The City of Liberty

Liberty Community Development Corporation

Special Mtng. & Joint Meeting-Liberty City Council

~ Minutes ~

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

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, February 25, 2014 **6:00 PM** **City Council Chambers**

The Liberty Community Development Corporation of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Dennis Beasley	President	Present	
Mike McCarty	Vice-President	Present	
Louie Potetz	Board Member	Present	
Barbara Norwood	Board Member	Absent	
Leslie Herndon	Board Member	Present	
David Arnold	Board Member	Present	
Mark Campbell	Board Member	Absent	
Gary Broz	General Manager	Present	
Dianne Tidwell	Corp. Secretary	Present	
Randy Gunter	City Attorney	Present	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS

President Beasley welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Board. There were no comments.

III. REGULAR AGENDA

A. Regular Session

1. LCDC Public Hearing (ID # 2945)

Public Hearing to discuss providing funds to the City of Liberty to pay a portion of the costs to construct a new street (approximately 4,700 linear feet) in an undeveloped area on the east side of the City off of the Highway 146 Bypass.

COMMENTS - Current Meeting:

At 6:05 p.m., President Beasley opened the Public Hearing on the Corporation providing funds to the City to pay a portion of the costs for the new Street Project. Brief discussion was held regarding the Corporation's funding of this project, derived from sales tax revenues. The project will be funded with Sales Tax Revenue Bonds, Series 2014, if approved. For clarification purposes, this project is not funded with any property tax revenues.

At 6:10 p.m., President Beasley closed the Public Hearing.

2. LCDC Resolution 2014-1

Consider a Resolution authorizing the issuance of approximately $3,900,000 in aggregate principal amount of Liberty Community Development Corporation Sales Tax Revenue Bonds, Series 2014; approving all documents related thereto including a Paying Agent/Registrar Agreement, a Project Funding Agreement, a Sales Tax Remittance Agreement, a Purchase Contract and an Official Statement; and approving other matters thereto.

COMMENTS - Current Meeting:

This being a joint meeting of both the Liberty Community Development Corporation and the Liberty City Council, Mr. Bob Henderson, RBC Capital Markets, the Corporation and the City's Financial Advisor, addressed both entities. 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 authorizing the issuance of $3,215,000.00 in Sales Tax Revenue Bonds, Series 2014 for the Street Project.

RESULT:	**APPROVED [4 TO 1]**
MOVER:	Dennis Beasley, President
SECONDER:	Leslie Herndon, Board Member
AYES:	Dennis Beasley, Mike McCarty, Leslie Herndon, David Arnold
NAYS:	Louie Potetz
ABSENT:	Barbara Norwood, Mark Campbell

IV. ADJOURNMENT

1. Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Corporation, President Beasley adjourned the meeting at 6:22 p.m.

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Dennis Beasley, President

ATTEST:

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Dianne Tidwell, City Secretary