

710 EAST SAN AUGUSTINE STREET

DEER PARK, TEXAS 77536

Minutes

of

A WORKSHOP MEETING OF THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS HELD AT CITY HALL, 710 EAST SAN AUGUSTINE STREET, DEER PARK, TEXAS ON SEPTEMBER 3, 2019, BEGINNING AT 7:00 P.M., WITH THE FOLLOWING MEMBERS PRESENT:

JERRY MOUTON, JR.
SHERRY GARRISON
TJ HAIGHT
TOMMY GINN
BILL PATTERSON
RON MARTIN
RAE SINOR

MAYOR
COUNCILWOMAN
COUNCILMAN
COUNCILMAN
COUNCILMAN
COUNCILMAN
COUNCILWOMAN

OTHER CITY OFFICIALS PRESENT:

JAMES STOKES
GARY JACKSON
SHANNON BENNETT
JIM FOX

CITY MANAGER
ASSISTANT CITY MANAGER
CITY SECRETARY
CITY ATTORNEY

1. MEETING CALLED TO ORDER – Mayor Mouton called the workshop to order at 7:00 p.m.
2. PRESENTATION AND DISCUSSION OF ISSUES RELATING TO A SCHEDULE OF EVENTS FOR THE SALE OF CERTIFICATES OF OBLIGATION AND LIMITED TAX REFUNDING BONDS – John Robuck, of BOK Financial Inc., gave a presentation for the Certificates of Obligation, Series 2019. As proposed in the FY 2019-2020 Budget, the City intends to issue Certificates of Obligation for the ninth year of the 10-year Water and Sewer Capital Improvements Plan. The estimated \$4,605,000 proceeds from these certificates are planned for projects including sewer rehabilitation, water line replacement and other needed renovations at the Water Treatment Plant. The presentation gave an overview of the current bond market condition, summary of bids, final debt service requirements and scheduled events. (Exhibit A1-A6)

Jonathan Frels gave an overview of the new Legislative changes on issuing Certificates of Obligation to include the extension of the time period for the notices from 30 to 45 days. The notice also has to be published on the City website and the disclosure of information of the total principal amount and interest to repay the certificates and the aggregate amount of debt that is outstanding and the principal and interest required to pay

all the outstanding debt on the notice. Mr. Frels commented, "This is a new approach and this City is the first to do it. There is one more change from when this agenda was posted. The date of the sale has been corrected to show November 5, 2019."

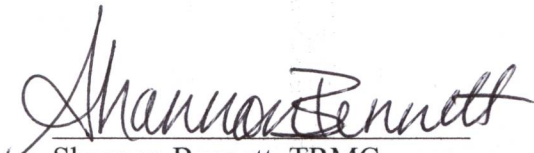
3. DISCUSSION OF ISSUES RELATING TO THE ELLIS POOL AUDITS FOR SUMMER 2019 ATHLETICS/AQUATICS DIVISION – Parks and Recreation Director Charlie Sandberg recognized Athletics/Aquatics Supervisor Lacy Stole and Athletics/Aquatics Coordinator Debra Culp for their exceptional dedication to the Athletics/Aquatic Division.

Athletics/Aquatics Supervisor Lacy Stole discussed the operations of the Dow Park Pool that is under certification from Ellis and Associates. Training consist of many hours of intensive rescue exercises that are mandatory and are conducted before and during the pool season. Staff dedicates training in the classroom and in the pool for many hours. The Dow Park Pool is audited three (3) times each season which consists of visits that check manager operations, paperwork, files and lifeguard observations and tested skill sets. Ms. Stole also advised Council of the 67 rescues this summer, most of which were in June."

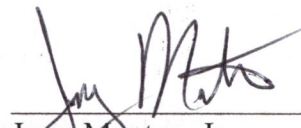
Athletics/Aquatics Coordinator Debra Culp commented, "Everything went really well. Our Staff is amazing and well trained."

4. ADJOURN – Mayor Mouton adjourned the workshop meeting at 7:28 p.m.

ATTEST:


Shannon Bennett, TRMC
City Secretary

APPROVED:


Jerry Mouton, Jr.
Mayor

DEER★PARK

Birthplace of Texas®

City of Deer Park, Texas

Schedule of Events Presentation

\$4,605,000* Certificates of Obligation, Series 2019

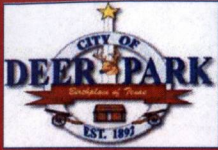
\$4,435,000* Limited Tax Refunding Bonds, Series 2019

September 3, 2019

* Preliminary, subject to change.

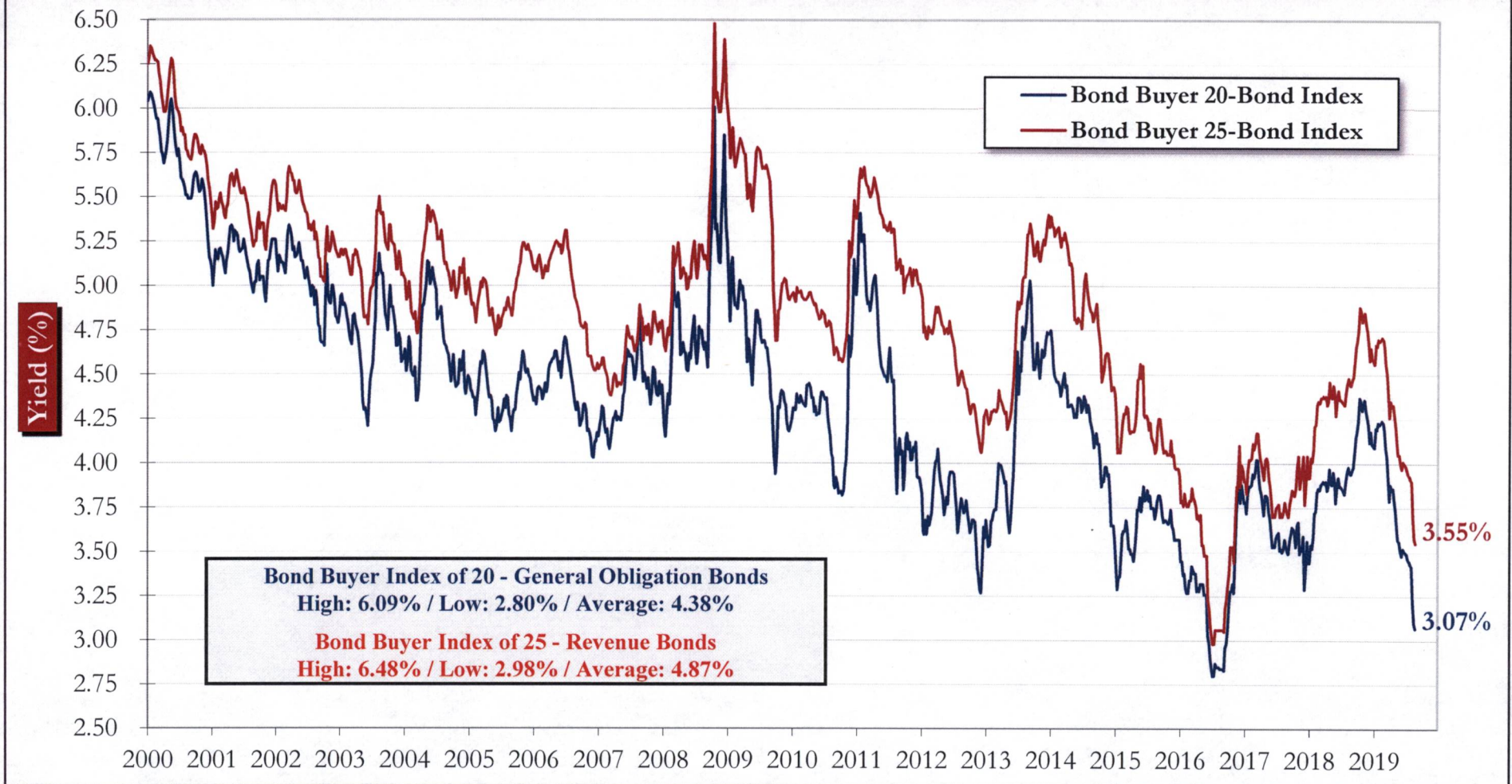
Securities, insurance and advisory services offered through BOK Financial Securities, Inc., member FINRA/SIPC and a subsidiary of BOK Financial Corporation. Services may be offered under our trade name, BOK Financial Advisors.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE



Current Market Review

The Bond Buyer Index January 1, 2000 To The Present



The BBI 20 is published every Thursday. The rate consists of general obligation bonds maturing in 20 years with an average rating equivalent to Moody's "Aa2" and S&P's "AA." The BBI 25 is also published every Thursday. The rate consists of revenue bonds maturing in 30 years with an average rating equivalent to Moody's "A1" and S&P's "A+".



Certificates of Obligation, Series 2019

Estimated Debt Service Requirements

FY Ending (9/30)	Current Total Debt Service (a)	Plus: The Series 2019 Certificates			Total Debt Service Requirements
		Principal (b)	Interest (c)	Total	
2019	\$8,145,323				\$8,145,323
2020	8,231,180	\$145,000	\$122,821	\$267,821	8,499,001
2021	8,231,361	160,000	153,300	313,300	8,544,661
2022	7,967,845	165,000	147,613	312,613	8,280,457
2023	7,965,830	170,000	141,750	311,750	8,277,580
2024	7,984,794	170,000	135,800	305,800	8,290,594
2025	6,851,124	180,000	129,675	309,675	7,160,799
2026	6,008,264	185,000	123,288	308,288	6,316,552
2027	5,252,256	195,000	116,638	311,638	5,563,894
2028	4,277,180	200,000	109,725	309,725	4,586,905
2029	4,274,418	210,000	102,550	312,550	4,586,968
2030	4,280,884	215,000	95,113	310,113	4,590,996
2031	3,722,415	220,000	87,500	307,500	4,029,915
2032	3,723,310	230,000	79,625	309,625	4,032,935
2033	3,130,919	240,000	71,400	311,400	3,442,319
2034	2,453,555	280,000	62,300	342,300	2,795,855
2035	1,930,298	285,000	52,413	337,413	2,267,710
2036	1,380,135	295,000	42,263	337,263	1,717,398
2037	856,065	330,000	31,325	361,325	1,217,390
2038	528,840	370,000	19,075	389,075	917,915
2039		360,000	6,300	366,300	366,300
Totals	\$97,195,994	\$4,605,000	\$1,830,471	\$6,435,471	\$103,631,465

- (a) Includes the debt service requirements paid by the Waterworks and Sewer System and the Community Development Corporation.
 (b) Preliminary, subject to change. Generates \$4,603,200 in proceed for the City.
 (c) Interest estimated at 3.50%, for illustrative purposes only.



Limited Tax Refunding Bonds, Series 2019

Bonds to be Refunded

The City has an opportunity to refund a portion of its outstanding General Obligation Bonds at a lower interest rate and receive interest cost savings. **The refunding is for interest cost savings and is not a restructuring of the City's existing debt.**

Estimated Bonds to be Refunded for Savings:

Series	Maturity Date	Principal Amount *	Interest Rate	Call Date/Price
Certificates of Obligation, Series 2010	3/15/2021	\$445,000	4.000%	3/15/2020 @ 100
	3/15/2022	455,000	4.000%	3/15/2020 @ 100
	3/15/2023	465,000	4.000%	3/15/2020 @ 100
	3/15/2024	475,000	4.000%	3/15/2020 @ 100
	3/15/2025	490,000	4.000%	3/15/2020 @ 100
	3/15/2026	500,000	4.000%	3/15/2020 @ 100
	3/15/2027	445,000	5.000%	3/15/2020 @ 100
	3/15/2028	490,000	5.000%	3/15/2020 @ 100
	3/15/2029	515,000	5.000%	3/15/2020 @ 100
	3/15/2030	545,000	5.000%	3/15/2020 @ 100
Totals:		<u>\$4,825,000</u>		

* Preliminary, subject to change.



Limited Tax Refunding Bonds, Series 2019

Estimated Debt Service Requirements and Estimated Refunding Savings

Fiscal Year Ending (9/30)	Current Total Debt Service (a)	Less: Debt Service on the Refunded Bonds*	Plus: The Series 2019 Refunding Bonds		Total Debt Service	Estimated Savings (c)
			Principal*	Interest (b)		
2019	\$8,145,323				\$8,145,323	
2020	8,499,001	\$212,950	\$25,000	\$115,200	8,426,251	
2021	8,544,661	649,050	430,000	148,050	8,473,661	\$71,000
2022	8,280,457	641,050	435,000	135,075	8,209,482	70,975
2023	8,277,580	632,650	435,000	122,025	8,201,955	75,625
2024	8,290,594	623,850	440,000	108,900	8,215,644	74,950
2025	7,160,799	619,550	450,000	95,550	7,086,799	74,000
2026	6,316,552	609,750	455,000	79,700	6,241,502	75,050
2027	5,563,894	533,625	400,000	62,600	5,492,869	71,025
2028	4,586,905	555,250	435,000	45,900	4,512,555	74,350
2029	4,586,968	555,125	455,000	28,100	4,514,943	72,025
2030	4,590,996	558,625	475,000	9,500	4,516,871	74,125
2031	4,029,915				4,029,915	
2032	4,032,935				4,032,935	
2033	3,442,319				3,442,319	
2034	2,795,855				2,795,855	
2035	2,267,710				2,267,710	
2036	1,717,398				1,717,398	
2037	1,217,390				1,217,390	
2038	917,915				917,915	
2039	366,300					
Totals	\$103,631,465	\$6,191,475	\$4,435,000	\$950,600	\$102,459,290	\$733,125

* Preliminary, subject to change.

- (a) Includes the estimated debt service requirements of the City's proposed \$4,605,000 Certificates of Obligation, which are scheduled to be sold simultaneously with the Series 2019 Limited Tax Refunding Bonds
- (b) Interest estimated at current market rates.
- (c) Includes estimated transaction costs and any necessary debt service fund transfers.



Tentative Schedule of Events

\$4,605,000* Certificates of Obligation, Series 2019 \$4,435,000* Limited Tax Refunding Bonds, Series 2019

September - 2019						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October - 2019						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November - 2019						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December - 2019						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Date	Action	Role
Tuesday, September 3 rd	City Council to Review Finance Plan and Approve Notice of Intent to Issue Certificates of Obligation (CO's)	FA, City, BC
Wednesday, September 4 th	First Draft of Preliminary Official Statement (POS)	FA
Wednesday, September 11 th	Publish First Notice and Post Notice on City's Website	City
Wednesday, September 18 th	Publish Second Notice	City
Thursday, September 26 th	Second Draft of POS	FA, BC, City
Week of October 7 th	Rating Agency Calls	FA, City
Tuesday, October 15 th	Third Draft of POS	FA, BC, City
Friday, October 25 th	Final Draft of POS	FA, BC, City, UW
Monday, October 28 th	Print and Distribute Final POS	FA
Tuesday, November 5th	Bond Sales - Council to Approve	FA, BC, City, UW
Tuesday, December 17th	Bond Closings/Funding	FA, BC, City, UW

PARTICIPANTS

City – City of Deer Park, Texas
FA – BOK Financial Securities, Inc. (Financial Advisor)
BC – Bracewell LLP (Bond Counsel)
UW - Underwriters

* Preliminary, subject to change.