

NOTICE OF INTENTION TO ISSUE
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that it is the intention of the City Council of the City of Melissa, Texas, to issue interest bearing certificates of obligation of the City, in one or more series, for the purpose of paying all or a portion of the City's contractual obligations to be incurred in connection with:

- (i) acquiring, constructing, renovating and equipping public safety facilities for the fire and police departments, including information technology, infrastructure and equipment;
- (ii) acquiring, constructing, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including utility relocation;
- (iii) acquiring, constructing, renovating, and equipping administrative offices for the City;
- (iv) acquiring land and interests in land necessary for such projects; and
- (v) paying legal, fiscal, engineering and architectural fees in connection with these projects.

The City Council tentatively proposes to adopt one or more ordinances authorizing the issuance of said certificates of obligation at a meeting to commence at 6:00 p.m., on August 12, 2025, at the City Hall, 3411 Barker Avenue, Council Chambers, Melissa, Texas. The maximum amount of certificates of obligation indebtedness that may be authorized to be sold on said date for such purposes described above is \$26,325,000. The City proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the City as provided by law, and from a limited pledge of surplus revenues of the City's waterworks and sewer system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the City's waterworks and sewer system. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271 ("Chapter 271").

In accordance with the provisions of Chapter 271, the following information has been provided by the City (excludes \$51,205,000 principal amount of outstanding debt obligations the City has designated as self-supporting and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations):

- (a) The principal amount of all outstanding debt obligations of the City is \$82,690,000;
- (b) The current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is \$122,881,673;
- (c) The maximum principal amount of the certificates of obligation to be authorized is \$26,325,000;
- (d) The estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$44,161,098;
- (e) The estimated interest rate for the certificates of obligation to be authorized is 4.50%; and
- (f) The maximum maturity date of the certificates of obligation to be authorized is February 15, 2050.

The Resolution designating certain outstanding debt obligations of the City as self-supporting for purposes of Chapter 271 is available upon request to the City at the address noted above.

CITY OF MELISSA, TEXAS