

ORDINANCE #18-340

ORDINANCE AMENDING ORDINANCE 13-320 AUTHORIZING THE ISSUANCE OF "CITY OF MASON, TEXAS TAX NOTES, SERIES 2013" SECTION 6 TO INCLUDE REPAYMENT FUNDING FROM CITY OF MASON UTILITY SYSTEM REVENUES.

WHEREAS, Ordinance 13-320, Section 6 provides that an Ad Valorem Tax be levied each year to make payment for principal and interest on Certificates of Indebtedness:

"SECTION 6. INTEREST AND SINKING FUND; TAX LEVY.

A special Interest and Sinking Fund ("the Interest and Sinking Fund") is hereby created solely for the benefit of the Notes, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City for so long as the Notes or interest thereon are outstanding and unpaid. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Notes. Until expended for the purposes set forth in Section 1 hereof, the proceeds derived from the sale of the Notes shall be held as further security for the timely payment of the principal and interest on the Notes. All ad valorem taxes levied and collected for and on account of the Notes and all accrued interest and premium on the Notes received by the City from the initial purchaser of the Notes shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Notes or interest thereon are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient, together with other moneys deposited to the credit of the Interest and Sinking Fund, to raise and produce the money required to pay the interest on the Notes as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Notes as such principal matures (but never less than 2% of the original principal amount of the Notes as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Notes or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide the payment of the interest on and principal of the Notes, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limits provided by law."

WHEREAS, the City of Mason Utility System has had and expects in the future to have sufficient sales and net income to make full interest and principal payments on the Texas Tax Notes, Series 2013;

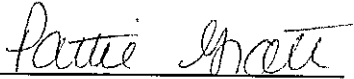
WHEREAS, the City of Mason has limited cash resources available to make interest and principal payments;

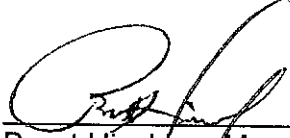
BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MASON, TEXAS:

It shall be added to Ordinance 13-320, Section 6:

“The City of Mason shall levy an Ad Valorem Tax at a rate sufficient to pay the debt service of the Texas Tax Notes, Series 2013 certificates of obligation if other sources of income are insufficient to pay the debt service. Other sources of revenue such as utility system sales proceeds or city cash resources may be used to pay the certificate of debt service.”

PASSED AND APPROVED by the City Commission of the City of Mason, Texas on this the 18th day of June, 2018.


Pattie Grote, City Secretary


Brent Hinckley, Mayor

