. The currently effective ad valorem tax appraisal roll of the City (the "**Tax Roll**") is the Tax Roll prepared and approved during the calendar year 2018, being the most recently approved Tax Roll of the City; that the taxable property in the City has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "**Texas law**"); that the Tax Roll for said year has been submitted to the City Council of the City as required by Texas law, and has been approved and recorded by the City Council; and according to the Tax Roll for said year the net aggregate taxable value of taxable property in the City (after deducting the amount of all applicable exemptions required or authorized under Texas law), upon which the annual ad valorem tax of the City has been or will be imposed and levied, is \$693,034.899.

5. Attached hereto as Exhibit A is a true, full and correct schedule and statement of the aforesaid proposed Note, and all presently outstanding tax indebtedness of the City, and attached hereto as Exhibit B is a combined debt service schedule for all outstanding tax indebtedness of the City (including the proposed Note). The City is not in default as to any covenant, condition, or obligation in connection with any of such outstanding obligations or the ordinances authorizing same.

6. Revenues of the City's Waterworks and Sewer System have not been encumbered other than in connection with (i) the series of outstanding Notes of Obligation described in the attached Exhibit A, and (ii) the proposed Note.

7. Attached hereto as Exhibit C is a true and correct schedule of the current rates and charges for the City's Waterworks and Sewer System.

8. Attached hereto as Exhibit D is a true, full and correct schedule and statement of the income and expenses of the City's Waterworks and Sewer System for the past five fiscal years (year ending September 30).

9. The following persons are the duly elected members of the City Council of the City as of the date hereof:

Mayor	Brian Johnson
Mayor Pro Tem - Place 5	Jan Joplin
Council Member - Place 1	Rockie Gilley
Council Member - Place 2	Chris Pugh
Council Member - Place 3	Sandra Lee
Council Member - Place 4	Linda Rhodes

10. The following persons are the duly appointed City Manager, City Secretary and Director of Finance of the City as of the date hereof:

City Manager	George Campbell
City Secretary	Leslie Galloway
Director of Finance	Brady Olsen

11. The City received all required disclosure filings under Section 2252.908, Texas Government Code, in connection with the authorization and issuance of the Note and has notified, or will timely notify, the Texas Ethics Commission of its receipt of such filings by acknowledging such filings in accordance with the provisions of Section 2252.908, Texas Government Code, and 1 Tex. Admin. Code § 46.5(c).

12. The proceeds of the Note will not be used for a purpose previously rejected by the voters of the City in a bond election held during the preceding three years.

13. With respect to the contracts contained within the transcript of proceedings relating to the Bonds submitted to the Attorney General of Texas that are subject to Subchapter F of Chapter 2252, Texas Government Code, the District has confirmed that none of such counter parties are identified on a list prepared and maintained under Sections 2270.0201 or 2252.153 of the Texas Government Code, to the extent such lists have been prepared and made available for public review as of the date of this Note by the appropriate state agency.

SIGNED AND SEALED THIS 9TH DAY OF OCTOBER, 2018.

Mayor
City of Kennedale, Texas

City Secretary
City of Kennedale, Texas

(SEAL)

EXHIBIT A

**SCHEDULE OF ALL OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
OF THE CITY OF KENNEDALE, TEXAS**

THE PROPOSED TAX NOTE

TAX NOTE, SERIES 2018, dated October 1, 2018, to be outstanding in the aggregate principal amount of \$760,000, bearing interest and maturing as set forth in the Ordinance authorizing such Note.

ALL PRESENTLY OUTSTANDING TAX INDEBTEDNESS:

<u>TITLE OF OUTSTANDING OBLIGATIONS</u>	<u>DATED DATE</u>	<u>CURRENT OUTSTANDING PRINCIPAL AMOUNT (\$)</u>
General Obligation Refunding Bonds, Series 2007	02/01/2007	1,605,000
Combination Tax & Revenue Notes of Obligation, Series 2007	02/01/2007	1,600,000
Combination Tax & Revenue Notes of Obligation, Series 2007A	10/01/2007	1,175,000
Combination Tax & Revenue Notes of Obligation, Series 2010	01/01/2010	1,365,000
Combination Tax & Revenue Notes of Obligation, Series 2011	06/01/2011	1,870,000
General Obligation Refunding Bonds, Series 2016	09/01/2016	<u>3,535,000</u>
TOTAL PRINCIPAL AMOUNT CURRENTLY OUTSTANDING:	***	<u>11,150,000</u>

EXHIBIT B

COMBINED DEBT SERVICE SCHEDULE

EXHIBIT C

CURRENT WATERWORKS AND SEWER SYSTEM RATES

EXHIBIT D

**WATERWORKS AND SEWER SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30**

	2017	2016	2015	2014	2013
REVENUES	\$6,460,049	\$6,555,146	\$7,362,971	\$6,856,568	\$6,280,275
EXPENSES	<u>7,558,982</u>	<u>7,020,665</u>	<u>6,745,291</u>	<u>6,523,102</u>	<u>6,306,631</u>
TOTAL	\$(1,098,933)	\$ (465,519)	\$ 617,680	\$ 333,466	\$ 26,356

SIGNATURE IDENTIFICATION AND NO-LITIGATION CERTIFICATE

We, the undersigned Mayor and City Secretary, respectively, of the **CITY OF KENNEDALE, TEXAS** (the "**City**"), hereby certify as follows:

(a) This Note is executed and delivered with reference to the **CITY OF KENNEDALE, TEXAS TAX NOTE, SERIES 2018**, dated October 1, 2018, authorized by an ordinance passed by the City Council of the City on October 9, 2018 (the "**Note**").

(b) Each of us signed the Note by manually executing or causing facsimiles of our manual signatures to be printed or lithographed on the Note, and we hereby adopt said facsimile signatures as our own, respectively, and declare that said facsimile signatures constitute our signatures the same as if we had manually signed the Note.

(c) The Note is substantially in the form, and it has been duly executed and signed in the manner, prescribed in the ordinance authorizing the issuance thereof.

(d) At the time we so executed and signed the Note we were, and at the time of executing this Note we are, the duly chosen, qualified, and acting officers indicated therein, and authorized to execute and sign the same.

(e) No litigation of any nature has been filed or is now pending or, to our knowledge, threatened, to restrain or enjoin the issuance or delivery of the Note, or which would affect the provision made for its payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Note, and that so far as we know and believe no such litigation is threatened.

(f) Neither the corporate existence nor boundaries of the City is being contested; no litigation has been filed or is now pending or, to our knowledge, threatened, which would affect the authority of the officers of the City to issue, execute, sign, and deliver the Note; and no authority or proceedings for the issuance of the Note have been repealed, revoked, or rescinded.

(g) We have caused the official seal of the City to be impressed, or printed, or lithographed on the Note; and said seal on the Note has been duly adopted as, and is hereby declared to be, the official seal of the City.

EXECUTED and delivered this _____.

MANUAL SIGNATURES

OFFICIAL TITLES

Brian Johnson, Mayor

Leslie Galloway, City Secretary

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this _____.

Notary Public

Typed Name _____

(My Commission Expires _____)

(Notary Seal)

October 9, 2018

Texas State Comptroller of Public Accounts
Cash and Securities Management Division
Thomas Jefferson Rusk Building
208 East 10th Street, 4th Floor, Room 448
Austin, Texas 78701-2407
Attn: Melissa Mora

RE: CITY OF KENNEDALE, TEXAS TAX NOTE, SERIES 2018

Ladies and Gentlemen:

The Attorney General will deliver to you the above-described issues of obligations. At such time as you have registered such obligations, this will be your authority to deliver them to an authorized representative of McCall, Parkhurst & Horton L.L.P. who will deliver said obligations to the Paying Agent/Registrar named in the obligations for delivery to the purchasers thereof.

At the time you have registered the obligations, please deliver three copies of the Attorney General's opinion and the Comptroller's Signature Note covering said issue of obligations to a representative of McCall, Parkhurst & Horton L.L.P., or send such documents by overnight courier to Orlando "Jay" Juarez, Jr. and Thomas K. Spurgeon, McCall, Parkhurst & Horton L.L.P., 700 N. St. Mary's, Suite 1525, San Antonio, Texas 78205.

Sincerely yours,

CITY OF KENNEDALE, TEXAS

Mayor

cc: Attorney General of Texas

October 9, 2018

The Attorney General of Texas
Public Finance Division
300 W. 15th Street, 7th Floor
Austin, Texas 78701

RE: CITY OF KENENDALE, TEXAS TAX NOTE, SERIES 2018

Ladies and Gentlemen:

It is requested that you examine the above issues of obligations and the proceedings authorizing their issuance.

We enclose herewith one signed but undated copy of the Signature Identification and No-Litigation Note. Upon approval of the obligations, you are authorized to insert the date of approval in said Signature Note. If any litigation should develop before you have approved the obligations, we will notify you at once both by telephone and telecopy. With this assurance you can rely upon the absence of any such litigation at the time you approve the obligations unless we advise you otherwise.

After you have examined the obligations, kindly deliver them to the Office of the Comptroller of Public Accounts of the State of Texas. The Comptroller has received instructions as to disposition of such obligations following their registration.

Sincerely yours,

CITY OF KENNEDALE, TEXAS

Mayor

cc: Comptroller of Public Accounts

RECEIPT FOR PROCEEDS

The undersigned hereby certifies as follows:

(a) This Receipt is executed and delivered with reference to the **CITY OF KENNEDALE, TEXAS TAX NOTE, SERIES 2018** (the "*Note*"), dated October 1, 2018, in the aggregate principal amount of **\$760,000** authorized by an ordinance passed by the City Council of the **CITY OF KENNEDALE, TEXAS** (the "*City*") on October 9, 2018.

(b) The undersigned is the duly chosen, qualified, and acting Director of Finance of the City.

(c) The Note has been duly delivered to the initial purchaser thereof, namely

PRESIDIO SHORT TERM TAX-EXEMPT FUND, LP

(d) The Note has been paid for in full by said purchaser concurrently with the delivery of this Receipt, and the City has received, and hereby acknowledges receipt of, the agreed purchase price for the Note, being \$_____ (which amount is equal to par less a discount retained by the purchaser of \$_____), and no accrued interest.

EXECUTED and delivered this _____.

CITY OF KENNEDALE, TEXAS

Director of Finance