

On the November 8, 2022, General Election, Hall County voters will have the opportunity to vote FOR OR AGAINST the ISSUANCE OF CERTIFICATES OF OBLIGATION in an amount not to exceed \$4,000,000 for the purpose of renovation and/or restoring the Hall County Courthouse. The Texas Historical Commission's Texas Historic Courthouse Preservation Program (THCPP) has approved a grant of \$6,000,000 to Hall County for the complete restoration of the Hall County Courthouse.

The grant of \$6.0 million will be used to fund more than half of the restoration costs of the Hall County Courthouse. The original estimate was just under \$7 million in September 2019, but due to inflation, complete restoration of the courthouse is now estimated to cost roughly \$9.4 million. If we do not restore the complete courthouse, we do not receive the \$6.0 million grant.

The county will be required to fund the additional nearly \$4 million of restoration costs. This will be by utilizing Certificates of Obligation for 30 years currently at 4.5%, totaling a payback of \$7.35 million. Citizens can expect to see a tax increase of 0.0842 cents per hundred-dollar tax valuation.

If the funding by utilizing Certificates of Obligations is denied by voters, the county will still need to complete necessary rehabilitations, including electrical and plumbing restoration, replacement of the roof, replacement or update of the current elevator, installation of heating and air conditioning system to replace open space heaters and individual window air conditioning units. The county will need to utilize up to \$4.0 million in Certificates of Obligation or other types of funding in order to take care of the upgrading of our 100-year-old courthouse. The Commissioners Court, as stated in the Local Government Code, is responsible for maintaining the County Courthouse.

The drought conditions and inflation we are currently experiencing cause concern for the county's citizens in facing a tax increase and the county is looking into additional grants to help lower the county's portion of the restoration cost. There are no solar farms, no wind energy production and no oil exploration in our county to help fund a tax increase.

By utilizing Certificates of Obligation, authorized by Texas Local Government Code Chapter 271, Subchapter C, to come up with the funds, the county will be required to establish an Interest and Sinking Fund (ISF) Account which will be used to deposit and disburse funds for restoration income and expenses and will have its own tax rate separate from the county's maintenance and operations tax rate to pay back the funds generated from the sale of the Certificates of Obligation.

If the majority of citizens vote against utilizing Certificates of Obligation for funding, the county will still need Certificates of Obligation or other funding to finance the separate projects which will cost up to \$4.0 million. The difference is that we will not restore the entire 100-year-old courthouse. The needed repairs will still need to be addressed. (See next page for sample of the ballot.)

For more information, visit the county's website at <http://www.co.hall.tx.us> and click on Hall County Courthouse Restoration and/or contact Judge Ray Powell at 806-259-2511.

HALL COUNTY, TEXAS - PROPOSITION A

SHALL THE COMMISSIONERS COURT OF HALL COUNTY, TEXAS, BE AUTHORIZED TO ISSUE AND SELL, AT ANY PRICE OR PRICES AND IN ONE OR MORE SERIES OR ISSUES, THE CERTIFICATES OF OBLIGATION OF THE COUNTY IN AN AMOUNT NOT TO EXCEED \$4,000,000 MATURING SERIALY OR OTHERWISE WITHIN 40 YEARS FROM THEIR DATE OR DATES, AND BEARING INTEREST AT SUCH RATE OR RATES (FIXED, VARIABLE OR OTHERWISE), NOT TO EXCEED THE MAXIMUM INTEREST RATE NOW OR HEREAFTER AUTHORIZED BY LAW, AS SHALL BE DETERMINED WITHIN THE DISCRETION OF THE COMMISSIONERS COURT AT THE TIME OF ISSUANCE, FOR THE PURPOSE OF EVIDENCING THE INDEBTEDNESS OF THE COUNTY TO PAY CONTRACTUAL OBLIGATIONS TO BE INCURRED FOR RENOVATION OF THE COUNTY COURTHOUSE AND PAY CONTRACTUAL OBLIGATIONS FOR PROFESSIONAL SERVICES; AND SHALL THE COMMISSIONERS COURT BE AUTHORIZED TO LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE COUNTY SUFFICIENT, WITHIN THE LIMITS PRESCRIBED BY LAW, TO PAY THE PRINCIPAL OF AND INTEREST ON THE CERTIFICATES OF OBLIGATION, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA?

Section 3. Official Ballot. The official Ballot shall be prepared in accordance with the Election Code so as to permit the voters to for "FOR" or "AGAINST" the proposition which shall be set forth on the ballot in English and in Spanish in substantially the following form:

HALL COUNTY, TEXAS - PROPOSITION A

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| [] FOR |) | THE ISSUANCE OF CERTIFICATES OF OBLIGATION IN AN |
| |) | AMOUNT NOT TO EXCEED \$4,000,000 FOR THE PURPOSE |
| |) | OF EVIDENCING THE INDEBTEDNESS OF THE COUNTY TO |
| |) | PAY CONTRACTUAL OBLIGATIONS TO BE INCURRED FOR |
| |) | RENOVATION OF THE COUNTY COURTHOUSE AND PAY |
| |) | CONTRACTUAL OBLIGATIONS FOR PROFESSIONAL |
| |) | SERVICES, AND LEVYING AND IMPOSITION OF TAXES |
| |) | SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST |
| [] AGAINST |) | ON THE CERTIFICATES OF OBLIGATION. |