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 27, 2012 | **6:00 PM** | **City Council Chambers**

I. CALL TO ORDER

The Meeting was called to order on March 27, 2012 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:00 PM by Mayor Carl Pickett.

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Mike McCarty	Mayor Pro-Tem	Present	
Dennis Beasley	Councilperson	Present	
Diane Huddleston	Councilperson	Present	
Frank Jordan	Councilperson	Present	
Louie Potetz	Councilperson	Present	
Libby Simonson	Councilperson	Present	
Gary Broz	City Manager	Present	
Dianne Tidwell	City Secretary	Present	
Randy Gunter	City Attorney	Present	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council on items that are not on the City Council Agenda. Please be aware that, under Texas Law, the Council may not deliberate or take any action on non-agenda items. In some situations, City staff may be able to respond to the public comment with a factual statement or clarification. City Council may request that the item be placed on a future agenda at which time the Council may deliberate and/or act.

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

Mayor Pickett reported that the 27th Annual Liberty Jubilee was a huge success and thanked all those that participated and supported this event. Mayor Pickett also commented on the trees recently planted around the City Hall complex, that was possible through a grant from the Houston-Galveston Area Council and thanking Councilperson Jordan for his service on various H-GAC committees.

City Manager Gary Broz thanked the staff for their work in making the Jubilee an event to be proud of. Mr. Broz also reported on the compost facility that is currently smoldering, and that the recently discussed G200 Emergency Management training would be held in-house.

III. PRESENTATIONS / REPORTS

A. Information Item (ID # 2348)

February Financial Report - Finance Director N. Herrington

COMMENTS - Current Meeting:

Finance Director Naomi Herrington began review of the February 2012 Financial Report by stating that property and sales tax collections have been good and are on target with year-to-date budgeted amounts. Ms. Herrington reviewed the various funds, to include general, water & wastewater, electric, and garbage, along with their respective revenue and expenditure totals. Further discussion included transfers to the general fund, the City's “A” bond rating, contingency funds, insurance costs, and other related issues.

B. Information Item (ID # 2349)

H-GAC Report - Councilperson F. Jordan

COMMENTS - Current Meeting:

Councilperson Jordan reported on several grants received from the Houston-Galveston Area Council. Councilperson Jordan spoke on the trees planted around the City Hall facility and that the City had received a $25,000 grant for assistance on the downtown square that must be used for historical rehab purposes. The current plans for these funds are to be used for antique/Victorian style street lights in the downtown square.

Councilperson Jordan also stated that the H-GAC Infrastructure Committee will meet next month and begin studying infrastructure grants for the next year. The City of Liberty will not qualify, as funds were received for infrastructure improvements in the prior year.

C. Information Item (ID # 2350)

SRMPA Report - Mayor Pickett

COMMENTS - Current Meeting:

Mayor Pickett reported on the following in regard to the Sam Rayburn Municipal Power Agency:

1) SRMPA is in the process of refinancing $126 million dollars of outstanding bonds, that are callable October 1, which will ultimately save the Agency between $16-20 million dollars over the next eight year period. This refinancing would allow for keeping the same maturity date as the bonds that are being replaced, but save money in terms of a lower interest rate,

2) audited financial statements were provided for the fiscal year ending September 30, 2011 with the Mayor stating to please contact him with any questions, and

3) the Mayor stated that he was in possession of the current financial statement through January 31, 2012 and touched on the Cambridge Project, which involved the restructuring of energy contracts with SRMPA taking on additional responsibility and contractual obligations. The Agency's overall revenue should increase from $30 million dollars to approximately $300 million dollars a year. For a total two months of operation, the Cambridge Project has accumulated a profit of $5.8 million dollars. The Agency will consider various options in 2012 as to the use and application of these funds.

IV. REGULAR AGENDA

A. Regular Session

1. Council Action 2012-29

Consider Approval of the Final Plat of Lazy Acres, Located on McGuire Road.

COMMENTS - Current Meeting:

Candice Motschman, Inspection Department, presented the Lazy Acres Final Plat, with no additional changes from the preliminary plat. Ms. Motschman reminded Council that this property consisted of 5 acres which were being subdivided into three separate tracts, with one tract having a home on the property. As Councilperson Jordan is the property owner, he excused himself from discussion and voting on this agenda item.

Motion was made to approve the final plat of Lazy Acres, as presented.

ATTACHMENTS:

- Lazy Acres Final Plat (PDF)

RESULT:	**APPROVED [6 TO 0]**
MOVER:	Dennis Beasley, Councilperson
SECONDER:	Mike McCarty, Mayor Pro-Tem
AYES:	Pickett, McCarty, Beasley, Huddleston, Potetz, Simonson
ABSTAIN:	Frank Jordan

2. Ordinance 2012-4

Consider Adoption of an Ordinance Authorizing the Issuance, Sale and Delivery of Approximately $1,825,000 in Aggregate Principal Amount of City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012; 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 Waterworks and Sewer System; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Agreement, 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:

"ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF *CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012*; 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 WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO".

Present was Mr. Dusty Traylor, RBC Capital Markets, the City's financial advisors and Mr. Tom Spurgeon, McCall, Parkhurst & Horton, LLP, the City's bond counsel. Mr. Traylor began by reviewing the bond sale report and discussing the sources and uses of funds, the City's "A" bond rating, bond insurance, the fixed interest rate of 3.517%, I & S tax rates, 9 year call date, and other related issues. To summarize, the City sold $1,750,000 in principal amount of certificates, with additional funds from the premium generated by the investors that purchased the bonds, allowing for $1,760,000 to be deposited into the project account. The principal and interest to be paid over the full twenty year of the certificates is $2.5 million dollars.

Mr. Spurgeon spoke in regard to the proposed Ordinance which will set this process in motion. Mr. Spurgeon stated that the ordinance authorizes the sale of the bonds to Southwest Securities as the underwriter, establishes rates and maturity amounts, approves the Registrar Agreement with the Bank of New York, and addressed other related documents.

Motion was made to adopt the Ordinance authorizing the issuance, sale, and delivery of $1,750,000 in aggregate principal amount of City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012.

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

3. Council Action 2012-30

Discuss and Consider Possible Action on Construction Options for the New Police Station.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that PGAL was hired in 2009 to draw plans for a new police department and that the agreement previously signed is just now being put into motion. Mr. Jeff Gerber, PGAL Architects, was present to discuss with Council options for construction of a new police department facility. Mr. Gerber explained that there were three basic construction delivery methods which are:

1) design bid/build, 2) competitive sealed bid, and 3) construction manager at risk. Mr. Gerber went on to describe the differences in these basic methods.

Design Bid/build - method historically used by municipalities. Documents are prepared and put out for open bid. Traditionally, selects lowest bidder. May lead to lowest project cost, but may have a contractor that has never previously built a police department. Management would have a direct relationship with the general contractor, while the general contractor has the relationship with the subcontractors.

Competitive sealed proposal - similar to first option in that in addition to cost, provides the opportunity to identify other criteria by which a contractor is selected. Established criteria must be published ahead of time so that each bidder is aware of these additional requirements. Criteria could be requirements for having previously built one or more police stations, review of safety records or legal litigation, or as many criteria as may be deemed necessary. This method may or may not lead to the lowest cost. Of these first two options, Mr. Gerber stated that most municipalities are using this method to assure they are selecting a contractor with stable financial footing.

Construction manager at risk - this method consists of selecting a construction manager before the construction documents are complete. This manager works with the design team during the design process. The manager is able to offer budgeting information, constructability reviews, etc. When documents are complete, the construction manager puts out the project for bid to subcontractors, and may also have additional criteria for subcontractors. This method provides for a guaranteed maximum price, is an open book process, construction manager shares details of bids, and scope of project can be changed and portions re-bid during the process. This method may provide higher quality, and probability of higher price.

After lengthy discussion of flexibility, advantages and disadvantages of the various methods, total project cost of $2.5 million dollars, and comments from City Engineer Tom Warner, a motion was made to use the competitive sealed proposal method for construction of a new police department facility.

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

V. WORK SESSION

1. Work Session (ID # 2353)

Water Wells & Other Water Alternatives

COMMENTS - Current Meeting:

Mr. Broz requested direction regarding water supply, water rights, and other water related issues, that would affect the current and future quality of life in the community. Discussed were control of Hardin and Ames processed water, underground aquifer, evaluation and long-term assessment of existing water wells. After lengthy discussion, Mr. Broz was directed to investigate costs for a feasibility study of current water conditions.

VI. ADJOURNMENT

Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 7:33 p.m.

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

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Carl Pickett, Mayor

ATTEST:

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Dianne Tidwell, City Secretary