The City of Liberty
City Council

Special Called Mtng. & Joint Mtng.-LCDC

~ Minutes ~

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

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, February 25, 2014 **6:02 PM** **City Council Chambers**

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Diane Huddleston	Mayor Pro Tem	Present	
Dennis Beasley	Councilperson	Present	
Frank Jordan	Councilperson	Present	
Louie Potetz	Councilperson	Present	
Libby Simonson	Councilperson	Present	
David Arnold	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 regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council.

Police Chief Billy Tidwell reported on a scam involving citizens receiving phone calls stating the caller is from the City of Liberty, and that electric utilities will be disconnected if they do not immediately pay their bill. A prepaid credit card was to be purchased by the citizen who was to then contact the caller with the number on the back of the card. Chief Tidwell stated that these type scams cycle frequently and the public needs to be aware that no reputable business would operate in this manner. Chief Tidwell stated that the Police Department has looked into the issue and it seems the caller is from outside of the U.S., with an untraceable number.

Mayor Pickett commented that the Liberty-Dayton Chamber of Commerce Annual Awards Banquet will be held on Friday, February 28th, and a Texas Municipal League Region XVI Meeting will be held in Orange, Texas on Thursday, March 27th.

III. REGULAR AGENDA

A. Regular Session

1. Resolution 2014-4

Consider a Resolution approving a new Street Project (approximately 4,700 linear feet) in an undeveloped area on the east side of the City off of the Highway 146 Bypass to be financed, in part, with funds provided by the Liberty Community Development Corporation, and approving a Project Funding Agreement related thereto with the Corporation. (2nd Reading)

COMMENTS - Current Meeting:

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

"A RESOLUTION APPROVING A NEW STREET PROJECT (APPROXIMATELY 4,700 LINEAR FEET) IN AN UNDEVELOPED AREA ON THE EAST SIDE OF THE CITY OFF OF THE HIGHWAY 146 BYPASS TO BE FINANCED, IN PART, WITH FUNDS PROVIDED BY THE LIBERTY COMMUNITY DEVELOPMENT CORPORATION, AND APPROVING A PROJECT FUNDING AGREEMENT RELATED THERETO WITH THE CORPORATION."

This project is to be financed, in part, with funds provided by the Liberty Community Development Corporation. The Corporation will issue Sales Tax Revenue Bonds for the repayment of this debt, with a funding agreement to be executed between the City and the Corporation. After brief discussion of various issues related to the Street Project to include prospective businesses, the street route, future connecting streets, and other topics, a motion was made to approve the Resolution approving the Street Project as presented, upon the second reading.

ATTACHMENTS:

- City Reso Approving St Project (PDF)

RESULT:	**APPROVED [6 TO 1]**
MOVER:	Dennis Beasley, Councilperson
SECONDER:	David Arnold, Councilperson
AYES:	Pickett, Huddleston, Beasley, Jordan, Simonson, Arnold
NAYS:	Louie Potetz

2. Resolution 2014-5

Consider a Resolution approving a Resolution of the Liberty Community Development Corporation with respect to the issuance by the Corporation of approximately $3,900,000 in principal amount of Sales Tax Revenue Bonds, Series 2014, in order to provide a portion of the funds required to finance construction of a new Street Project (approximately 4,700 linear feet) in an undeveloped area on the east side of the City off of the Highway 146 Bypass for the purpose of promoting new or expanded business development in the City, and approving other matters related thereto including a Sales Tax Remittance Agreement.

COMMENTS - Current Meeting:

This being a joint meeting of the Liberty City Council and the Liberty Community Development Corporation, Mr. Bob Henderson, RBC Capital Markets, the City and the Corporation's Financial Advisor, had addressed both entities prior to Council approving the Street Project, upon its second reading.

Mr. Henderson spoke regarding the issuance of LCDC Sales Tax Revenue Bonds, in the amount of $3,215,000.00, for the Street Project. Previous proposed issuance estimates were for $3.9 million, however, after firm project cost estimates were obtained, an issuance of only $3,215,000 is required. Mr. Henderson reported on rating calls that resulted in the Corporation receiving a rate of "A-" with stable rating. This rating was achieved due to the historical average of collections from the sales tax revenues being over $1 million for the last six years.

Mr. Henderson detailed the negotiated interest rate of 3.925172% average coupon on debt, however with financial advisor fees, legal fees, attorney general fees, etc., the true interest rate becomes 4.206379%; with Samco Capital Markets as underwriter. Further discussion entailed the sources and uses of funds, bond summary statistics, bond pricing and maturity dates, the debt service with some bonds being callable on March 1, 2023, and other related issues.

Mr. Tom Spurgeon, McCall, Parkhurst, & Horton, the City's Bond Counsel, explained that the proposed Resolution also approves a Paying Agent/Registrar Agreement, Project Funding Agreement, Sales Tax Remittance Agreement, and a Purchase Contract. Mr. Spurgeon described the purpose and importance of each of these documents.

A motion was made to approve the Resolution approving the LCDC's issuance of Sales Tax Revenue Bonds, Series 2014, in the amount of $3,215,000.00, for the Street Project.

RESULT:	**APPROVED [6 TO 1]**
MOVER:	David Arnold, Councilperson
SECONDER:	Dennis Beasley, Councilperson
AYES:	Pickett, Huddleston, Beasley, Jordan, Simonson, Arnold
NAYS:	Louie Potetz

3. Council Action 2014-8

Consider approval of a bid received for Tax Resale Property described as M.G. White, Tract 23.

COMMENTS - Current Meeting:

City Attorney Randy Gunter stated that the tax sale property described as the M.G. White, Tract 23, is a 50% undivided interest in seventy-five acres, located on the west side of Hwy. 563, across from the Elks Lodge. Mr. Gunter reported there is no road frontage, the bid received for the property is $6500, back taxes owed in the amount of $1000, and there have been no other offers on the property since 2001. This property has been off the tax rolls since a Sheriff's Sale in 2001 and held in trust for the taxing entities. Mr. Gunter concluded by stating that the Central Appraisal District value for 50% interest is approximately $15,000.00. The other taxing entities have approved the bid of $6500.00.

Motion was made to approve the bid of $6500.00 for the property described as 50% undivided interest in (Tax Tract No. 23), M.G. White League, Liberty County, Texas.

ATTACHMENTS:

- Tax Resale-MG White Feb 2014 (PDF)

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

4. Council Action 2014-9

Consider approval of a bid received for Tax Resale Property described as the Chesson Add. Tract 1 Lot 6.

COMMENTS - Current Meeting:

Council reviewed a power point presentation of the property described as the Chesson Addition, Tract 1, Lot 6. City Attorney Randy Gunter explained that this property, which is slightly less than one-quarter acre, is located in the Minglewood area and is valued at $40,000. Mr. Gunter further stated that $34,460 of that value is for a trailer home located on the property. As viewed in the photos, the trailer home is in extremely bad condition and the bidder has stated that it will be torn down and the debris removed. The bid received is for $3000, and the bidder has agreed to pay the 2013 taxes.

The other taxing entities have agreed to the sale of this property for $3000.00. After brief discussion of the property and its location, a motion was made to approve the bid of $3000 for the property described as the Chesson Addition, Tract 1, Lot 6.

ATTACHMENTS:

- Tax Resale-Chesson Add.-Feb 2014 (PDF)

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

5. Council Action 2014-10

Consider approval of an Interlocal Agreement with Liberty County Hospital District Number 1 for maintenance of the Liberty-Dayton Regional Medical Center parking lots.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that the agreement between the City and Liberty County Hospital District No. 1 is for the maintenance of the parking lots at the Liberty-Dayton Regional Medical Center. City Attorney Randy Gunter commented that in return for these services, the City would receive supplies to restock its ambulances. After further discussion of the limits of the agreement, Mr. Broz stated that no funds would be spent on this project until further details were obtained, and this information brought back to Council.

A motion was made to approve the Agreement.

ATTACHMENTS:

- Interlocal with Hosp Dist No. 1-Parking Lots (DOCX)

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

IV. ADJOURNMENT

Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, Mayor Pickett adjourned the meeting at 6:44 p.m.

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Carl Pickett, Mayor

ATTEST:

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Dianne Tidwell, City Secretary