The City of Liberty

City Council

Regular Meeting

~ Agenda ~

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

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, December 8, 2009 **6:00 PM** **City Council Chambers**

The City Council 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	Present	Absent	Late	Arrival
Mayor Carl Pickett	¨	¨	¨	
Councilperson Dennis Beasley	¨	¨	¨	
Councilperson Diane Huddleston	¨	¨	¨	
Mayor Pro-Tem Mike McCarty	¨	¨	¨	
Councilperson Al Simonson	¨	¨	¨	
Councilperson Louie Potetz	¨	¨	¨	
Councilperson Frank Jordan	¨	¨	¨	

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

V. PRESENTATIONS / REPORTS

A. Information Item 2009-72

Recycling Report - “Shred it Day” - Councilperson Huddleston

B. Information Item 2009-74

Community Development Advisory Board - Councilperson Jordan

- LCDAB Minutes 11 30 09 (DOC)

C. Information Item 2009-73

Property Acquisition for City Facilities - City Mgr. Gary Broz

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A. Minutes Approval

1. Tuesday, November 10, 2009

2. Tuesday, November 24, 2009

B. Resolution 2009-21

Consider Approval of a Resolution Authorizing Signators on State of Texas Documents for Requesting Funds.

VII. REGULAR AGENDA

A. Regular Session

1. Ordinance 2009-26

Consider Adoption of an Ordinance Authorizing the Issuance of "City of Liberty, Texas, Tax Anticipation Notes, Series 2010", Specifying the Terms and Features of Said Notes; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of the Principal of and Interest on Said Notes; and Resolving Other Matters in Connection Therewith.

2. Council Action 2009-109

Consider Awarding a Bid for Various City Vehicles.

- Bid No 09-002 Vehicle Bid Tabulation2 (XLS)

3. Council Action 2009-110

Consider Extending the Term of the Airport Advisory Board.

4. Council Action 2009-111

Consider Appointments to the Airport Advisory Board.

5. Council Action 2009-112

Consider Ratifying an Amendment to the City Personnel Policy Regarding Comp Time.

- Old Comp Time (PDF)

B. Executive Session

Deliberation Regarding Economic Development Negotiation. Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. Gov. Code §551.086

1. Discussion and update of industrial prospect.

2. *Discussion of* economic *development prospect.*

C. Reconvene into Regular Session

1. Council Action 2009-113

Consider Approval of Incentives for a New Economic Development Prospect.

VIII. COUNCIL MEAL

IX. ADJOURNMENT

A. Motion To: Adjourn

CERTIFICATION

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 4th day of December, 2009 at 12:00 p.m. This notice will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

____
Dianne Tidwell, City Secretary

Notice given to The Vindicator, Liberty Gazette, and KSHN Radio.

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the ________ day of ____________________, 2009.

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Reports

INFORMATION ITEM 2009-72

DOC ID: 1494

Recycling Report - “Shred it Day” - Councilperson Huddleston

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The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Reports

INFORMATION ITEM 2009-74

DOC ID: 1496

Community Development Advisory Board - Councilperson Jordan

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Liberty Community Development Advisory Board (LCDAB) Minutes for 11/30/09 Meeting

Members: Present: Frank Jordan – Chairman, Celeste Newton, Martha Goodwin, Juan Venegas, Beth Takach and Stephen Dugger. Absent: Sharon Riley. Attending: Gary Broz, Liberty City Manager

A quorum being present at the Liberty Center on November 30, 2009, the Liberty Community Development Advisory Board (LCDAB) was called to order and initially reviewed the LCDAB mission statement:

"The mission of the Community Development Advisory Board is to actively promote and provide a plan of action to promote economic development, tourism and beautification while enhancing and developing the public lands within our community and encouraging City and Private sector cooperation towards this goal and to offer any recommendations that might improve the quality of life in our City."

The following actions and proposed actions were discussed by the LCDAB members present:

1. Placement of Trash Receptacles in the Downtown Area: The LCDAB members discussed and the City Manager, Mr. Gary Broz, agreed on an initial placement of 4 to 5 trash receptacles with cigarette and cigar placement capabilities on the City Square. Priority placements are at the bus stop; Liberty Co. Probation Office and the Liberty Law Library where child support matters bring large crowds of people at peak periods. Coordination with present Liberty County trash receptacles will be implemented with City of Liberty employees aiding in regular pickup.

2. Park Playground Equipment, Lighting and Tables: The LCDAB members requested that City Manager Gary Broz provide the LCDAB a map with present City Park placements and Mr. Broz will provide same to the LCDAB prior to the next meeting. Juan Venegas suggested lighting for at minimum the Magnolia Street Park would enable evening usage and address safety concerns. Celeste Newton suggested an evaluation of present parks for status of tables and benches in addition to other inventory. Park upgrades are a major project for 2010 by the LCDAB and specific park projects will be prioritized by LDDAB in 2010 for presentation to the City Manager and City Council for suggested improvements.

3. Tourism Long-term Plan: LCDAB recognizes tourism has major revenue and growth potential for the city and has encouraged the City Manager and City Council to further develop and fund same. In this regard in 2009, the Liberty-Dayton Area Chamber of Commerce has developed an updated brochure for the City funded by the City Council. In addition, the First Liberty National Bank has produced a professional grade brochure for the City of Liberty. The City of Liberty Website has been completely reworked with tourism and history are now available in an attractive format on the web for the Liberty area. The Liberty City Council has increased funding from the Motel/Hotel Tax for Country Christmas in 2010 to $10,000 from $5,000 for promotion of the Christmas time event cosponsored by the City of Liberty and the Liberty-Dayton Area Chamber of Commerce. Liberty Jubilee continues as a major annual tourist attraction in the Spring sponsored by the City of Liberty. The LCDAB members discussed a focus on the history of Liberty and the historical personages that can be publicized to increase area tourism.

The LCDAB members were advised by Celeste Newton that the various bird watching organizations and tour companies were prime prospects for Liberty, with Liberty and the area having unique wildlife attractions for the group. It was suggested a brochure be developed to attract these tourism prospects to overnight primarily in Liberty motels when touring the Gulf Coast area, including Winnie to High Island.

4. Coordination with various Wildlife Entities for Joint Projects: The area north of the entry into Liberty on Hwy 90 was presented to the Wildlife Sanctuary organization as a new entry point with welcome center, but at this time a welcome center for the Wildlife reserve is more likely near the Sam Houston Regional Depository.

The City of Liberty through the LCDC is also discussing methods of development for the Liberty Port Area for tourism attraction as nature sites, but those dealings are in early development at this time with no specific timing or projects being considered.

5. Sidewalks in an Extended Plan to Focus on School Areas: A priority program of the LCDAB is placement of additional sidewalks, particularly in school areas for student and pedestrian safety. The LCDAB members were advised by City Council member Frank Jordan that the Liberty City Council has approved placement of sidewalks in selected school locations and access routes to be funded by a Certificate of Obligation from the City of Liberty. City Manager Gary Broz provided a map of the proposed sidewalk expansion and indicated funding is anticipated in March or April 2010. Additional sidewalk locations were discussed, noting while a revised or new city ordinance could obligate new subdivision developments to sidewalk placement, requiring same of existing homeowners is not economically or logistically feasible at this time.

6. City Entry Beautification: The area south of the Trinity River Bridge on entry into the City was discussed and it was noted it has been and is being mowed at present by a private citizen at no cost to the city, with hurricane damaged trees removed. TxDot is responsible for the right of way mowing in the bridge area. The area north of the bridge after entry is subject to flooding and will be reviewed again in 2010.

7. Beautification of the Downtown Area: Landscaping around the Liberty City Center was discussed and Mr. Broz indicated the Mayor had requested a plan be developed for landscaping. The LCDAB members indicated a willingness to help in implementing this project after development as may be needed on notification by Mr. Broz as City Manager. Feasibility of using historical styled street lights is not possible at present due to cost, unless a privately funded project.

8. Placement of benches in the downtown area: While member Beth Takach had gathered information on bench types and cost, several benches were purchased and placed in the Liberty Court House square area by Mayor Carl Pickett and further action for additional benches by LCDAB has been deferred for review.

9. Old Liberty Bridge Renovation: TXDot was contacted and the Chairman informed the environmental impact of sand blasting the bridge prior to repainting and the expense of placing a net to catch rust and debris falling into the river from any renovation at this time made the project cost prohibitive to TXDot, with no budget inclusion for 2010 or anticipated at present. A private organization dedicated to old bridge renovations was also contacted and, after bridge inspection with the Chairman, stated after completion of an on-going extensive bridge renovation project in another area, assistance and guidance would be available for the Liberty project. TXDot has since repaired and locked the gates giving access to the Trinity River old bridge.

The support by Mr. Gary Broz, City Manager and the Liberty City Council for the Liberty Community Development Advisory Board projects was noted and is appreciated by the LCDAB. The Liberty City Council has expressed and provided expanded support financially and otherwise for projects, particularly from the segregated Hotel/Motel tax account designated for tourism promotion and support.

The Liberty Community Development Advisory Board (LCDAB) continues to develop projects within the Mission Statement for promoting Liberty to be presented to the Liberty City Manager and City Council for review and approval. The Liberty Community Development Advisory Board (LCDAB) on motion and second adjourned.

Frank Jordan

Frank Jordan, Chairman

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM
Department: Administration
Category: Reports

INFORMATION ITEM 2009-73

DOC ID: 1495

Property Acquisition for City Facilities - City Mgr. Gary Broz

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The City of Liberty

City Council

Regular Meeting

~ Minutes ~

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

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, November 10, 2009 | **6:00 PM** | **City Council Chambers**

The City Council 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

The Meeting was called to order on November 10, 2009 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:00 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. INVOCATION

The Invocation was given by City Attorney Randy Gunter.

III. PLEDGE OF ALLEGIANCE

Liberty resident, Ms. Linda Street-Ely led the pledge to the American and Texas flags.

IV. 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.

Mayor Pickett reported on the Airport Poker Run Fly-In held on October 31, 2009, at the Liberty Municipal Airport. Mayor Pickett thanked Airport Director Avon Moore and Ms. Linda Street-Ely for their work in making this event, which involved approximately thirty airplanes, a great success.

Councilperson Beasley commended the Liberty Fire Department on a job well done in regard to a house fire in the Featherstone Subdivision. The Fire Department responded within five minutes and was able to save the majority of the home.

Ms. Linda Street-Ely addressed the Council regarding airport lease agreements, rates and fees, and radio controlled airplanes.

Street Supt. Harvey Joiner stated that he would like to publicly thank Mr. Herbert Oreschnigg who used his personal slopemower to assist the City by mowing Beaumont Avenue.

V. PRESENTATIONS / REPORTS

A. Information Item 2009-69

Liberty Municipal Park- Recognition of Chili's Restaurant Employee Project

COMMENTS - Current Meeting:

Mayor Pickett reported that several representatives from Chili's Restaurant, Liberty, came together to help beautify the community. These individuals planted foliage in the median at the entrance to the Liberty Municipal Park. Mr. Jason Burkhalter, General Manager of Chili's accepted Certificates of Appreciation on behalf those that assisted in the enhancement of the park entrance.

ATTACHMENTS:

- Park Entrance (PDF)

B. Information Item 2009-68

Financial Report - Finance Director Naomi Herrington

COMMENTS - Current Meeting:

Finance Director Naomi Herrington reported on the sales tax report for November. Ms. Herrington reported that October sales tax revenues were down approximately 34%, and this month's revenues down by 23.6%. Ms. Herrington stated that these revenues are down $65,000 from the same time last year.

Ms. Herrington also reported that with the Fiscal Year 2009 now closed, the auditors will begin work soon on the City's audit. Further topics of discussion included the 2009 close out figures, and additional FEMA revenue not yet received. Additional discussion related to the 09-10 budget year included general fund revenue and expenditures, FEMA revenue, current freeze on capital items, and status of other major funds.

Ms. Herrington reported that the October financial report would be available to Council by the end of the week.

C. Information Item 2009-70

Tx Water Development Board / Other Current City Projects - Steve Jordan, Schaumburg & Polk

COMMENTS - Current Meeting:

Mr. Steve Jordan, Schaumburg & Polk, Inc. was present to give Council a brief report on the status of the Wastewater Treatment Plant Improvements. Mr. Jordan reported that the project was approved by the Texas Water Development Board on October 30, and that advertisement for bids would be published within the next week. A pre-bid conference will be held with bids opened in mid-December; followed by Mr. Jordan's recommendation to Council. Construction will begin, pending approval by the TWDB.

Mr. Jordan stated that he had provided Council with a document reflecting the status of other projects that are currently underway by Schaumburg & Polk, Inc.

D. Information Item 2009-71

Recycling Report - Councilperson Huddleston

COMMENTS - Current Meeting:

Councilperson Huddleston reported that the City of Liberty is sponsoring a "Shred-It Day" on Saturday, December 5th; 9 a.m. to Noon, at the City Hall parking lot. This event is free to the public, and will provide for the shredding of sensitive documents.

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Frank Jordan, Councilperson
SECONDER:	Diane Huddleston, Councilperson
AYES:	Pickett, Beasley, Huddleston, McCarty, Potetz, Jordan
ABSENT:	Al Simonson

A. Minutes Approval

1. Tuesday, October 13, 2009

2. Monday, October 19, 2009

B. Council Action 2009-97

Consider the Appointment of City Manager Gary Broz as the General Manager of the Liberty Community Development Corporation.

C. Council Action 2009-98

Consider Modification of the Liberty Community Development Corporation Bylaws, Estbalishing the City Manager Shall Serve as the General Manager and Ex-Officio Member.

VII. REGULAR AGENDA

A. Regular Session

1. Council Action 2009-99

Ms. Simone Spears, U.S. Postal Service, Will be Present to Request Assistance with Her Concerns and Issues Relative to the Animal Ordinance.

COMMENTS - Current Meeting:

Ms. Simone Spears, U.S. Postal Service, was not present for the meeting. There was no action taken on this agenda item.

2. Council Action 2009-100

Consider Increasing the Allotment to the Liberty-Dayton Area Chamber of Commerce for Sponsorship of the "Country Christmas" Event.

FISCAL IMPACT:

The City budgeted $5,000 to the Liberty-Dayton Area Chamber of Commerce for this event.

COMMENTS - Current Meeting:

Lengthy discussion was held regarding Country Christmas, its many activities, costs to conduct and promote the event, and other related topics. After supplemental discussion of the City's budgeted $5000 expenditure to co-sponsor this event, a motion was made to expend an additional $5000, from hotel/motel tax, to further assist the Chamber of Commerce with Country Christmas. As all the activities are free, this event is "a gift to the community".

RESULT:	**APPROVED [5 TO 0]**
MOVER:	Dennis Beasley, Councilperson
SECONDER:	Mike McCarty, Mayor Pro-Tem
AYES:	Pickett, Beasley, Huddleston, McCarty, Potetz
ABSTAIN:	Frank Jordan
ABSENT:	Al Simonson

3. Resolution 2009-19

Consider Approval of a Resolution Authorizing Publication of Notice of Intention to Issue Certificates of Obligation Series 2010.

COMMENTS - Current Meeting:

Mr. Jim Gilley, Coastal Securities, reported to Council that the proposed Resolution is the start of the process for funding approximately $3 million of various city projects, to include a new police station, municipal library renovation, sidewalks around the schools, new Liberty Bell Tower, and construction of a City Garage Office Building. Mr. Gilley reported the following estimated costs of each project:

Library Renovation	$705,000
Sidewalks	$ 75,000
Bell Tower	$228,000
City Garage	$ 75,000
Police Dept.	$ 1.8 million

Aggregate of $2,883,000.

Ms. Heather De La Garza, Fulbright & Jaworski, addressed Council stating that the Resolution begins the process for the issuing of Certificates of Obligation. Ms. Del La Garza further stated that the Texas Local Government Code, Certificate of Obligation Act, requires that notice be published in order to make local constituents aware that the City contemplates issuing CO's, payable from ad valorem tax. This Resolution authorizes the publication of the Notice of Intent.

After lengthy discussion including issuance costs, tax rate and bond payments, debt service costs, firm project costs, and other related issues, Mayor Pickett read the entire Resolution into the record as follows:

"A RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION SERIES 2010.

Whereas, the City Council of the City of Liberty, Texas (the "Issuer) deems it advisable to issue Certificates

and equipping of the city library, (3) construction of sidewalks around the Issuer's local schools, (4) design, construction and renovation f the Liberty Bell Tower, (5) design, construction and equipping of the City Garage Office building and (6) certain other costs related and incidental thereto, in accordance with the Notice hereinafter set forth, now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

SECTION 1. The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. The City Secretary is hereby authorized and directed to cause to be published in the manner required by law a notice of intention to issue Certificates of Obligation in substantially the form attached hereto as "Exhibit A" and made a part hereof.

SECTION 3. The notice set forth in "Exhibit A" to this Resolution shall be published once a week for two consecutive weeks in a newspaper of general circulation in the Issuer; the date of the first publication to be 30 days prior to the date set in said notice for the issuance of Certificates of Obligation.

SECTION 4. The Mayor, City Secretary, and other officers of the Issuer are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this Resolution.

SECTION 5. This Resolution shall take effect immediately upon its passage.

After lengthy discussion, it was decided that this item will be reconsidered at a later date.

4. Council Action 2009-101

Consider the Appointment of a Seventh Voting Member to the Liberty Community Development Corporation.

COMMENTS - Current Meeting:

Motion was made to appoint Juan Venegas as the seventh voting member to the Liberty Community Development Corporation Board of Directors.

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

5. Council Action 2009-102

Consider and Discuss Future Airport Lease Agreements.

COMMENTS - Current Meeting:

Airport Director Avon Moore was present to address the Council regarding future airport lease agreements and airport operations. Discussion was held regarding the need for additional hangar space, establishing related guidelines and fees, ground lease agreements, fixed base operators, and operating fees for commercial activities and the current gross receipts tax of 9% being unreasonable.

Council will further discuss these issues at a future Council workshop. Mr. Moore was directed by Council to gather additional information regarding competitive lease agreements and other related issues as discussed.

There was no action taken on this agenda item.

6. Ordinance 2009-22

Consider Adoption of an Ordinance Amending Section 6-7 of the City's Code of Ordinances Regarding Building Permit Fees.

COMMENTS - Current Meeting:

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

"AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CHAPTER 6 AND 17, OUTLINING FEES FOR BUILDING PERMITS, ELECTRICAL PERMITS, PLUMBING PERMITS, MECHANICAL PERMITS, AND UTILITY TAP PERMITS; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT THIS ORDINANCE BE READ ON TWO SEPARATE DAYS."

Lengthy discussion was held regarding various building permit fees, other related fees, and proposed new fees. These items will be reviewed at a future council workshop. There was no action taken on this agenda item.

ATTACHMENTS:

- Fee Schedule-Final Draft (PDF)

7. Ordinance 2009-23

Consider Adoption of an Ordinance Amending Subdivision Ordinance #872, Regarding Parking and Surface Requirements for Commercial Use Property.

COMMENTS - Current Meeting:

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

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS PROVIDING FOR AN AMENDMENT TO SUBDIVISION ORDINANCE #872, BY REGULATING THE PARKING AND SURFACE REQUIREMENTS FOR COMMERCIAL USE PROPERTY; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT THIS ORDINANCE BE READ ON TWO SEPARATE DAYS."

Council viewed a powerpoint presentation, and discussed with Neighborhood Services Director Robbie Hood issues regarding parking lots and proposed minimum pavement standards. After discussion, no action was taken on this agenda item. This item will be reconsidered at a later date.

8. Ordinance 2009-24

Consider Adoption of an Ordiance Amending Chapter 8 of the Liberty Code of Ordinances Regarding Mowing Regulations.

COMMENTS - Current Meeting:

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

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS PROVIDING FOR AN AMENDMENT TO CHAPTER 8 OF THE LIBERTY CODE OF ORDINANCE BY INCLUDING ADDITIONAL MOWING REGULATIONS; PROVIDING FOR REGULATIONS REGARDING DEBRIS, GRASS CLIPPINGS AND LEAVES ON CITY STREETS; PROVIDING FOR A ONE TIME NOTIFICATION PROCESS FOR ORDINANCE VIOLATIONS; PROVIDING FOR A PENALTY; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT THIS ORDINANCE BE READ ON TWO SEPARATE DAYS."

Neighborhood Services Director Robbie Hood discussed with Council that the proposed ordinance extends mowing beyond the property line, addresses issues with grass clippings blown into the street which cause stormwater

item at a later date.

There was no action taken on this agenda item.

9. Ordinance 2009-25

Consider an Amendment to Chapter 2, Sections 2-71; 2-75; 2-76 and 2.78 of the City of Liberty Code of Ordinances (Prohibited Vehicles and Prohibited Devices).

COMMENTS - Current Meeting:

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

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS PROVIDING FOR THE AMENDMENT TO CHAPTER 2, SECTION 2-71, 2-75; 2-76; AND 2-78 OF THE LIBERTY CODE OF ORDINANCES AMENDING THE DEFINITION OF VEHICLE; AMENDING TRAFFIC WITH THE CITY PARK; AMENDING PROHIBITED USE OF WEAPONS WITHIN THE CITY PARK; PROHIBITING USE OF REMOTE CONTROL DEVICES; PROVIDING FOR A PENALTY; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT ALL ORDINANCES BE READ ON TWO SEPARATE DAYS."

There was no discussion of this item; it will be reconsidered at a later date. No action was taken.

10. Resolution 2009-18

Consider Approval of Resolution Authorizing the City Manager to Pursue All Energy Efficiency and Conservation Block Grant Funding through the American Recovery and Reinvestment Act of 2009.

COMMENTS - Current Meeting:

The City of Liberty recently completed a Notice of Intent to accept funds in the amount of $35,000 of block grant funding, through the American Recovery and Reinvestment Act of 2009. This resolution authorizes the City Manager to pursue all Energy Efficiency and Conservation Block Grant funding; including any additional funds that may become available at a later date. These funds are to be used to stimulate the economy, develop and implement projects that will improve energy efficiency, and reduce energy use and fossil fuel emissions in the community.

Motion was made to approve the Resolution.

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

11. Resolution 2009-20

Consider a Resolution Casting the City's Voting Entitlement for the Position(S) of Director on the Liberty County Central Appraisal District Board of Directors.

COMMENTS - Current Meeting:

Motion was made to cast the city's voting entitlement, of 160 votes, for Mr. Mike Van Etta, for a position on the Liberty County Central Appraisal District Board of Directors.

ATTACHMENTS:

- CAD Voting Entitlement Info (PDF)

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

B. Executive Session

Deliberation Regarding Economic Development Negotiation.
Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. Gov. Code §551.086
Deliberation Regarding Real Property. Gov. Code §551.072

1. Discussion of Electric Rate Contract with Boomerang Tube, LLC.
2. Discussion of real property acquisition for economic development purposes.
3. Discussion of real property acquisition for Fire Department purposes.
4. Update on Pending Litigation, Hugo Flores vs. City of Liberty et al. Cause No. CV08-00719 in 253rd Judicial District, Liberty County, Texas.
5. Discussion of real property disposal.
6. Discussion of possible real property acquisition for various city facilities.

C. Reconvene into Regular Session

1. Council Action 2009-103

Consider Acquisition of Real Property for Economic Development Purposes.

COMMENTS - Current Meeting:

There was no action taken on this agenda item.

2. Council Action 2009-104

Consider Approval of Real Property Purchase, by the Liberty Community Development Corporation, for Fire Department Purposes.

COMMENTS - Current Meeting:

Motion was made to ratify the actions of the LCDC Board in regard to purchase of real property for a Fire Department Substation, and authorize the President of the LCDC to execute any related earnest money contracts.

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

3. Council Action 2009-105

Consider Disposal of City of Liberty Real Property.

COMMENTS - Current Meeting:

Motion was made to authorize the City Manager to evaluate real property owned by the City, and proceed with the disposal of excessive real property.

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

4. Council Action 2009-106

Consider Acquisition of Real Property for Various City Facilities.

COMMENTS - Current Meeting:

Motion was made to authorize the City Manager to proceed with the acquisition of real property for various city facilities.

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

VIII. COUNCIL MEAL

Council shared an evening meal.

IX. ADJOURNMENT

A. Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 9:43 p.m.

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

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

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, November 24, 2009 | **6:00 PM** | **City Council Chambers**

The City Council 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

The Meeting was called to order on November 24, 2009 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:00 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.

Mayor Pickett wished everyone a Happy Thanksgiving, reported on the "Shred-It Day" to be held on Saturday, December 5th, and reminded everyone of the retirement party for 35 year Police Department employee, Sgt. Ricky Skarpa.

III. REGULAR AGENDA

A. Executive Session

Deliberation Regarding Economic Development Negotiation.
Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. Gov. Code §551.086
Deliberation Regarding Real Property. Gov. Code §551.072

1. Discussion of economic development projects and utilities associated with various projects.

2. Discussion of real property acquisition for city services.

At 6:01 p.m., Mayor Pickett closed the open meeting and opened the Executive Session as authorized above.

B. Reconvene into Regular Session

At 7:36 p.m., Mayor Pickett closed the Executive Session and reconvened the open meeting.

1. Council Action 2009-107

Consider Contracting with a Consultant to Assist with Economic Development Projects.

COMMENTS - Current Meeting:

Motion was made to hire Mr. John Moore as a consultant relative to certain economic development activities.

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

2. Council Action 2009-108

Consider Approval of Real Property Acquisition for City Services.

COMMENTS - Current Meeting:

Motion was made that the City enter into an earnest money contract for the property located at 1100 North Main Street for an electrical plant to replace the electrical plant damaged by Hurricane Ike, and subsequently condemned, as presented by management. Motion further moved that the Mayor be authorized to execute any documents to complete the transaction.

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

IV. ADJOURNMENT

Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 7:39 p.m.

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

Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM
Department: Administration
Category: Grant Issues

RESOLUTION 2009-21
DOC ID: 1498

Consider Approval of a Resolution Authorizing Signators on State of Texas Documents for Requesting Funds.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS AUTHORIZING SIGNATORS ON STATE OF TEXAS DOCUMENTS FOR REQUESTING FUNDS

WHEREAS, the City must request funds from the State of Texas Agencies on specified forms with signatures from persons authorized to sign those forms;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

That the following persons are designated as signators for State of Texas Documents requesting funds from State of Texas Agencies:

Mayor
City Manager
Finance Director
City Secretary

Passed and Approved this 8th day of December, 2009.

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Tax Anticipation Notes

ORDINANCE 2009-26

DOC ID: 1497 B

Consider Adoption of an Ordinance Authorizing the Issuance of "City of Liberty, Texas, Tax Anticipation Notes, Series 2010", Specifying the Terms and Features of Said Notes; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of the Principal of and Interest on Said Notes; and Resolving Other Matters in Connection Therewith.

EXPLANATION:
Back in October Council passed a resolution that would allow the City to be repaid from Bond Money, if it borrowed money from a local bank. Since we have not started the process for the Certificates of Obligation sale, we are still working on getting firm numbers for the Police Station. The City will need $950,000 to make the payments for the Library and the Bell Tower. This ordinance covers the Bank that will loan the money to the City. Once the CO's are sold, we can pay the tax anticipation notes with that money. If you have any questions, please let me know.

Gary Broz

AN ORDINANCE authorizing the issuance of "City of Liberty, Texas, Tax Anticipation Note, Series 2010"; specifying the terms and features of said Note; levying a continuing direct annual ad valorem tax for the payment of the principal of and interest on said Note; and resolving other matters in connection therewith.

RECITALS

1. The City Council (the "*Governing Body*") of the City of Liberty, Texas (the "*Issuer*") has determined that a tax anticipation note should be issued and sold at this time to provide funds to pay contractual obligations incurred for construction and for current expenses due to the (i) design, construction, renovation, and equipping of a theatre within the Issuer's library, and (ii) design, construction, and renovation of the Liberty Bell Tower. Proceeds of the Note will also be used to pay (i) professional services rendered in connection therewith and in the issuance of such note and (ii) the cost of issuance of such note.

2. Pursuant to chapter 1431, Texas Government Code, as amended (hereinafter called the "*Act*"), the Governing Body is authorized and empowered to issue a tax anticipation note to provide funds to pay contractual obligations incurred or to be incurred for such purposes.

3. The Governing Body hereby finds and determines that the Note should be issued in accordance with the terms of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE ISSUER:

SECTION 1: ***Authorization; Designation; Principal Amount; Purpose***. A Note of the Issuer are hereby authorized to be issued in the aggregate principal amount not to exceed $975,000 to be designated and bear the title "CITY OF LIBERTY, TEXAS, TAX ANTICIPATION NOTE, SERIES 2010" (the "*Note*"), for the purposes stated in Recital 1, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas (the "*State*"), particularly, but not by way of limitation, the Act.

SECTION 2: ***Stated Maturities; Date.*** The Note shall be issued in fully registered form only, registered in the name of First Liberty National Bank (the "*Initial Purchaser*"), or any subsequent registered owner, shall have a Dated Date of January 1, 2009 (the "*Dated Date*"), shall be in a single denomination, and shall become due and payable on March 1 in each of the years and in the principal amounts (the "*Stated Maturities*") in accordance with the following schedule:

THE NOTE

Year of Stated Maturity	Principal Amount	Interest Rate(s)(%)
March 1, 2011	$310,000	4.00
March 1, 2012	325,000	4.00
March 1, 2013	340,000	4.00

The Note shall bear interest on the drawn and unpaid principal amount thereof from each Draw Date to the Initial Purchaser at the per annum interest rate(s) shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months) and such interest shall be payable on September 1 and March 1 in each year, commencing March 1, 2010 (each an "*Interest Payment Date*").

First Liberty National Bank is the Paying Agent for the Note (the "*Paying Agent*"), and as such acts in a separate capacity as the Initial Purchaser to hold the Note on the Issuer's and Initial Purchaser's behalf and to receive payments on the Note and deliver the payments to the holders.

The Issuer hereby authorizes the Paying Agency Agreement dated as of December 8, 2009, and authorizes the Mayor and City Secretary to execute and deliver such Agreement.

SECTION 3: ***Terms of Payment***. The principal and Redemption Price of the Note is payable upon surrender, and the interest on the Note is payable, at the corporate trust office of the Paying Agent in Liberty, Texas. Such place is herein referred to as the "*Place of Payment.*"

The Issuer shall transfer the principal and Redemption Price of the Note to the Paying Agent on or prior to the date it is due.

All interest on the Note payable on an Interest Payment Date shall be paid to the Paying Agent by check mailed, first-class postage prepaid, or by delivery, by the Issuer so that payment is received on or prior to the Interest Payment Date or by such other customary banking arrangements to which such Person and the Initial Purchaser may agree. If the date for the payment of the principal of or interest on the Note shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Issuer is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 4: ***Redemption***.

A. *Optional Redemption.* The Note is subject to mandatory redemption and redemption at the option of the Issuer as set forth in the form of Note in *Section 9.*

B. *Exercise of Redemption Option.* The exercise by the Issuer of its option to redeem the Note shall be evidenced by an order or resolution of the Governing Body entered into its minutes. The Issuer shall, at least five days prior to each date fixed for redemption (the "*Redemption Date*"), notify the Initial Purchaser in writing of such Redemption Date and of the stated maturity and portion of the principal amount of the Note to be redeemed.

C. *Payment of the Redemption Price*. Notice of redemption having been given to the Initial Purchaser as aforesaid, the portion of the stated maturity and principal amount of the Note so to be redeemed shall, on the redemption date, become due and payable at the price fixed for redemption (the "*Redemption Price*"), and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) the redeemed portion of the principal amount of the Note so redeemed shall cease to bear interest. The Paying Agent shall record with respect to any Note the principal amount of any Note so prepaid, however, failure to so record the prepaid portion of the Note shall not affect the result of such redemption, and such prepaid portion will no longer be outstanding for any purpose.

If any deposit of the Redemption Price of the principal of any Note called for redemption is not so paid to the Paying Agent on or prior to the Redemption Date, the same continues to bear interest from the Redemption Date at the rate borne by such Note.

SECTION 5: ***Transfer***. The Note may be transferred in whole on registration books maintained by the Paying Agent, but any payment of the Note by the Issuer is only to the Paying Agent. The Note is not subject to exchange.

SECTION 6: ***Execution; Registration.*** The Mayor of the Issuer shall execute the Note on behalf of the Issuer and such signature shall be attested by the Secretary of the Issuer. The signature of either of said officers on the Note may be manual (except that Note countersigned by the Controller of Public Accounts may be in facsimile). The Note bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer bind the Issuer, notwithstanding that such individuals or either of them cease to hold such offices prior to the certification and delivery of such Note. The seal of the Issuer may be reproduced, affixed, or impressed thereon but is not required except as otherwise required under Texas law.

The Mayor of the Issuer is authorized and directed to execute and the Secretary of the Issuer to attest the Initial Note in the name of the Initial Purchaser. The Mayor of the Issuer is further authorized and directed to submit the Initial Note, together with the record of the proceedings authorizing the issuance thereof and any and all other necessary orders, certificates, and records, to the Attorney General of Texas for approval. After the Attorney General has approved such Note, the Mayor of the Issuer shall cause the Initial Note to be delivered to the Comptroller of Public Accounts of the State of Texas for registration. If requested by the Attorney General or its representatives, or if otherwise deemed necessary to properly evidence the intent of the Issuer in the adoption of this Ordinance, the Mayor or Mayor pro tem of the Issuer may make such ministerial changes in the written text of this Ordinance as such officer determines are consistent with the intent and purposes of this Ordinance, which determination is final. Upon registration of the Note, the Comptroller is authorized and directed to deliver the Note in accordance with instructions of the Mayor of the Issuer. At any time and from time to time thereafter the Issuer may deliver the definitive Note to the Paying Agent against payment of all or any part thereof, and the Paying Agent on such date shall record that a like principal amount of the Note is delivered to the Initial Purchaser and outstanding. Thereafter, on each date that the Mayor or City Manager of the Issuer request in writing to draw additional funds from the Initial Purchaser against delivery of an additional portion of the Note (together with the date of initial delivery, a "*Draw Date*"), the Paying Agent will record a like portion of the Note as outstanding from and after such Draw Date. The officers or acting officers of the Governing Body are authorized to execute and deliver on behalf of the Governing Body such certificates and instruments as may be necessary to accomplish or in furtherance of the delivery of the Note to and payment therefor by the Purchasers.

The Note registered and delivered by the Paying Agent hereunder is to be dated by the Paying Agent the date of their registration.

No Note is entitled to any right or benefit under this Ordinance, or is valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in **Section 3.3**, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration is manually signed by the Issuer, and either such certificate or manual signature upon any Note is conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered. It is understood that the Issuer will deliver on each Draw Date, and that such additional draws are recorded on the Note in *Exhibit A* hereto, and are outstanding from the Date so recorded. Notwithstanding anything herein, interest will accrue with respect to any principal amount only from each applicable Draw Date or the most recent interest payment date from which interest has been paid or duly provided for.

SECTION 7: ***Initial Note***. The Note herein authorized shall be issued initially as a single note in the total principal amount of the Note numbered T-1 (hereinafter called the "*Initial Note*") and the Initial Note shall be registered in the name of the Initial Purchaser as Payee. The Initial Note shall be the Note submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Initial Purchaser.

SECTION 8: ***Forms***. A. Forms Generally. The Note and the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed on the Initial Note shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Issuer or determined by the officers executing such Note as evidenced by their execution thereof. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The Note and the Initial Note shall be typewritten, printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing such Note as evidenced by their execution thereof.

B. Form of Definitive Note.

NO. R-1 $___________

REGISTERED

United States of America
State of Texas
CITY OF LIBERTY, TEXAS

TAX ANTICIPATION NOTE, SERIES 2010

Dated Date:	Interest Rate:	Stated Maturity:
January 1, 2009	4.00%	February 1, 20__

PAYEE: FIRST LIBERTY NATIONAL BANK

PRINCIPAL AMOUNT: ____________________ AND NO/100 DOLLARS

The City Council (the "*Governing Body*") of the City of Liberty, Texas (hereinafter referred to as the "*Issuer*"), a body corporate and political subdivision of the State of Texas (the "*State*"), for value received, acknowledges that the City will be indebted to and hereby promises to pay to the order of the Payee specified above on the Stated Maturity date specified above (subject to earlier redemption), the principal amount set forth above, and to pay interest on the unpaid principal amount hereof from the applicable Draw Date (as defined in the Ordinance and recorded in *Exhibit A*) or the most recent Interest Payment Date to which interest on outstanding amounts has been paid or duly provided for (computed on the basis of a 360-day year of twelve 30-day months); such interest being payable on September 1 and March 1 in each year, commencing March 1, 2010. Principal of this Note is payable at its Stated Maturity to the Paying Agent, upon presentation and surrender to the Issuer or to the Payee's endorsee as evidenced on the Note. Interest on any Note which is payable on, and which is punctually paid or duly provided for on or prior to any Interest Payment Date shall be paid to the Initial Purchaser and Paying Agent, who is the Payee set forth above, and upon such payment to the Initial Purchaser, the Issuer's obligation to pay such interest is satisfied. The Paying Agent shall be responsible for recording on the Note (or causing any subsequent endorsee to record on the Note) the payment of such interest, and shall transfer such interest to subsequent requested owner. Notwithstanding any subsequent owner, payment of the Paying Agent satisfies the Issuer's Obligations with respect to this Note

All interest on the Note payable on an Interest Payment Date shall be paid to the Paying Agent by check mailed, first-class postage prepaid, by the Issuer so that payment is received on or prior to the Interest Payment Date or by such other customary banking arrangements to which such Person and the Initial Purchaser may agree, or by delivery. If the date for the payment of the principal of or interest on the Note shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Issuer is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is one of the series issued in a single denomination of $975,000 specified in its title issued pursuant to chapter 1431, Texas Government Code, as amended, to pay for (i) the design, construction, renovation, and equipping of a theatre, within City library, and (ii) design, construction, and renovation of the Liberty Bell Tower. Proceeds of the Note will also be used to pay (i) professional services rendered in connection therewith and in the issuance of this Note; and (ii) the cost of issuance of this Note, under and in strict conformity with the Constitution and laws of the State, and pursuant to an ordinance adopted by the governing body of the Issuer (herein referred to as the "*Ordinance*").

The Note is payable from the proceeds of a continuing direct ad valorem tax levied in the Ordinance upon all taxable property within the Issuer, within the limitations prescribed by law.

The Note is subject to optional redemption in any principal amount (as recorded in *Exhibit B*), at the option of the Issuer, on notice mailed to the Initial Purchaser or Registered Owner not less than five days prior to the Redemption Date as provided in the Ordinance, upon payment of the Redemption Price, which shall consist of the principal amount thereof to be redeemed together with interest, if any, accrued from the most recent Interest Payment Date to the Redemption Date.

The Issuer is required to redeem the Note in accordance with the mandatory sinking fund provisions set forth in *Exhibit C* attached hereto, provided that only to the extent an amount greater than the final mandatory sinking fund redemption amount is outstanding, such amount will be redeemed on the first mandatory sinking fund redemption date. The Issuer shall make all mandatory sinking fund payments in the same manner as its payment of interest as provided for herein.

The Note (or portions or portions of principal thereof) for whose redemption and payment provision is made in accordance with the Ordinance shall cease to bear interest from and after the Redemption Date. Failure to record any redeemed amount of principal does not affect such redemption, provided that the Issuer has otherwise made payment of the Redemption Price to the Paying Agent.

Reference is hereby made to the Ordinance, a copy of which is on file in the principal corporate trust office of the Paying Agent, and to all the provisions of which the Owner or Holder hereof by the acceptance hereof hereby assents, for definitions of terms; the description of the continuing direct ad valorem taxes pledged to the payment of the principal of and interest on the Note; the restrictions relating to the transfer or exchange of this Note; the nature and extent and manner of enforcement of the pledge; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder of the Note; the rights, duties, and obligations of the Issuer and the Paying Agent; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be redeemed or discharged at or prior to the maturity of this Note, and this Note deemed to be no longer Outstanding (as defined in the Ordinance) thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

It is hereby certified, recited, represented, and covenanted that the Issuer is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State; that the issuance of the Note is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Note to render the same lawful and valid obligations of the Issuer have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Note does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Note by a pledge of the continuing direct ad valorem tax levied upon all taxable property within the Issuer, within the limitations presented by law as afore stated. In case any provision in this Note or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Note and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

This Note is not entitled to any right or benefit under the Ordinance, nor is it valid or obligatory for any purpose, unless there appears hereon a Certificate of Registration manually executed by either the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or is manually signed by the Mayor and Secretary of the Issuer.

IN WITNESS WHEREOF, the Governing Body of the Issuer has caused this Note to be duly executed as of the Dated Date.

Dated: ________________________________

CITY OF LIBERTY, TEXAS

____
Mayor

COUNTERSIGNED:

____
City Secretary

Exhibit A

Draws on Note

Draw Date	Principal Drawn	Signature of Paying Agent

Exhibit B

Amounts Redeemed

Redemption Date	Principal Redeemed	Paying Agent Signature

Exhibit C

The Issuer shall redeem, on March 1 of the years specified below, the aggregate principal amount of the Note set forth opposite such year below such Note, at a Redemption Price equal to 100% of the principal amount thereof:

Year	**Principal Amount**
2011	$310,000
2012	325,000
2013 (stated maturity)	340,000

The Paying Agent shall record on the Note (or cause any subsequent endorsee to record on the Note) the principal amount of any Note so prepaid, however, failure to so prepay any portion of the Note shall not affect the effect of such redemption.

C. Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Note(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS REGISTER NO. ________
§
THE STATE OF TEXAS §

I HEREBY CERTIFY that this Note has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this ____________________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

* Note to Printer: Do not print on Definitive Note.

SECTION 9: ***Definitions.*** That for purposes of this Ordinance and for clarity with respect to the issuance of the Note, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) "*Collection Date*" means, for any year, the date that annual ad valorem taxes levied by the Issuer in that year become delinquent.

(b) "*Debt Service Requirement*" has the meaning stated in *Section 11*.

(c) "*Draw Date*" has the meaning stated in *Section 6*.

(d) "*Note*" shall have the meaning set forth in *Section 1*.

(e) "*Initial Purchaser*" has the meaning stated in *Section 21*.

(f) "*Interest and Sinking Fund*" shall mean the special fund created and established under the provisions of *Section 11* of this Ordinance.

(g) "*Outstanding*" when used in this Ordinance with respect to the Note means, as of the date of determination, the Note theretofore issued and delivered under this Ordinance, and for which principal has been drawn down as indicated in ***Exhibit A*** to the Note, except:

(1) The Note canceled by the Issuer or delivered to the Issuer for cancellation;

(2) any Note or portion deemed to be paid by the Issuer in accordance with the provisions of *Section 16* hereof by the irrevocable deposit into the Interest and Sinking Fund, or with an authorized escrow agent, of money or Government Obligations, or both, in the amount necessary to fully pay the principal of and interest thereon to Stated Maturity; and

(3) a Note that has been mutilated, destroyed, lost, or stolen and a replacement Note has been registered and delivered in lieu thereof as provided in *Section 20* hereof.

SECTION 10: ***Interest and Sinking Fund.***

Money in the Interest and Sinking Fund may, at the option of the Issuer, be invested in obligations identified in, and in accordance with the provisions of the Public Funds Investment Act, chapter 2256, Texas Government Code, as amended, relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Interest and Sinking Fund shall be credited to, and any losses debited to, the said Interest and Sinking Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Note.

SECTION 11: ***Tax Levy.***

To provide for the payment of (i) the interest on the Note and (ii) the greater of principal of the Note due in the next succeeding calendar year, a sinking fund for their redemption at or prior to maturity, or a sinking fund of 2% of the principal of the Note (whichever amount is greater) (the "*Debt Service Requirement*"), the Issuer hereby levies and shall annually assess and collect in due time, form, and manner, a tax on all taxable property in the Issuer, within the limitations prescribed by law, and such tax levied on each one hundred dollars' valuation of taxable property in the Issuer for the Debt Service Requirement of the Note shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Note while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Note shall be kept and maintained by the Issuer at all times while the Note is Outstanding, and the taxes collected for the payment of the Debt Service Requirement on the Note shall be deposited to the credit of a "Special Series 2010 Note Account" (the "Interest and Sinking Fund") maintained on the records of the Issuer and deposited in a special fund maintained at an official depository of the Issuer's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Note.

Proper officers of the Issuer are hereby authorized and directed to cause to be transferred to the Initial Purchaser for the Note, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Note as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Initial Purchaser on or before each principal and Interest Payment Date for the Note.

The Issuer shall determine the amount of taxes to be provided annually for the Debt Service Requirement in the following manner:

A. Prior to establishing the annual tax rate, the Governing Body shall determine:

(1) the amount of Debt Service Requirement to become due and payable on the Note between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Interest and Sinking Fund (including surplus Note proceeds transferred to the Interest and Sinking Fund from the Project Fund (as defined herein) or other funds of the Issuer legally available for such purpose and at the election of the Issuer appropriated to payment of the Debt Service Requirement and transferred to the Interest and Sinking Fund) after deducting therefrom the total amount of the Debt Service Requirement to become due on the Note prior to the Collection Date for the continuing direct ad valorem taxes to be levied.

B. The Issuer shall assess and levy annually each year a tax within the limits prescribed by law to pay the Debt Service Requirement sufficient to provide tax revenues in the amount established in paragraph (1) above less the sum total of the amounts established in paragraph (2) of this Section, after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12: ***Deposits to Interest and Sinking Fund***. The Issuer hereby covenants and agrees to cause to be deposited in the Interest and Sinking Fund prior to each Stated Maturity or redemption date from the funds available for such purpose, including the proceeds of the tax levied under *Section 11*, plus such other amounts at the Governing Body's discretion as the Issuer may from time to time lawfully contribute thereto, an amount equal to one hundred per centum (100%) of the amount required to fully pay the interest and principal payments then due and payable on the Note.

The deposits to the Interest and Sinking Fund, as hereinabove provided, shall be made until such time as such Interest and Sinking Fund contains an amount equal to pay the principal of and interest on the Outstanding Note to maturity (including earlier redemption). Any proceeds of sale of the Note in excess of the amount required to pay the contractual obligations to be incurred (including change orders to a construction contract) shall be deposited in the Interest and Sinking Fund, which amount shall reduce the sums otherwise required to be deposited in said Interest and Sinking Fund.

SECTION 13: ***Project Fund.*** The Project Fund shall comprise part of the capital improvements fund of the Issuer. The Issuer shall deposit to the credit of the Project Fund the proceeds of the Note. The Project Fund shall be applied solely (1) to pay the costs necessary or appropriate to accomplish the purposes described herein for which the Note is issued and (2) to the extent the proceeds of the Note deposited to the Project Fund and investment income attributable thereto are in excess of the amounts required for any such purpose, to transfer such unexpended proceeds or income to the Interest and Sinking Fund.

SECTION 14: ***Security of Funds.*** All money on deposit in the Interest and Sinking Fund for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 15: ***Remedies in Event of Default.*** In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Interest and Sinking Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the owner or owners of the Note shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Governing Body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided are cumulative of all other existing remedies and the specification of such remedies may not be deemed to be exclusive.

SECTION 16: ***Satisfaction of Obligations of Issuer.*** If the Issuer pays or causes to be paid, or there is otherwise paid to the Initial Purchaser, the principal of and interest on the Note, at the times and in the manner stipulated in this Ordinance, then the lien on and pledge of the ad valorem taxes of the Issuer under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Holder shall thereupon cease, terminate, and be discharged and satisfied.

The Note or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Note or the principal amount(s) thereof at each Stated Maturity or (if notice of redemption has been duly given, irrevocably provided for, or waived as provided herein) to the Redemption Date, together with all interest due thereon, shall have been irrevocably deposited with the Initial Purchaser or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Note on and prior to the Stated Maturity thereof. The Issuer covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Note to be treated as an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Note or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Issuer or deposited as directed by the Issuer. Furthermore, any money held by the Paying Agent for the payment of the principal of and interest on the Note and remaining unclaimed for a period of four years after the Stated Maturity of the Note such moneys were deposited and are held in trust to pay shall upon the request of the Issuer be remitted to the Issuer against a written receipt therefor. Any remittance of funds to the Issuer shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 17: ***Ordinance a Contract; Amendments.*** This Ordinance shall constitute a contract with the Holders from time to time, be binding on the Issuer, and shall not be amended or repealed by the Issuer so long as any Note remains Outstanding except as permitted in this Section. The Issuer, may, without the consent of or notice to the Holder of the Note, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holder of the Note, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of the Holder of the Note, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of the Holder of the Outstanding Note, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Note, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Note.

SECTION 18: ***Tax Covenants***.

A. *Not to Cause Interest to Become Taxable*. The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property acquired, constructed, or improved with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause interest on the Note not to be excludable from the gross income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes. The Issuer shall adopt and comply with the provisions of such amendments hereof and supplements hereto as may, in the opinion of nationally recognized bond counsel, be necessary to preserve or perfect such exclusion. Without limiting the generality of the foregoing, the Issuer shall comply with each of the specific covenants in this Section at all times prior to the last maturity of the Note, *unless* and *until* the Issuer shall have received a written opinion of nationally recognized bond counsel to the effect that failure to comply with such covenant will not adversely affect the excludability of interest on the Note from the gross income of the owner thereof for federal income tax purposes, and thereafter such covenant shall no longer be binding upon the Issuer to the extent described in such opinion, anything in any other Subsection of this Section to the contrary notwithstanding.

B. *No Private Use or Private Payments.* Prior to the final Stated Maturity of the Note, (i) the Issuer shall not use or permit the use of Gross Proceeds (or any property acquired, constructed, or improved with Gross Proceeds) directly or indirectly in any Private Business Use, or (ii) the Issuer shall not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds (or use of any property acquired, constructed, or improved with Gross Proceeds) in any Private Business Use *unless* such charge or payment consists of taxes of general application within the Issuer or interest earned on temporary Investments acquired with Gross Proceeds pending application of such Gross Proceeds for their intended purposes. "*Private Business Use*" means any trade or business carried on by any Person, or any activity of any Person other than a natural person, in each case excluding state and local governments, *unless* such use is merely as a member (and, except possibly for the amount of use and any corresponding rate adjustment, is extended by the Issuer on the same terms as to all other members) of the general public.

For purposes of this *Subsection B*, property is considered to be "*used*" by a

Person if:

(1) *Sale or Lease*: it is sold or otherwise disposed of, or leased, to such Person;

(2) *Management Contract*: it is operated, managed, or otherwise physically employed, utilized, or consumed by such Person, *excluding* operation or management pursuant to an agreement which meets the conditions described in I.R.S. Rev. Proc. 97-13;

(3) *Capacity, Output, or Service Commitment*: capacity in or output or service from such property is reserved or committed to such Person under a take-or-pay, output, incentive payment, or similar contract or arrangement;

(4) *Preferential Service*: such property is used to provide service to (or such service is committed to or reserved for) such Person on a basis or terms which (except possibly for the amount of use and any corresponding rate adjustment) are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally;

(5) *Developer*: such Person is a developer and a significant amount of property acquired, constructed, or improved with proceeds from the sale of the Note (or of bond anticipation notes retired with such proceeds or income from the investment thereof) serves only a limited area substantially all of which is owned by such Person, or a limited group of developers, *unless* such property carries out an essential governmental function, use by such Person is during an initial development period, and such property is developed and sold to (and occupied by) members of the general public in accordance with the Regulations; or

(6) *Other*: substantial burdens and benefits of ownership of such property are otherwise effectively transferred to such Person,

but the temporary investment of Gross Proceeds pending application for their intended purpose shall not constitute "use" of Gross Proceeds.

C. *No Private Loan*. The Issuer shall not use Gross Proceeds of the Note to make or finance loans to any Person other than a state or local government, *excluding* loans consisting of temporary investments of Gross Proceeds pending application of such Gross Proceeds for their intended purposes. For purposes of this *Subsection C*, Gross Proceeds are considered to be "*loaned*" to a Person if (1) property acquired, constructed, or improved with Gross Proceeds is sold or leased to such Person in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such Person under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of Gross Proceeds or such property are otherwise transferred to such Person in a transaction which is the economic equivalent of a loan.

D. *Not to Invest at Higher Yield*. Prior to the final Stated Maturity of the Note, the Issuer shall not directly or indirectly invest Gross Proceeds in any Taxable Investment (or use Gross Proceeds to replace money so invested), *if*, as a result of such investment, the Yield of all Taxable Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, to the date of such investment exceeds the Yield of the Note. Notwithstanding the foregoing, however, the following Taxable Investments shall be excluded from the limitation described in this *Subsection D*:

(1) *Three Year Period for Sale Proceeds*: Taxable Investments acquired with or representing an investment of proceeds from the sale of the Note or income from the investment thereof, *but* only during the first three years after the Issue Date and, in the case of proceeds or income held for the account of the Project Fund, prior to the date on which the project or projects for which the Note is being issued have been completed, if earlier;

(2) *One Year Period for Sale Proceeds*: Taxable Investments acquired with or representing an investment of income from investment of proceeds and not described in *Clause (1)* of this *Subsection D* from the sale of the Note during the first year after receipt of such income;

(3) *Interest and Sinking Fund Deposits*: Taxable Investments acquired with or representing an investment of amounts held for the credit of the Interest and Sinking Fund, *but* only during the first 13 months after the date of deposit of such amounts;

(4) *Other Investments*: any other Taxable Investments acquired with or representing an investment of Gross Proceeds, *but* only to the extent the aggregate amount of Gross Proceeds invested in such Taxable Investment does not exceed the lesser of $100,000 or 5% of the proceeds from sale of the Note.

The Issuer shall pursue work on the project or projects for which the Note is being issued with due diligence until completion. The Issuer shall not (a) use any money to pay principal of or interest on the Note, or pledge (or permit to be pledged) or otherwise restrict any money, funds, or Investments so as to give reasonable assurance of their availability for such purpose, *except* in each case amounts deposited to the Interest and Sinking Fund, or (b) apply any proceeds from the sale of the Note or income from the investment thereof, directly or indirectly, to pay principal of or interest on any other indebtedness of the Issuer, any other governmental entity which is included within the Issuer, or any corporate or other instrumentality of the Issuer or any such governmental entity.

E. *No Federal Guarantees, Etc.* The Issuer shall not (a) use an amount of Gross Proceeds which exceeds 5% of the proceeds from the sale of the Note (i) to make loans which are guaranteed in whole or in part by the United States or any agency or instrumentality thereof, including any entity with statutory authority to borrow from the United States, or (ii) to invest in any deposit or account in a financial institution to the extent such deposit or account is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or any similar federally-chartered corporation, or (b) otherwise permit payment of principal of or interest on the Note to be directly or indirectly guaranteed in whole or in part by the United States or any agency or instrumentality thereof, including any entity with statutory authority to borrow from the United States (*e.g.*, by the investment of amounts held for the credit of the Interest and Sinking Fund in federally-guaranteed or federally-insured obligations). Notwithstanding the foregoing, however, the Issuer may acquire:

(1) *Certain Temporary Investments*: Investments described in *Subsection D* of this Section, whether or not federally-guaranteed or federally-insured, to the extent such Investments are held during the period described in the applicable Subsection,

(2) *Treasury Investments*: Investments issued by the United States Treasury; and

(3) *Investments Permitted by Regulations*: any other Investments permitted by regulations of the United States Department of Treasury issued under Section 149(b)(3)(B)(v) of the Code.

F. *To File Informational Report.* The Issuer shall execute and file with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the *Issue Date* occurs (or by such later date as such Secretary may permit for reasonable cause or may prescribe with respect to any portion of such statement), a statement containing the information and in the form required by Section 149(e) of the Code and the Regulations thereunder.

G. *Not to Cause Note to Become Hedge Bonds*. The Issuer represents and warrants that it reasonably expects to spend 85% of the proceeds from the sale of the Note for the purposes for which the Note was issued within three years from the Issue Date. The Issuer covenants that it shall not invest more than 50% of Gross Proceeds in Taxable Investments having a substantially guaranteed yield for a period of four years or more.

H. *Rebate*.

I. *Qualified Tax-Exempt Obligations*. The Issuer hereby designates the Note as “qualified tax-exempt obligations” pursuant to section 265(b)(3) of the Code. The Issuer hereby warrants and represents that

(a) the aggregate face amount of all debt obligations issued by the Issuer in the calendar year of the Issue Date (including the Note), together with the aggregate face amount of debt obligations issued by all other Persons which derive their authority from or are subject to the control of the Issuer and which have authority to issue obligations described in Section 103 of the Code, are not reasonably expected to exceed $10,000,000;

(B) consequently, the Note is eligible to be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

When used herein, the term "interest" includes all payments due to the United States of America pursuant to Section 18. The Mayor of the Issuer is hereby authorized to take such other action as may be necessary to make effective the designation herein.

J. *Definitions*.

As used in this Section, the following defined terms shall have the following meaning.

(a) The term "*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

(b) The term "*Gross Proceeds*" has the meaning stated in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, and includes

(1) all amounts received by the Issuer from the sale of the Note and earnings from the investment of such amounts, and

(2) all amounts held for the credit of the Interest and Sinking Fund.

(c) The terms "*Investment*" or "*Investments*" has the meaning stated in Section 1.148-1(b) of the Regulations and includes

(1) *Stock*: a share of stock in a corporation or a right to subscribe for or to receive such a share,

(2) *Debt*: any indebtedness or evidence thereof, *including* without limitation United States Treasury bonds, notes, and bills (whether or not of the State and Local Government Series) and bank deposits (whether or not certificated or interest bearing or made pursuant to a depository contract),

(3) *Annuities and Deferred Payments*: any annuity contract, or any other deferred payment contract acquired to fund an obligation of the Issuer, or

(4) *Other Property*: any other investment-type property.

(d) The term "*Issue Date*" means the date on which the Note is first delivered to the Initial Purchaser(s) against payment therefor.

(e) "*Issue Price*" of the Note of any stated maturity means the amounts set out in the Certificate of Underwriter executed on the Issue Date.

(f) *"Regulations"* means any proposed, temporary, or final Income Tax Regulation issued pursuant to Sections 103 and 141 through 150 of the Code, and Section 103 of the Internal Revenue Code of 1954, which are applicable to the Note. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

(g) The term "*Taxable Investment*" means any Investment other than

(1) *Non-AMT Tax-Exempt Obligations*: an obligation the interest on which is excluded from the gross income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes (or, when such obligation was issued, was purported by the evidence of such obligation to be so excluded) and which is not a preference item, as defined in Section 57 of the Code,

(2) *Tax-Exempt Mutual Funds*: an interest in a regulated investment company to the extent that at least 95% of the income to the holders of such interest is interest that is excludable from gross income under Section 103(a) of the Code,

(3) *Demand SLGS*: one-day certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. part 344, *if* the Issuer in good faith attempts to comply with all the requirements of such program relating to the investment of Gross Proceeds, and

(4) *Exempt Temporary Investments*: Taxable Investments which are held for the credit of the Current Account of the Interest and Sinking Fund.

(h) The term "*Yield*" of

(1) *Taxable Investments*: means the actuarial "yield" of all Taxable Investments allocable to Gross Proceeds on or before such date as "yield" is computed in Section 1.148-5(b) of the Regulations, and

(2) *Note*: means the actuarial yield of the Note, as computed in Section 1.148-4 of the Regulations.

SECTION 19: ***Continuing Disclosure Undertaking.***

Because the Note is sold as a private placement, the Issuer has made no undertaking with respect to continuing disclosure under the Rule.

SECTION 20: ***Mutilated, Destroyed Lost and Stolen Note.*** If (i) a mutilated Note is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss or theft of such Note, and of the authenticity of the ownership thereof and (ii) there is delivered to the Issuer and the Paying Agent such security or indemnity as may be required to hold each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Note has been acquired by a bona fide Holder, the Issuer will execute and the Paying Agent will register and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, or lost or stolen Note has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Note, pay such Note. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Note of a series shall be borne by the Holder of the Note mutilated, or destroyed, lost or stolen.

Every replacement Note issued pursuant to this Section shall be a valid and binding obligation of such series, and shall be entitled to all the benefits of this Ordinance; notwithstanding the enforceability of payment by anyone of the destroyed, lost or stolen Note.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Note.

SECTION 21: ***Confirmation of Sale.*** That the sale of the Note to First Liberty National Bank (the "*Initial Purchaser*") at the price of par is hereby approved and confirmed. Delivery of the Note to the Initial Purchaser shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale.

SECTION 22: ***Control and Custody of the Note.*** The Mayor of the Issuer shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of the Definitive Note, and shall take and have charge and control of the Initial Note pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, City Secretary, and Director of Finance, or any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the Issuer and the issuance of the Note, including a certification as to facts, estimates, circumstances and reasonable expectations pertaining to the use and expenditure and investment of the proceeds of the Note as may be necessary for the approval of the Attorney General, registration by the Comptroller of Public Accounts and delivery of the Note to the Purchaser thereof and, together with the Issuer's financial advisor, bond counsel, and the Paying Agent, make the necessary arrangements for the delivery of the Initial Note to the Purchaser and the initial exchange thereof for Definitive Note. If requested by the Attorney General or its representatives, or if otherwise deemed necessary to properly evidence the intent of the Issuer in the adoption of this Ordinance, the Mayor or Mayor pro tem of the Issuer may make such ministerial changes in the written text of this Ordinance as such officer determines are consistent with the intent and purposes of this Ordinance, which determination shall be final and evidenced by delivery of this Ordinance to the Purchaser upon delivery of the Definitive Note. Furthermore, the financial advisor of the Issuer is hereby authorized and directed to give written instructions to the Paying Agent pertaining to receipt of payment for the Note, to the conditions for the delivery thereof to the Purchaser, and with respect to the disbursement of the proceeds of same and payment of the costs of issuance therefrom upon delivery of the Note to the Purchaser.

SECTION 23: ***Notices to Holder-Waiver***. Wherever this Ordinance provides for notice to the Holder of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of the Initial Purchaser on file with the Issuer from time to time.

Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Initial Purchaser, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice.

SECTION 24: ***Cancellation.*** A Note of the Issuer surrendered for payment, transfer, exchange, or replacement, if surrendered to the Issuer, shall be promptly canceled by it.

SECTION 25: ***Legal Opinion.*** The obligation of the Initial Purchaser to accept delivery of the Note is subject to being furnished a final opinion of bond counsel, approving such Note as to its validity, said opinion to be dated and delivered as of the date of delivery and payment for such Note. A true and correct reproduction of said opinion or an executed counterpart thereof is hereby authorized to be printed on definitive printed obligations.

SECTION 26: ***CUSIP Numbers.*** CUSIP numbers may be printed or typed on the definitive Note. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Definitive Note shall be of no significance or effect as regards the legality thereof and neither the Issuer nor attorneys approving the Note as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Definitive Note.

SECTION 27: ***Benefits of Ordinance***. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer and the Holder of the Note, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer and the Holder of the Note.

SECTION 28: ***Incorporation of Preamble Recitals.*** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part hereof for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 29: ***Inconsistent Provisions***. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 30: ***Governing Law.*** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 31: ***Severability.*** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 32: ***Effect of Headings.*** The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33: ***Construction of Terms.*** If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 34: ***Public Meeting.*** It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by chapter 551, Texas Government Code, as amended.

PASSED AND ADOPTED, this December 8, 2009.

CITY OF LIBERTY, TEXAS

____
Mayor

ATTEST:

____
City Secretary

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Bids

COUNCIL ACTION 2009-109

DOC ID: 1499 C

Consider Awarding a Bid for Various City Vehicles.

EXPLANATION:

Purchasing Agent recommends awarding bid to vendor(s) submitting lowest bid for each vehicle as indicated on the attached Bid Tabulation.

The vehicles purchased will be assigned throughout the City as follows:

- **Four-Door Sedan with Police Pursuit Package** will be assigned to the Assistant Fire Chief, Brian Hurst. The 2000 Crown Victoria currently assigned to the Assistant Fire Chief will be used as the Station Car replacing the 2001 Crown Victoria which will be retired.
- **Compact 4-Door Sedan** will be assigned to Neighborhood Services Administrator, Robbie Hood. His current 1995 Chevrolet S-10 Pickup will be reassigned to provide a vehicle for the third Meter Reader position.
- **3/4-Ton Pickup** will be assigned to the Electric Department to replace the 1995 Chevrolet ½-Ton Pickup that was totaled during Hurricane Ike.
- **2.3L Regular Cab Pickups** will be assigned to two of the Meter Readers. One of the 2005 Ford F-150 Pickups currently used by the Meter Readers will be reassigned to the Solid Waste Department to replace a 1992 GMC 1/2-Ton Pickup which will be retired. The other will be reassigned to the Maintenance Department replacing their 1990 1/2-Ton Chevrolet Pickup which will also be retired. As recommended by Avon Moore, the F-150's are better suited for these departments, and the 2.3L pickups are a better choice of vehicle for the Meter Readers-both environmentally and economically.
- **4.0L Extended Cab Pickup** will be assigned to Avon Moore, Community Services Director, replacing his 1996 Chevrolet S-10. The S-10 will be used in the Parks Department, replacing a 1992 1/2-Ton Chevrolet which will be retired.

Determination of vehicles chosen for retirement was made by Avon Moore based on vehicle maintenance records, mileage, and years of service.

Melody Fisher
Purchasing Agent

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BID NO. 09-002--VEHICLES
BID TABULATION

SPECIFICATION	PHILPOTT MOTORS	BJ FORD	LIBERTY-DAYTON CHRYSLER/DODGE
New, 2008 or Later Year Model, Full-Size, 4-Door Sedan with	Year: 2010	Year: 2008	Year: 2010
High-Performance Police Pursuit Package. Quote with Standard	Model: Ford	Model: Ford	Model: Dodge
Equipment PLUS the following required features:	Crown Victoria	Crown Victoria	Charger
Full-Size Spare Tire and Wheel	Yes	Yes	Yes
Heavy-Duty Vinyl Floor Covering Front and Rear	Yes	Yes	Yes
White Exterior, Dark Interior	Yes	Yes	Yes
Estimated Delivery	10 days	Available on Demand	February 18, 2010
Bid Price	$21,398.00	$17,890.00	$21,475.00
New Current Year Model or Later,	Year: 2010	Year: 2010	Year: 2010
4-Door Compact Sedan	Model: Ford Focus	Model: Ford Focus	Model: Dodge Avenger
2.0 L, I-4 Engine	Yes	Yes	No, 2.4L Engine
Automatic Transmission	Yes	Yes	Yes
Air Conditioner & Heater	Yes	Yes	Yes
Full-Size Spare Tire and Wheel	Yes	No	Yes
Power Door Locks	Yes	Yes	Yes
Floor Mats Front and Rear	Yes	Yes	Yes
White Exterior, Dark Interior	Yes	Yes	Yes
Estimated Delivery	10 days	10-12 weeks	February 18, 2010
Bid Price	$13,945.00	$13,616.00	$15,290.00
New Current-Year Model or Later, 3/4-Ton	Year: 2011	Year: 2010	Year: 2010
4x2 Regular Cab Pick Up Truck	Model: F-250	Model: F-250 RC	Model: Dodge 2500
6.4 or greater V-8 Diesel Engine	Yes	Yes	Yes
5-Speed Automatic Transmission	Yes	Yes	No, 6-Speed
3.31 Reg Axle	Yes	Yes	No, 3.73 is recommended
Air Conditioner & Heater	Yes	Yes	Yes
Trailer Tow Package	Yes	Yes	Yes
Full-Size Spare Tire and Wheel	Yes	Yes	Yes
Vinyl Bench Seats	Yes	Yes	Yes
Power Door Locks	Yes	Yes	No
Floor Mats Front and Rear	Yes	Yes	Yes
White Exterior, Dark Interior	Yes	Yes	Yes
Estimated Delivery	60-90 days	10-12 weeks	February 18, 2010
Bid Price	$24,799.00	$26,267.00	$27,884.00

Attachment: Bid No 09-002 Vehicle Bid Tabulation2 (CA-2009-109 : Vehicle Bids)

BID NO. 09-002--VEHICLES
BID TABULATION

SPECIFICATION	PHILPOTT MOTORS	BJ FORD	LIBERTY-DAYTON CHRYSLER/DODGE
Two (2) New Current-Year Model or Later	Year: 2010	Year: 2010	Year: 2010
4x2 Regular Cab Pick Up	Model: Ford Ranger RC	Model: Ford Ranger RC	Model: Dodge Dakota
2.3L I-4 Engine	Yes	Yes	No, 3.7L V6
5-Speed Automatic Transmission	Yes	Yes	No, 4-Speed Automatic
4.10 Reg Axle	Yes	Yes	No
Air Conditioner & Heater	Yes	Yes	Yes
Full-Size Spare Tire and Wheel	Yes	Yes	Yes
Split Vinyl Bench Seats	Yes	Yes	No
Power Door Locks	No	No	No
Vinyl Floor Mats Front and Rear	Yes	Yes	Yes
White Exterior, Dark Interior	Yes	Yes	Yes
Estimated Delivery	30-60 Days	10-12 weeks	February 18, 2010
Bid Price, each	$11,415.00	$11,143.00	$14,964.00
New Current-Year Model or Later,	Year: 2010	Year: 2010	Year: 2010
4x2 Super Cab Pick Up	Model: Ford Ranger SC	Model: Ford Ranger SC	Model: Dodge 1500 Q-Cab
4.0L V-6 Engine	Yes	Yes	No, 3.7L V6
5-Speed Automatic Transmission	Yes	Yes	No, 4-Speed Automatic
3.55 Reg Axle	Yes	Yes	No, 3.92 Axle
Air Conditioner & Heater	Yes	Yes	Yes
Full-Size Spare Tire and Wheel	Yes	Yes	Yes
Split Vinyl Bench Seats	No	No	Yes
Power Door Locks	Yes	Yes	Yes
Vinyl Floor Mats Front and Rear	Yes	Yes	Yes
White Exterior, Dark Interior	Yes	Yes	Yes
Estimated Delivery	30-60 Days	10-12 weeks	February 28, 2010
Bid Price	$15,701.00	$15,504.00	$18,995.00

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Misc. Board & Comm Info

COUNCIL ACTION 2009-110

DOC ID: 1502

Consider Extending the Term of the Airport Advisory Board.

EXPLANATION:
The Airport Advisory Board's authority will cease and the Board disband as of Dec. 31, 2009. This agenda item provides Council the opportunity to extend the term of this advisory board, if so desired.

FYI - AAB MISSION STATEMENT:
"The mission of the Airport Advisory Board is to supply technical information, suggestions, and advice concerning the operations, maintenance, and improvements of the Liberty Municipal Airport to the City of Liberty Council and Staff."

Dianne Tidwell

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The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM
Department: Administration
Category: Board Appointments

COUNCIL ACTION 2009-111

DOC ID: 1503

Consider Appointments to the Airport Advisory Board.

EXPLANATION:
Airport Advisory Board Membership Requirements:

1) the Board will consist of 8 members,
2) Membership may include 2 "non-resident" members, and
3) 1 member will be a councilperson or member of management.

Current Board Members:

Sheryl Mayo	Dale Clawson	E.B. Neuman
Charles Grabein	Chet Tims	Mike McCarty
Tracy Williams	Linda DuBois	

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The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Personnel

COUNCIL ACTION 2009-112

DOC ID: 1500

Consider Ratifying an Amendment to the City Personnel Policy Regarding Comp Time.

EXPLANATION:
One of the many things that I have discovered as we go through our daily work is that the City had a some Comp Time hours on the books. This is a liability that has to be booked on the Balance Sheet. I have discontinued this practice and have paid the employees for their comp time. This is a good practice during an emergency or disaster, but in normal times it is not needed. By changing this procedure, the Department Head has the responsibility to control the overtime and the accountability of their employees. If you have any questions, please let me know.

Gary Broz

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CHAPTER VI

COMPENSATION

PAYMENT SCHEDULE

6.00. All permanent employees shall be paid every other Friday.

6.01. All temporary or emergency employees shall be paid on the same day as permanent employees or on the next pay period following termination of employment.

OVERTIME

6.02.

A. All regular and hourly employees (except those who fall under the Fair Labor Standards Act exemption for firefighters) who are required to work over their regular scheduled 40 hours per week will be paid at a rate of 1 1/2 times their hourly rate for time worked over 40 hours. Hours worked are computed on a weekly basis.

B. In lieu of paid overtime, the employee may choose to receive compensatory time at the same rate. Hours worked are computed on a weekly basis. Upon separation from the City the employee will receive payment for all unused compensatory time. No employee shall accrue more than 40 hours compensatory time.

C. All employees, except supervisors, who are required to be on weekly standby duty shall be paid the greater of either $25.00 on call pay or 1 1/2 times their regular hourly salary for each hour they may be required to work.

D. Any employee that works on a designated holiday shall be entitled to take off a like number of hours during that same work week upon approval of the Department Head in lieu of receiving holiday pay.

E. Salaried employees may earn compensatory time for time worked at the rate of one hour compensatory time for each hour worked over 40 hours. Salaried employees may not accrue more than 40 hours compensatory time. Salaried employees will not receive compensation for time worked over 40 hours after the maximum compensatory time has been accrued.

F. In the event of an emergency or disaster declared by the Mayor of the City of Liberty salaried employees shall receive overtime salary in the amount of one and one half (1 1/2) times their hourly salary for each overtime hour worked. (revised January 10, 2006)

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 12/08/09 06:00 PM

Department: Administration
Category: Economic Development Issues

COUNCIL ACTION 2009-113

DOC ID: 1501

Consider Approval of Incentives for a New Economic Development Prospect.

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