

**CITY OF GONZALES
SPECIAL CALLED CITY COUNCIL MEETING
JULY 25, 2019 MINUTES**

The City Council convened the Special Called City Council meeting at 6:01 p.m., July 25, 2019, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Dan Blakemore and Bobby O'Neal.

The following member was absent: Tommy Schurig

Others Present: City Manager- Tim Patek, City Secretary- Kristina Vega

Staff Present: Keith Schmidt, Todd Remschel, Ryan Wilkerson, William Ince, Marland Mercer, Laura Zella, Keith Schauer

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

SECOND READING

1.1 Mayor, Connie Kacir read Discuss, Consider, and Possible Action on **Resolution #2019-61** Approving a Type B Economic Development Agreement by and between the Gonzales Economic Development Corporation and National Signs, LLC, a Delaware Limited Liability Company, Regarding Repairs to Marquee Sign at Lynn Theater. Council again, this is simple a second reading approving the EDC recommendations and budget amendment where \$78,750 will be transferred from the fund balance for repairs. The Mayor asked for a motion. Councilman O'Neal made a motion to approve **Resolution #2019-61** Approving a Type B Economic Development Agreement by and between the Gonzales Economic Development Corporation and National Signs, LLC, a Delaware Limited Liability Company, Regarding Repairs to Marquee Sign at Lynn Theater. Councilman Blakemore seconded the motion. The Mayor called for discussion. There being none, the Mayor asked for a roll call vote. Councilman Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

1.2 Mayor, Connie Kacir read Discuss, Consider, and Possible Action on **Resolution #2019-63** Approving a Type B Economic Development Project and Performance Agreement, by and between the Gonzales Economic Development Corporation and 515NSJ, LLC, a Texas Limited Liability Company. Again, Council we have a second reading on a \$20k expenditure for a project and this is presented by Sarah Tenberg. The Mayor asked for a motion. Councilman O'Neal made a motion to approve **Resolution #2019-63** Approving a Type B Economic Development Agreement by and

between the Gonzales Economic Development Corporation and National Signs, LLC, a Delaware Limited Liability Company, Regarding Repairs to Marquee Sign at Lynn Theater. Councilman Blakemore seconded the motion. The Mayor called for discussion. There being none, the Mayor asked for a roll call vote. Councilman Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

ORDINANCES

1.1, Mayor, Connie Kacir read Discuss, Consider & Possible Action on **Ordinance #2019-15** Ordinance Authorizing the Issuance, Sale and Delivery of Up to \$6,200,000 in Aggregate Principal Amount of "City of Gonzales, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019"; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax and a Pledge of Certain Surplus Revenues of the City's Waterworks and Sewer System; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, an Official Statement and All Other Instruments and Procedures Related Thereto. Rafael Martinez, RBC Capital Markets, our firm worked closely with city administration back in May and June to discuss the potential issuance and determined that \$6.2 million would be sufficient to meet the needs of your upcoming projects. We got together with the financing team which consisted of McCall, Parkhurst & Horton as well as George K. Baum and Kelly Hart & Hallman. This morning we spoke with the underwriter and they released the bonds into the market. The bonds were well received and after the order period we came back and received about two to three basis point bumps at the end which means decreases. We have a \$5.6 million par amount on the bond with approximately \$670k in premium, however this still gets you the \$6.2 million that you need in your project account. The result of all of this is an all in interest rate of 3.11% on the certificates. The Mayor stated for the record we came in 239 basis points under the prime rate. Mr. Martinez stated that the figures that we originally estimated back when we ran the debt analysis was \$50k better per year resulting in about \$1 million less in debt service from our original estimate. The first year were estimating closer to \$250 to \$60 million in debt service for fiscal year 19 and 20 and now us despite us coming in lower than that we would still recommend the 3.35 cent tax rate increase on the I&S side. Mayor Kacir asked should the need arise to take surplus revenues payment could be made from surplus revenues from the electric enterprise in the form of transfers to the general fund even though they are combination tax and surplus waterworks and sewer revenues certificates of obligation. Noel Valdez from McCall, Parkhurst & Horton stated that yes the surplus revenue pledge of the waterworks and sewer system is attached to the certificates of obligation for the purposes of compliance with state law. You can get all moneys from the certificates of obligation deposited into your construction fund. However, this does not mandate you use waterworks and sewer system revenues only. The Mayor asked for a motion. Councilman O'Neal made a motion to approve

Ordinance #2019-15 with the numbers as stated this evening that are updated from the information that was originally in the packet. Councilman Blakemore seconded the motion. The Mayor called for discussion. There being none, the Mayor asked for a roll call vote. Councilman Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Blakemore seconded the motion and the meeting adjourned at 6:19 p.m.



Kristina Vega, City Secretary

APPROVED:


