

The City of Galena Park

City Commission Meeting

Date: November 17, 2015

A regular meeting of the City Commission of the City of Galena Park was held at City Hall in Council Chambers, Tuesday evening at 6:00 P.M. on November 17, 2015.

Present were:	Esmeralda Moya	Mayor
	Cruz R. Hinojosa, Jr.	Commissioner
	Maricela Serna	Commissioner
	Juan Flores	Commissioner
	Mayra Gonzales	City Secretary
	Robert Pruet	City Administrator

Absent:	Danny Simms	Commissioner
	Jim DeFoyd	City Attorney

Item # 1- Mayor Moya called the meeting to order at 6:05 p.m.

Item # 2- Mr. Robert Clowers gave the invocation

Item # 3- Comments from the audience. No comments from the audience.

Item # 4- Award from Texans for Clean Water for the coordinated effort to clean up Hunting Bayou. Texans for Clean Water thanked the City of Galena Park and presented the city with an award for the help in cleaning Hunting Bayou. An award was also presented to Targa Resources, Gardner Enterprises, Magellan Midstream, and the citizen Mr. John for calling it in, for their part in cleaning Hunting Bayou.

Item # 5- Consider approving the minutes of regular meetings on October 20, 2015 and November 03, 2015. Commissioner Hinojosa moved to approve the minutes of regular meetings on October 20, 2015 and November 03, 2015. Commissioner Flores, 2nd...Vote: 5 Ayes...Motion Carried.

Item # 6- Consider ratifying accounts payable through November 17, 2015. Commissioner Serna moved to approve ratifying accounts payable through November 17, 2015. Commissioner Flores, 2nd...Vote: 5 Ayes... Motion Carried.

Item # 7- Consider approving the Task Order and the Master Service Agreement between the City of Galena Park and Utiliworks Consulting, LLC. In summarization, Ms. Tojuana Cooper, Water and Sewer Superintendent, explained to the city council that this would be a grant to support water utility projects for the water department. The grant would be used to locate leaks on some water lines and the replacement of some of large industrial and commercial meters. The task order would be for Utiliworks to complete the grant application for \$15,000 and then if the city is awarded the grant in the amount up to \$300,000, the city would have to put in another \$25,000, being a total of \$40,000.00 the city would commit too for Utiliworks. Ms. Cooper summarized the grant announcement to the city council. Ms. Cooper stated that the city would have to commit to 50% of the project cost, which the city would be applying for Funding Group 1 up to \$300,000 for two years. Ms. Cooper explained that they city would pay that in two years, \$75,000 a year. Commissioner Flores moved to approve the Task Order and the Master Service Agreement between the City of Galena Park and Utiliworks Consulting, LLC. Commissioner Serna, 2nd...Vote: 5 Ayes...Motion Carried.

Item # 8- Consider approving the agreement between the City of Galena Park and Hoggatt, L. P. for the construction of the Gateway Project. Commissioner Serna moved to approve the agreement between the City of Galena Park and Hoggatt, L. P. for the construction of the Gateway Project. Commissioner Flores, 2nd... Mayor Moya asked if this was the one that the city was paying an additional \$36,000. Council stated yes. Mayor Moya stated that the grant was for \$98,000 and the city pays an additional \$36,000. Vote: 5 Ayes...Motion Carried.

Item # 9- Consider approving Ordinance 2015-18- Authorizing the issuance of the City of Galena Park, Texas, General Obligation Refunding Bonds; Series 2016. Mr. Jim Gilley, City Financial Advisor with US Capital Advisors, and Ben Morse, Bond Counsel with Andrews Kurth LLP, approached the council. In summarization, Mr. Gilley explained to the city council that they monitor the city's outstanding debt for opportunities for the city to refinance the debt at a lower rate to save on interest payments. Mr. Gilley explained that the city's outstanding 2007 Certificate of Obligations could be advanced for funding; they are outstanding at a rate of 4.3% and because of the lower interest rate environment they could be refinanced at a rate around 3%. Mr. Gilley proposed that the city refinance and maintain the same payment structure, shorten the life of the debt by two years and save approximately \$630,000 at the current rates. Mr. Gilley stated that Mr. Morse has prepared an Ordinance for the council's consideration and approval. Mr. Gilley stated that the Ordinance would allow US Capital and Andrew Kurth LLP. to prepare and set up a competitive sale acting on the cities behalf; after the first of the year they would receive bids and see if the interest rate saving are satisfactory in the range that they estimate today. Mr. Gilley stated that they savings are based on the market rates. Mr. Gilley recommended that the city approve the ordinance so that they can begin to prepare for a competitive sale which would include getting a bond rating and bond insurance, which would take some time to prepare and hopefully in January they would be able to schedule the competitive sale and effective transaction. Mr. Gilley explained that once the sale has been affective the bond counsel will prepare the transcripts and given to the Attorney General for approval. Commissioner Hinojosa asked how much was this going to cost the city forward to January. Mr. Gilley stated it would be about 3% of the transaction of the bond par, and the city has outstanding 4.7 million. Mr. Gilley stated that if the savings are not adequate the transaction will not be done. Commissioner Flores asked what happens if the Attorney General does not approve the transaction. Mr. Morse stated that it is very rare that the Attorney General does not approve the transaction, but if not approved the transaction will not move forward. Mr. Gilley stated that they will be watching the market and if the rates go up and the savings go down, they will not go out for competitive bids; or if they go out for competitive bids and the rates go up they will pull the sale, but they will be in communication with the city. Mayor Moya asked Mr. Morse if that was the ordinance that he provided. MR. Morse stated yes. Mayor Moya asked who Cede & Co. was. Mr. Morse stated that these bonds would be fully registered bonds and there is a company called the depository trust company, they have a company called Cede & Co. which would be the registered owner of the bonds. Mayor Moya stated that normally the city attorney reads the ordinances and he is not there, but Mr. Morse has briefed them on what the ordinance is about. Mr. Morse stated that the ordinance is very standard and only certain provisions are being changed. Mr. Pruett stated that Mr. Defoyd has read the ordinance and sent the city secretary an email to that affect. Mayor Moya asked how many readings does there have to be for the ordinance. Mr. Morse stated that the statues of the Refunding Act only require one, and whatever is in the charter would be superseded by the Refunding Act. Mayor Moya asked if they had a deadline by when they needed to have a decision by incase they wanted to table it. Mr. Morse stated no, the city has a couple options. One would be they could think about it and the city could decide not to do the refunding, there is no real deadline for that. The other option would if the city adopts the parameter order all it really does is designate authority to the Mayor and the City Administrator, so just by adopting the order it does not mean that the transaction will move forward. It will still be under the discretion of the two delegates in consultation with the financial advisor. Commissioner Serna stated that bottom line they will be saving \$340,000. Mr. Morse stated that was in net savings, but actual dollars would be \$635,000. Mr. Gilley stated that in today's dollars it would be \$340,000 in present savings, there is a difference actual dollars and present savings. Mr. Morse stated that if they do move forward it puts them in

the position where they can move quickly. Commissioner Flores moved to approve Ordinance 2015-18- Authorizing the issuance of the City of Galena Park, Texas, General Obligation Refunding Bonds; Series 2016. Commissioner Serna, 2nd ...Vote: 5 Ayes...Motion Carried.

Mayor Moya asked for Announcements.

Mr. Pruett announced that three years ago the city met with the Port Terminal about building an overpass on Federal Road over the railroad tracks. Mr. Pruett stated that if the tracks were blocked on Main, Holland, and Federal an emergency vehicle could not get by. Mr. Pruett stated that they received word preliminary that the project has been approved at no cost to the city and to start in 2017.

Commissioner Flores announced that this Saturday the city will be having a tire round up at the community building. Commissioner Flores stated that you can bring up to 4 tires per house hold from 9:00 a.m.- 2:00 p.m. Mayor Moya asked if it was the North Channel LAPC with Jacinto City. Commissioner Flores stated that he was working in conjunction with Jacinto City.

Mr. Clowers asked if there would be a senior luncheon on Wednesday in Galena Manor and Friday at the Baggett Building, or will they be combined. Mr. Pruett stated there will be on at each and they are combined at Christmas.

Commissioner Flores made a motion to adjourn the meeting. Commissioner Hinojosa, 2nd.... Vote: 5 Ayes... Motion Carried.

Meeting adjourned: 7:10 P.M.


MAYRA GONZALES


APPROVED