



The City of Liberty
City Council
Special Called Meeting
~ Agenda ~

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

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, March 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

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. REGULAR AGENDA

A. Regular Session

1. Council Action 2009-22

Consider Approval of an Option for Financing the Cultural Center Expansion Project and Construction of an Electric Substation.

- Attachment #1 - Fulbright Financing Option CC & Substa (PDF)

2. Council Action 2009-23

Consider Approval of a Proposal for City of Liberty Web Site Design.

3. Work Session 2009-4

Discussion Regarding Police Department Facilities.

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. Update on status of Boomerang Tube, LLC.

C. Reconvene into Regular Session

1. Consider action, if any, on the items as discussed in the Executive Session.

VI. COUNCIL MEAL**VII. ADJOURNMENT**

Motion To: Adjourn

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 18th day of March, 2009 at 5:00 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: 03/24/09 06:00 PM

Department: Administration
Category: Financing Option Issues

COUNCIL ACTION 2009-22

DOC ID: 1293

Consider Approval of an Option for Financing the Cultural Center Expansion Project and Construction of an Electric Substation.

FULBRIGHT & JAWORSKI L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

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February 27, 2009

BY FIRST CLASS MAIL

Mr. Ron Wood
City Manager
City of Liberty, Texas
1829 Sam Houston
Liberty, Texas 77575

Re: Financing options for library renovation and construction of electrical sub-station

Dear Mr. Wood:

You have informed us that the City of Liberty (the “City”) desires to finance the renovation of the local library (the “Library”) and the construction of an electrical sub-station to serve Boomerang Industries (the “Substation”) by issuing tax-exempt obligations. The City has two different financing options which it can undertake for funding these two capital projects.

Combined Financing. The City could issue Certificates of Obligation in the amount of approximately \$3,200,000 to provide a combined financing for both the Library and the Substation. The use of Certificates of Obligation (the “Certificates”) allows the city to pledge tax revenues, along with other revenues, as the security and source of payment for such Certificates without having to conduct an election, but is subject to petition and referendum. Debt service on the portion of the Certificates used to finance the Substation would need to be paid from taxes of general application, which could include sales tax revenues of the 4B Corporation, to preserve the tax-exempt states of the Certificates. Sales taxes from the 4B corporation could not be pledged as security for the Certificates, but could be paid subject to amounts appropriated annually under a separate agreement between the 4B corporation and the City.

A combined financing allows the City to reduce its costs of issuance for the Certificates but would limit the City’s flexibility for redemption.

Separate Financing. The City could separately finance the \$700,000 Library renovation and Substation construction through two different financing mechanisms. The Library renovation may be privately placed with a bank through tax anticipation notes. The terms of the notes could be privately negotiated between such bank and the City. Choosing to finance the

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AUSTIN • BEIJING • DALLAS • DENVER • DUBAI • HONG KONG • HOUSTON • LONDON • LOS ANGELES • MINNEAPOLIS
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Attachment # 1: Fulbright Financing Option CC & Substa (CA-2009-22 : Financing Option - CC Exp & Elec Sub-Sta)

Mr. Ron Wood
February 27, 2009
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Library renovation separately would provide the City greater flexibility in choosing repayment terms, as such notes could be called and repaid by the City at any time without a substantial redemption penalty. The \$2,500,000 Substation construction would then be financed with certificates of obligation issued by the City. The same issue regarding the use of taxes of general application as security for the certificates would apply, but would not apply to the notes. This option would involve higher costs of issuance, but provide greater flexibility.

The City will have to determine whether it is more beneficial to reduce its costs of issuance or whether it would like to have flexible call terms for the financing of the Library renovation. Both are viable, legal financing options that the City can consider for these two capital projects. Please contact me if you need any additional information or if you have any further questions.

Very truly yours,



Neil Thomas

Cc: Mayor Carl Pickett
Mr. Jim Gilley (Coastal Securities)
Ms. Heather De La Garza (Firm)

**The City of Liberty**

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 03/24/09 06:00 PM

Department: Administration
Category: Proposals

COUNCIL ACTION 2009-23

DOC ID: 1294

Consider Approval of a Proposal for City of Liberty Web Site Design.

**The City of Liberty**

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 03/24/09 06:00 PM

Department: Administration
Category: Miscellaneous

WORK SESSION 2009-4

DOC ID: 1292

Discussion Regarding Police Department Facilities.