

**Tri-County
Behavioral Healthcare
Board of Trustees
Special Called
Meeting**

March 6, 2024



Notice is hereby given that a Special Called Meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Wednesday, March 6, 2024. In compliance with Section 551.127 of the Texas Open Meetings Act, Tri-County Behavioral Healthcare, as a governmental entity that serves three Texas Counties, will hold the March 6th meeting via tele video call at 10:00 a.m. The Chair of the Board of Trustees will be at the Liberty Service Center at 2000 Panther Lane, Liberty, TX 77575 and will be presiding over the meeting from this location. This location will be open to the public who wish to attend the Board meeting in person. Individuals may also join the meeting via the video link below:

Join Zoom Meeting

<https://zoom.us/j/95657773995?pwd=MlZWaDd5S5StrVHplQUJoSWdHQStqQT09>

Meeting ID: 956 5777 3995

Passcode: 343457

One tap mobile

+13462487799,,95657773995#,,,,*343457# US (Houston)

+12532050468,,95657773995#,,,,*343457# US

www.tcbhc.org/board-documents/

March 6, 2024 Board Packet

In compliance with the Americans with Disabilities Act, Tri-County Behavioral Healthcare will provide for reasonable accommodations for persons attending the Board Meeting. To better serve you, a request should be received with 48 hours prior to the meeting. Please contact Tri-County Behavioral Healthcare at 936-521-6119.

AGENDA

- I. Organizational Items**
 - A. Chair Calls Meeting to Order
 - B. Public Comment
 - C. Quorum
 - D. Review & Act on Requests for Excused Absence
- II. Approve Document(s) Related to Bond Financing for 402 Liberty Street, Cleveland, Texas**
- III. Executive Session in compliance with Texas Government Code Section 551.071 - Consultation with Attorney and Section 551.072 - Real Property; 402 Liberty Street, Cleveland, Texas.**

Posted By:

Ava Green
Executive Assistant

Agenda Item: Approve Document(s) Related to Bond Financing for 402 Liberty Street, Cleveland, Texas

Board Meeting Date

March 6, 2024

Committee: Business

Background Information:

The Board of Trustees approved a staff recommendation to shift the financing of the Cleveland Service Facility, to be located at 402 Liberty Street in Cleveland, Texas, from conventional financing to tax-exempt bond financing at the September 28, 2023 Board meeting.

Staff have been working with Municipal Capital Markets and a series of attorneys to finalize Bond documents over these last few months.

A review of the Bond process will be provided by staff from Municipal Capital Markets Group at this meeting. In addition, both Tri-County and Bond Counsel will be available to review the bond Issuer Resolution, which will need to be approved at the meeting. The Preliminary Official Statement (POS) was released to the Bond Market on the 27th and we will have pricing back at this Board meeting.

Attached to this agenda item is the draft Issuer Resolution. The final Issuer Resolution will not be available until the Tuesday before the Board meeting on Wednesday, but will only change to include the final bond costs.

Executive Session is reserved for this item if action is needed.

Supporting Documentation:

Draft Issuer Resolution

Recommended Action:

Approve Document(s) Related to Bond Financing for 402 Liberty Street, Cleveland, Texas

RESOLUTION OF THE BOARD OF TRUSTEES AUTHORIZING THE ISSUANCE OF BONDS AS AUTHORIZED BY THE ACT TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION; APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE SECURITY AND PAYMENT OF AMOUNTS DUE THEREUNDER; AND RELATED MATTERS

WHEREAS, the Board of Trustees (the “Board”) of Tri-County Behavioral Healthcare (the “Issuer”) met on March 6, 2024 for a special meeting; and

WHEREAS, the Issuer is a community mental health and intellectual disability center established pursuant to Chapter 534 of the Texas Health and Safety Code, as amended (the “Act”); and

WHEREAS, the Issuer desires to issue bonds (the “Bonds”) in an aggregate principal amount of \$_____ to (i) finance and reimburse the cost of the construction of a clinic to be located at 402 Liberty Street, Cleveland, Texas 77327 (the “Project”), which may include the purchase of furniture, fixtures and equipment for the clinic, (ii) fund a debt service reserve fund and (iii) pay certain costs of issuance, all to the extent permitted by the applicable provisions of the Act; and

WHEREAS, pursuant to its authority under the Act and in order to provide for the purposes of this Resolution, the Board has determined to authorize and approve the issuance of the Bonds and the execution of the Bond Documents (defined below), and to take all other action necessary and to authorize the Authorized Officers to implement the provisions thereof, together with other necessary or appropriate documents and to provide for the security and payment of the Issuer’s obligations thereunder; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD AS FOLLOWS:

Section 1. General. All of the above premises are found to be true and correct and are incorporated into the body of this Resolution as if copied in their entirety.

Section 2. Findings. The Board hereby finds and determines that:

(a) the Project will be located on property that the Issuer was authorized to acquire in accordance with the Act;

(b) the Issuer desires and is authorized to (i) finance and reimburse the cost of the Project, (ii) fund a debt service reserve fund and (iii) pay certain costs of issuance with proceeds of the Bonds, in accordance with the provisions of Section 534.022 of the Act;

(c) the Project is in the furtherance of the public, governmental purposes of the Issuer;

(d) the financing and reimbursement of the cost of the Project, the funding of a debt service reserve fund and the payment of certain costs of issuance with proceeds of the Bonds is in the public interest;

(e) the Issuer intends to reimburse itself from the proceeds of the Bonds to the extent permitted by the Internal Revenue Code, as amended (the “Code”), for costs and expenses incurred in connection with the Project; and

(f) the Issuer intends to issue the Bonds as set forth herein for the purposes above stated.

Section 3. Authorization of Bonds. The Issuer, acting by and through the Board, hereby authorizes and directs McCall, Parkhurst & Horton L.L.P., as bond counsel (“Bond Counsel”) to submit this Resolution, any and all supplements hereto, and all other necessary and appropriate documents to the Attorney General of the State of Texas, for its consideration in the approval of the Bonds in accordance with the Act.

The Issuer further:

(a) authorizes the issuance of the Bonds to finance and reimburse the cost of the Project, fund a debt service reserve fund and pay certain costs of issuance, in an aggregate principal amount of \$_____, [less an original issue discount of \$_____] and an Underwriter’s discount of \$_____, and directs the authentication and delivery thereof to or upon the order of the Underwriter and upon

satisfaction of the conditions contained in the Indenture and other Bond Documents and the Underwriter's requirements; and

(b) approves the term or serial maturity or sinking fund amounts and dates of the Bonds and interest rates to be borne by the Bonds, as follows:

(i) Serial Bonds maturing November 1 in the following years, principal amounts, and interest rates:

<u>Years</u>	<u>Principal Amount</u> (\$)	<u>Interest Rate</u> (%)
[2025]		
[2026]		
[2027]		
[2028]		
[2029]		
[2030]		
[2031]		
[2032]		
[2033]		
[2034]		

(ii) A Term Bond maturing November 1, [2039], with an interest rate of ____%, with the following mandatory sinking fund principal installments:

<u>Year</u>	<u>Principal Amount</u> (\$)
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*Final Maturity

(iii) A Term Bond maturing November 1, [2044], with an interest rate of ____%, with the following mandatory sinking fund principal installments:

<u>Year</u>	<u>Principal Amount</u> (\$)
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*Final Maturity

(iv) A Term Bond maturing November 1, [2049], with an interest rate of ____%, with the following mandatory sinking fund principal installments:

<u>Year</u>	<u>Principal Amount</u> (\$)
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*Final Maturity

(v) A Term Bond maturing November 1, [2054], with an interest rate of ____%, with the following mandatory sinking fund principal installments:

<u>Year</u>	<u>Principal Amount</u> (\$)
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*Final Maturity

the foregoing Bonds are callable on or after [November 1, 2034], at par, and as otherwise provided in the Indenture;

(c) directs that the form of the Bonds prescribed in the Indenture be completed in such manner as will cause the Bonds to conform to all provisions thereof; and

(d) determines that the sale of the Bonds is in the best interest of the Issuer.

Section 4. Approval of Bond Documents. The Issuer, acting by and through the Board, hereby approves the form of the Indenture of Trust (the “Indenture”) in the form presented at this meeting, all of the exhibits attached thereto, including the Deed of Trust, Security Agreement, Assignment of Rents and Leases, Fixture Filing, and Financing Statement in the form presented at this meeting, and all other documents necessary or appropriate to accomplish the issuance of the Bonds and the related transactions (collectively, the “Bond Documents”) and the performance of the Issuer’s obligations thereunder.

Section 5. Sale of Bonds; Approval of Official Statement.

(a) The Bonds shall be sold and delivered to Municipal Capital Markets Group, Inc., as underwriter (the “Underwriter”), pursuant to the terms and provisions of and at a purchase price as set forth in a Contract of Purchase in the form presented at this meeting, which the Authorized Officers are hereby authorized and directed to execute and deliver. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the offering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by their execution thereof. The use and distribution of the Preliminary Official Statement dated February 27, 2024, prepared in connection with the offer and sale of the Bonds, is hereby ratified and approved. The Board hereby finds and determines that the Preliminary Official Statement and the Official Statement were and are “deemed final” (as that term is defined in 17 C.F.R. Section 240.15c2-12) as of their respective dates.

Section 6. Powers of Authorized Officers.

(a) Evan Roberson (Executive Director of the Issuer) and Millie McDuffey (Chief Financial Officer of the Issuer) (each an “Authorized Officer”) are each hereby empowered, and any one or more are authorized to do all things necessary to:

(i) act on behalf of the Issuer in executing and delivering the Bond Documents and all other agreements approved or authorized hereby; and

(ii) perform all obligations of the Issuer in accordance with the Bond Documents and all other agreements approved or authorized hereby where applicable to the Issuer in order to fulfill the purposes thereof and of this Resolution.

(b) In the performance of this authority and directive, any of such officers is authorized to consent to changes or revisions in, the provisions of the Bond Documents, and in the documents herein authorized and approved.

(c) Execution of such documents by such Authorized Officers shall be conclusive evidence of approval thereof in accordance with this Resolution and the authority herein granted.

Section 7. Closing Documents. The form and content of the closing documents required by the Indenture or other Bond Documents or by the Underwriter may be in such form and content as the Authorized Officers may approve. Furthermore, all Authorized Officers are authorized to execute such documents, certificates, and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the Indenture and the other Bond Documents.

Section 8. Seal, Additional Actions. The seal, if any, impressed upon this Resolution is hereby adopted as the official seal of the Issuer. In addition to the Authorized Officers defined above, the officers of the Board are hereby designated as "Authorized Officers" under the Indenture, and they, or any of them, are authorized, empowered, and directed to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the Bond Documents approved by the Board or otherwise to give effect to the actions authorized hereby or by such approval of the Board and the intent hereof, all with such changes, additions, insertions, and deletions in such instruments as such officers may approve, such approval and the propriety and necessity thereof to be conclusively evidenced by the execution thereof. Included in such authority is the authority to certify to the accuracy and completeness of any materials and information regarding the Issuer.

Section 9. Effective Date. This Resolution shall be in force and effect from and after its passage.

Section 10. Public Meeting. It is hereby found and determined that advance notice of the time, place and purpose of the meeting was given to each member of the Board; and that said meeting, and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of this resolution and order, was posted and given in advance in compliance with the provisions of Chapter 551, Texas Government Code, as amended.

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CERTIFICATE FOR RESOLUTION

STATE OF TEXAS	§
MONTGOMERY COUNTY	§
TRI-COUNTY BEHAVIORAL HEALTHCARE	§

I, the undersigned Secretary of the Board of Trustees of said Issuer, hereby certify as follows:

1. The Board of Trustees of Tri-County Behavioral Healthcare (the “Issuer”), convened in SPECIAL MEETING ON THE 6TH DAY OF MARCH, 2024, and the roll was called of the duly constituted officers and members of said Board of Trustees, to-wit:

Patti Atkins, Chair
Gail Page, Vice-Chair
Jacob Paschal, Secretary
Morris V. Johnson
Tim Cannon

The Honorable Tracy Sorensen
Sharon Walker
Richard Duren
Carl Williamson

and all said persons were present, except the following absentees:

_____, thus, constituting a quorum.

The Issuer’s Executive Director, Evan Roberson, and Chief Financial Officer, Millie McDuffey, were also present.

Whereupon, among other business, the following was transacted at said meeting: a written

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was duly introduced for the consideration of said Board of Trustees and read in full. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

_____ “AYES,” _____ “NAYS” and _____ “ABSTENTIONS”

2. That a true, full and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to this Certificate; that said Resolution has been duly recorded in said Board of Trustee's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Trustee's minutes of said Meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Trustees as indicated therein; that said Meeting was open to the public, and public notice of the time, place and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED the _____ day of _____, 2024.

Jacob Paschal, Secretary, Board of Trustees