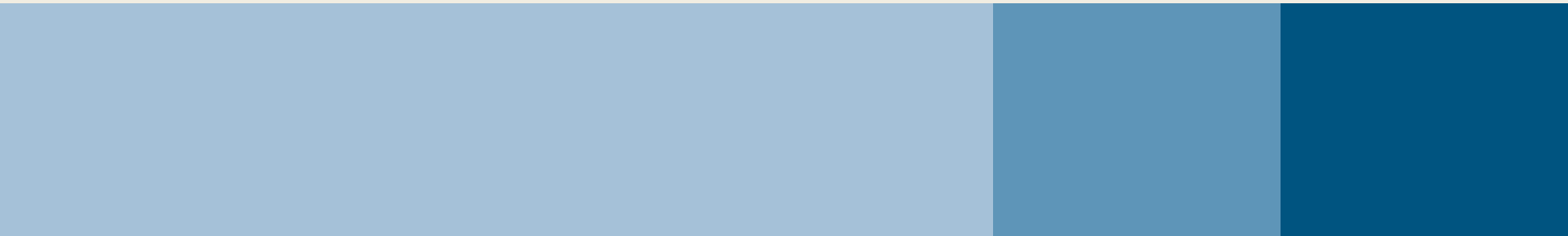




JONES HALL

Responsibilities of Council Members Regarding Bond Issuance



Timeline

- ▣ May 27: Appoint Citizens' Oversight Committee and Bylaws
- ▣ June 10: Resolution requesting County to levy property taxes in anticipation of bond issuance
- ▣ Fall 2025: Consideration of revised debt management policy
- ▣ Late 2025/early 2026: Resolution approving issuance of first series of Bonds

Resolution Approving Bonds

- ▣ All bond issues must be approved by Council under a resolution considered as an action item with opportunity for the Council to discuss and deliberate and take public comment
- ▣ Each resolution will approve the bond sale and issuance subject to a maximum borrowing amount and interest rate
- ▣ Resolution will approve as to form:
 - Basic legal documents necessary for bond issuance
 - Preliminary Official Statement, the disclosure document to be distributed to potential bond investors
 - A Continuing Disclosure Certificate obligating the City to file annual disclosure and event notices regarding the bonds
 - Sale documents to be used in connection with the public offering of the bonds

Applicable Securities Laws

▣ Preliminary Official Statement

- May not contain any untrue statements of a material fact or
- Omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading

▣ Materiality

- A fact is material if there is a substantial likelihood that a reasonable investor would view the fact as significantly altering the total mix of information in making an investment decision

Council Responsibilities

▣ SEC Standard

- “A public official who approves the issuance of securities and related disclosure documents may not authorize disclosure that the public official knows to be materially false or misleading; nor may the public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading.”
- Key to Council Members’ responsibility is reasonable oversight
- Council Members may reasonably rely on staff and consultants, including bond and disclosure counsel, as to the accuracy and completeness of the disclosure document

Council Responsibilities

▣ Council Members should bring their unique perspectives to bear on the disclosure as it relates to the City, with particular focus on big-picture issues relating to the City and its finances, and the projects to be financed, to ensure they are adequately described and nothing material is omitted. Examples may include pending departures of major employers, or significant threats to the City's revenues. The goal is to ensure that the “elephant in the room” is not omitted.



JONES HALL