The City of Liberty
City Council

Special Called Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, March 23, 2010 | **6:00 PM** | **City Council Chambers**

I. CALL TO ORDER

The Meeting was called to order on March 23, 2010 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:03 PM by Mayor Carl Pickett.

Attendee Name	Present	Absent	Late	Arrived
Carl Pickett	þ	¨	¨	
Dennis Beasley	þ	¨	¨	
Diane Huddleston	þ	¨	¨	
Mike McCarty	þ	¨	¨	
Al Simonson	þ	¨	¨	
Louie Potetz	þ	¨	¨	
Frank Jordan	þ	¨	¨	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council regarding non-agenda items. There were no comments from the audience.

Mayor Pickett reported on the following:

1) Liberty Jubilee to be held on March 26 and 27,
2) Council Members who signed up to work the Information Booth at the Jubilee, please be present, and
3) a total of seven people attended the TML Region XVI Meeting in Cleveland on March 18th, with the City winning a prize for the most people in attendance.

III. PRESENTATIONS / REPORTS

A. Information Item (ID # 1612)

Financial Report - February 2010 - Naomi Herrington, Finance Director

COMMENTS - Current Meeting:

Finance Director Naomi Herrington reported on the February financial report stating, as of February 28, revenues for the general fund are currently at 46% of total projected revenues for the current fiscal year and expenditures at 43% of total projected expenditures for the current fiscal year.

Ms. Herrington stated that the current total asset listing is $2.6 million. Property tax is at 92% of the budgeted $1.4 million and sales tax is at 35% of the current budgeted amount of $2 million. Ms. Herrington further reviewed the various funds and their status.

City Manager Gary Broz reported that as of today, March 23rd, the City is sitting at 50% revenues and 50% expenditures in the General Fund. Mr. Broz stated that, this same day, he has implemented several directives to staff:

1) instituted a hiring freeze,
2) purchases over $500 must be approved prior to purchase being made, and
3) all departments to cut overtime, and review the number of stand-by personnel.

Mr. Broz further stated that the finances are being closely watched and spending is at a minimum, the city currently being at a break-even point. Mr. Broz commented that additional revenue will come from end of the quarter franchise fees and hopefully, increased sales tax figures.

B. Information Item (ID # 1613)

Humphreys Cultural Center Expansion Project - Construction Draw Feb 2010 - Naomi Herrington, Finance Director

COMMENTS - Current Meeting:

Finance Director Naomi Herrington reported that the last contractor draw took place on February 28th, with the scope of work being 90% complete. Ms. Herrington further reported that Council received a breakdown of the contingency fund and change orders, which currently reflect figures below the budgeted $30,000.

Further discussion included additional project funds, project completion within the budgeted amount, and other related issues.

Mr. Broz reported that the demolition of the power plant building would take place on April 1st, the generator and inventory were being removed, bids for the wastewater treatment plant system upgrades would be out soon, and reported on the status of other current city projects, to include the airport grant, Round 2 Disaster Funds, health insurance, and the black & gold street sign program.

C. Information Item (ID # 1614)

Recycling Report - Councilperson Huddleston

COMMENTS - Current Meeting:

Councilperson Huddleston stated that there has been no activity to report at this time.

D. Information Item (ID # 1617)

Certification of Unopposed Candidates - Dianne Tidwell, City Secretary

COMMENTS - Current Meeting:

City Secretary Dianne Tidwell reported to Council the unopposed status of the council member race for the May 8, 2010 General Election. Ms. Tidwell stated that the Texas Election Code requires that certification of unopposed status be delivered to the governing body of the political subdivision after the filing deadlines have passed. Ms. Tidwell further stated that new law states that these unopposed candidate's names will be placed on the ballot under a heading "Unopposed Candidates Declared Elected", and no votes are cast in connection with these candidates.

ATTACHMENTS:

- Cert of Unopposed Candidates (PDF)

IV. REGULAR AGENDA

A. Regular Session

1. Council Action 2010-31

Consider Award of Bid No. 10-006: Annual Contract for Mowing Services--Highway 90 Median.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that the city had opened bids for mowing of the Hwy. 90 median, from the Trinity River Bridge moving west to the city limits. Four bids were received. The low bidder was HLNG Lawn Service for a monthly charge of $350, with the remaining bids ranging from $700-$750. Bid specifications state that the contractor will mow the property twice monthly, from March through November.

Motion was made to award the bid to HLNG Lawn Service.

ATTACHMENTS:

- BID NO. 10-006 Bid Tab (DOC)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Mike McCarty, Mayor Pro-Tem
AYES:	Pickett, Beasley, Huddleston, McCarty, Simonson, Potetz, Jordan

2. Council Action (ID # 1616)

Discuss with the Financial Advisor, and Approve, a Plan of Finance to Fund the Boomerang Tube, LLC Electric Substation.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that he had been working with the City's Financial Advisor, Bob Henderson, on a plan of finance for the Boomerang Tube Electric Substation, and that Mr. Henderson was present to discuss this plan with the Council.

Mr. Henderson reported on the Electric Services Charge Agreement (ESC) with Boomerang Tube LLC, in which the City agrees to provide a power substation with all transmission and distribution lines to deliver up to forty mega watts of power, on or before May 31, 2010. This will be a temporary facility, until construction of the permanent substation facility is complete.

Mr. Henderson stated that the Boomerang agreed to pay, the City, under the ESC now in force, an amount not to exceed $3,500,000, to include costs of financing (interest on debt) not to exceed $750,000. Therefore, total payments will be made in an amount not to exceed $4,250,000. Payments of $83,000 per month will be paid to the City for a 24-month period, to commence on June 1, 2010; and payments of $22,000 will be paid for the following ninety-six months.

As security for this agreement, Boomerang has agreed to place in escrow an amount of two million dollars, on May 1st, available to the City to draw upon in the event of past due ESC charges. ESC charges is the electrical services charge agreement designed to reimburse the City for the capital outlay, relating to the substation, separate and apart from the Boomerang's normal monthly electric bill. This two million dollars will be refunded to Boomerang Corporation in $500,000 increments, at six-month intervals, beginning November 1, 2010; including accrued interest. Term of the contract is ten years.

Mr. Henderson further reported that based on the terms of the ESC between the City and Boomerang, the borrowings for the substation consist of two separate financings: 1) a Tax Note with a par value of $1 million, with final maturity on September 1, 2011, and 2) a Certificate of Obligation issue, with a par value of $2,565,000, final maturity September 1, 2020; along with the structure of the Boomerang Corporation payments, as described above.

Further discussion included the Sam Rayburn Municipal Power Agency and tax-exempt debt, bids for substation materials, bids for construction, bid award dates, and other related information. Mr. Henderson stated that the City should move forward with the tax notes to assure funds are available for the materials, and the certificate of obligation issue will take place after the construction bid award.

City Manager Gary Broz recommended that Council consider a resolution to pay off the agreement for the two million dollars in five years, instead of ten years.

RESULT: NO ACTION TAKEN

3. Ordinance 2010-9

Consider Adoption of an Ordinance Authorizing the Issuance, Sale and Delivery of Approximately $3,400,000 in Aggregate Principal Amount of "City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2010"; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax and a Pledge of Certain Surplus Revenues of the City's Electric System; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, an Official Statement and All Other Instruments and Procedures Related Thereto.

COMMENTS - Current Meeting:

Mayor Pickett read the caption of the Ordinance into the record as follows:

"CONSIDER ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF APPROXIMATELY $3,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2010"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE

LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S ELECTRIC SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; A PURCHASE CONTRACT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO.

Motion was made to table this ordinance until the Council Meeting of April 13, 2010.

RESULT:	**TABLED [UNANIMOUS]**
MOVER:	Dennis Beasley, Councilperson
SECONDER:	Al Simonson, Councilperson
AYES:	Pickett, Beasley, Huddleston, McCarty, Simonson, Potetz, Jordan

V. COUNCIL MEAL

Council shared an evening meal.

VI. ADJOURNMENT

Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 7:35 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Frank Jordan, Councilperson
AYES:	Pickett, Beasley, Huddleston, McCarty, Simonson, Potetz, Jordan

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Carl Pickett, Mayor

ATTEST:

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Dianne Tidwell, City Secretary