

CITY OF DEER PARK

79-96

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 NOVEMBER 5, 2019, BEGINNING AT 6:30 P.M., WITH THE FOLLOWING MEMBERS PRESENT:

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

MAYOR
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 6:30 p.m.
2. COMMENTS FROM AUDIENCE – No comments received.
3. PRESENTATION AND DISCUSSION OF ISSUES RELATING TO THE SALE OF CERTIFICATES OF PRE 19-040 OBLIGATION, SERIES 2019 – John Robuck of BOK Financial Securities, Inc. gave a presentation of the final pricing results of the Certificates of Obligation, Series 2019 and highlighted the current market condition, the summary of bids, final debt service requirements and a schedule of events. (Exhibits A1-A7)

Jonathan Frels of Bracewell LLP commented, “You only have an ordinance for the Certificates of Obligation on the agenda tonight, and the reason for that is back in September 2019, you all adopted the parameter ordinance for the Refunding Bonds. City Manager James Stokes took care of approving those this afternoon. The only one left to approve is the Certificates of Obligation. I just want to make sure you know why you were only approving one document on the agenda this evening.”

4. DISCUSSION OF ISSUES RELATING TO OPTIONS FOR THE REPAIR/PLACEMENT OF THE ARCHES/COLUMNS AT THE ENTRANCE TO THE COURT AND THEATRE BUILDING – Parks and Recreation Director Charlie Sandberg advised Council of the damages to one of the columns that occurred during a charity event that took place at the Court and Theatre Building. During the repair process, the contractor making the repairs brought forth information to Staff that the interior of the column showed signs of significant deterioration. It was recommended to contract with Carnes Engineering, Inc. to conduct an initial structural assessment of the Court and Theatre Building columns located on the East side of the building. It was determined that excessive moisture and the construction design led to the deterioration of the structural integrity of the columns. After the initial structural assessment, Staff requested that Carnes Engineering, Inc. provide repair recommendations. Three repair estimate options and an alternate option, were presented to Council.

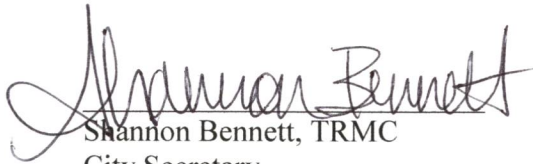
After a lengthy discussion between Council, Staff and Carnes Engineering, Inc. representative Spencer Carnes, it was the consensus of the Council to remove all, take down the column and install drainage system. (Exhibit B1- B2)

5. DISCUSSION OF ISSUES RELATING TO THE POLICY OF FUNDRAISERS AT PARKS AND RECREATION DEPARTMENT FACILITIES – Parks and Recreation Director Charlie Sandberg advised Council of the request from the Deer Park Pony Baseball Organization to hold a fundraiser at the Spencerview Athletic Complex that involved the bidding of parking spaces at the complex for exclusive usage during league games. This prompted a need to create a policy for best practices to ensure compliance and efficiency. Mr. Sandberg gave an overview of the proposed step-by-step process related to fundraisers at Parks and Recreation Department that would cover all the Parks and Recreation facilities.
6. DISCUSSION OF ISSUES RELATING TO HOUSE BILL 2840 – Assistant City Manager Gary Jackson gave a summary of House Bill 2840, that was approved and took effect on September 1, 2019. The bill amended the Texas Open Meetings Act to provide that “a governmental body shall allow each member of the public who desires to address the body regarding an item on an agenda for an open meeting of the body to address the body regarding the item at the meeting before or during the body’s consideration of the item.” Mr. Jackson advised Council that the audience comments section has now been moved to an even earlier part on the regular Council agenda to allow comments before the governing body’s consideration of an item and has been added to Council workshop agendas as well. Additionally, each of the City appointed boards that are subject to the act, now have an audience comment section on its agenda as well.

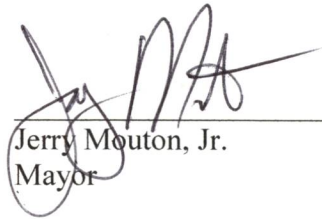
City Attorney Jim Fox commented, “We had to move the comments ahead of the consent calendar because you all are making decisions on different issues on the consent calendar before giving someone opportunity to speak on it.”

7. ADJOURN – Mayor Mouton adjourned the workshop meeting at 7:03 p.m.

ATTEST:


Shannon Bennett, TRMC
City Secretary

APPROVED:


Jerry Mouton, Jr.
Mayor



City of Deer Park, Texas

Final Pricing Results Presentation

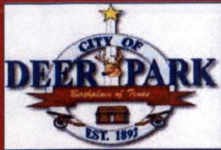
\$4,185,000 Certificates of Obligation, Series 2019

\$4,240,000 Limited Tax Refunding Bonds, Series 2019

November 5, 2019

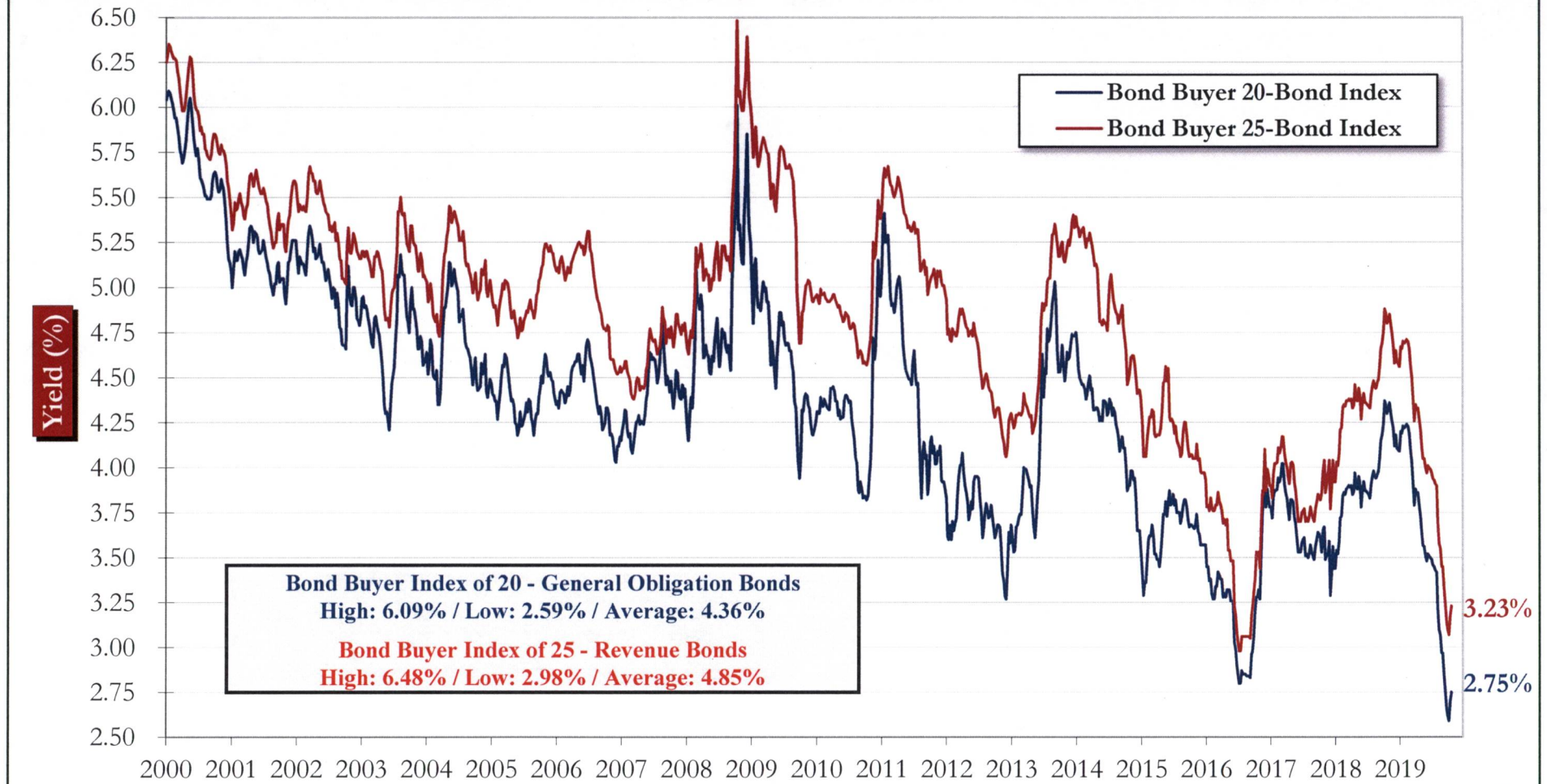
Securities, insurance and advisory services offered through BOK Financial Securities, Inc., member FINRA/SIPC and a subsidiary of BOK Financial Corporation. Services may be offered under our trade name, BOK Financial Advisors.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

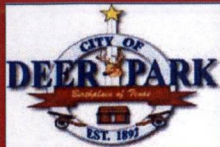


Current Market Review

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+".



Final Pricing Results – Sources and Uses of Funds

Sources and Uses of Funds

City of Deer Park, Texas

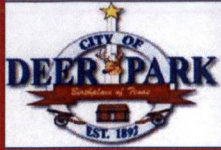
\$4,185,000 Certificates of Obligation, Series 2019

\$4,240,000 Limited Tax Refunding Bonds, Series 2019

| Certificates of Obligation, Series 2019 | | Limited Tax Refunding Bonds, Series 2019 | |
|---|--------------------|---|--------------------|
| Principal Amount of the Bonds: | \$4,185,000 | Principal Amount of the Bonds: | \$4,240,000 |
| Plus: Net Premium: | 526,604 | Plus: Net Premium: | 731,083 |
| Less: Expenses: | 108,404 | Plus: Issuer Contribution | 59,277 |
| Underwriters' Discount | \$31,095 | Less: Expenses: | 117,047 |
| Financial Advisor | 34,838 | Underwriters' Discount | \$28,857 |
| Bond Counsel | 28,500 | Financial Advisor | 35,405 |
| Rating Agencies | 7,600 | Bond Counsel | 31,000 |
| Attorney General Fee | 4,185 | Rating Agencies | 7,600 |
| Printing/Distribution | 925 | Miscellaneous | 4,469 |
| Paying Agent/Trustee | 750 | Attorney General Fee | 4,240 |
| Miscellaneous | 512 | Verification Agent | 3,000 |
| Total Proceeds: | \$4,603,200 | Paying Agent/Trustee | 1,550 |
| | | Printing/Distribution | 925 |
| | | Total Proceeds: | \$4,913,313 |
| "All Cost" True Interest Rate (a): | 2.722% | "All Cost" True Interest Rate (a): | 2.147% |
| Average Life: | 11.030 Years | Average Life: | 6.045 Years |
| | | Total Bonds Refunded: | \$4,825,000 |
| | | Average Rate on the Refunded Bonds: | 4.596% |
| | | Total Debt Service Savings (a): | \$690,125 |
| | | Present Value Savings: | 619,851 |
| | | Savings Percentage: | 12.847% |

Sale Date: November 5, 2019
Delivery/Closing Date: December 18, 2019

(a) Includes transaction costs.



Certificates of Obligation, Series 2019

Final Debt Service Requirements

| FY Ending (9/30) | Current Total Debt Service (a) | Plus: The Series 2019 Certificates of Obligation | | | Total Debt Service Requirements |
|------------------------|--------------------------------------|--|--------------------|--------------------|---------------------------------------|
| | | Principal (b) | Interest | Total | |
| 2020 | \$8,231,180 | \$130,000 | \$122,982 | \$252,982 | \$8,484,161 |
| 2021 | 8,231,361 | 140,000 | 160,200 | 300,200 | 8,531,561 |
| 2022 | 7,967,845 | 150,000 | 152,950 | 302,950 | 8,270,795 |
| 2023 | 7,965,830 | 155,000 | 145,325 | 300,325 | 8,266,155 |
| 2024 | 7,984,794 | 160,000 | 137,450 | 297,450 | 8,282,244 |
| 2025 | 6,851,124 | 170,000 | 129,200 | 299,200 | 7,150,324 |
| 2026 | 6,008,264 | 180,000 | 120,450 | 300,450 | 6,308,714 |
| 2027 | 5,252,256 | 190,000 | 111,200 | 301,200 | 5,553,456 |
| 2028 | 4,277,180 | 200,000 | 101,450 | 301,450 | 4,578,630 |
| 2029 | 4,274,418 | 210,000 | 91,200 | 301,200 | 4,575,618 |
| 2030 | 4,280,884 | 220,000 | 82,650 | 302,650 | 4,583,534 |
| 2031 | 3,722,415 | 225,000 | 75,975 | 300,975 | 4,023,390 |
| 2032 | 3,723,310 | 230,000 | 69,150 | 299,150 | 4,022,460 |
| 2033 | 3,130,919 | 240,000 | 62,100 | 302,100 | 3,433,019 |
| 2034 | 2,453,555 | 245,000 | 54,825 | 299,825 | 2,753,380 |
| 2035 | 1,930,298 | 245,000 | 47,475 | 292,475 | 2,222,773 |
| 2036 | 1,380,135 | 255,000 | 38,700 | 293,700 | 1,673,835 |
| 2037 | 856,065 | 270,000 | 28,200 | 298,200 | 1,154,265 |
| 2038 | 528,840 | 280,000 | 17,200 | 297,200 | 826,040 |
| 2039 | | 290,000 | 5,800 | 295,800 | 295,800 |
| Totals | \$89,050,673 | \$4,185,000 | \$1,754,482 | \$5,939,482 | \$94,990,154 |

(a) Includes the debt service requirements paid by the Waterworks and Sewer System and the Community Development Corporation.

(b) Generates \$4,603,200 in proceed for the City.



Limited Tax Refunding Bonds, Series 2019

Bonds Refunded

The City refund a portion of its outstanding General Obligation Bonds at a lower interest rate and generated interest cost savings. **The refunding was not a restructuring of the City's existing debt.**

| 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> | | |



Limited Tax Refunding Bonds, Series 2019

Final Debt Service Requirements and 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 | Debt Service Savings (b) |
|------------------------------|-----------------------------------|--|--|--------------------|--------------------------|--------------------------------|
| | | | Principal | Interest | | |
| 2020 | \$8,484,161 | \$212,950 | | \$153,673 | \$8,424,885 | |
| 2021 | 8,531,561 | 649,050 | \$385,000 | 197,575 | 8,465,086 | \$66,475 |
| 2022 | 8,270,795 | 641,050 | 395,000 | 178,075 | 8,202,820 | 67,975 |
| 2023 | 8,266,155 | 632,650 | 405,000 | 158,075 | 8,196,580 | 69,575 |
| 2024 | 8,282,244 | 623,850 | 415,000 | 137,575 | 8,210,969 | 71,275 |
| 2025 | 7,150,324 | 619,550 | 435,000 | 116,325 | 7,082,099 | 68,225 |
| 2026 | 6,308,714 | 609,750 | 445,000 | 94,325 | 6,238,289 | 70,425 |
| 2027 | 5,553,456 | 533,625 | 390,000 | 73,450 | 5,483,281 | 70,175 |
| 2028 | 4,578,630 | 555,250 | 435,000 | 52,825 | 4,511,205 | 67,425 |
| 2029 | 4,575,618 | 555,125 | 455,000 | 30,575 | 4,506,068 | 69,550 |
| 2030 | 4,583,534 | 558,625 | 480,000 | 9,600 | 4,514,509 | 69,025 |
| 2031 | 4,023,390 | | | | 4,023,390 | |
| 2032 | 4,022,460 | | | | 4,022,460 | |
| 2033 | 3,433,019 | | | | 3,433,019 | |
| 2034 | 2,753,380 | | | | 2,753,380 | |
| 2035 | 2,222,773 | | | | 2,222,773 | |
| 2036 | 1,673,835 | | | | 1,673,835 | |
| 2037 | 1,154,265 | | | | 1,154,265 | |
| 2038 | 826,040 | | | | 826,040 | |
| 2039 | 295,800 | | | | | |
| Totals | \$94,990,154 | \$6,191,475 | \$4,240,000 | \$1,202,073 | \$93,944,952 | \$690,125 |

(a) Includes the debt service requirements of the City's \$4,185,000 Certificates of Obligation, which sold simultaneously with the Series 2019 Limited Tax Refunding Bonds

(b) Includes transaction costs and a debt service fund transfers of \$59,277.



Schedule of Events

| 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 | | | | |

\$4,185,000 Certificates of Obligation, Series 2019 \$4,240,000 Limited Tax Refunding Bonds, Series 2019

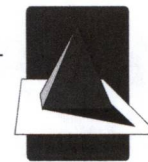
| Date | Action | Role |
|--|---|-------------------------|
| Tuesday, September 3 rd | City Council to Review Finance Plan and Approve Notice of Intent to Issue Certificates of Obligation (CO's) | FA, City, BC |
| Wednesday, September 4 th | First Draft of Preliminary Official Statement (POS) | FA |
| 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 |
| Wednesday, December 18th | 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

Carnes Engineering, Inc.

12605 IH 10 East, Baytown, TX 77523 Physical
PO Box 668, Mont Belvieu, TX 77580 Correspondence
Voice (281) 385-1200 Fax (281) 385-0920
info@careng.net www.carnesengineering.com



Repair Recommendations

October 22, 2019

RE: Repair recommendation options
1301 Center Street
Deer Park, TX 77536
20,000 Sq. Ft. Theater and Courthouse Building

Prepared for: Mr. Brent Costlow
Mr. Charlie Sandberg
Adam Ballesteros, P.E.

Prepared by: Carnes Engineering, Inc. (CEI)
12605 IH 10 East
Baytown, TX 77523

Introduction:

Carnes Engineering, Inc. ("CEI") was retained to provide the engineering work to complete the scope of Work outlined below. The decorative front entry facade for the referenced building consists of three freestanding structures and one attached to the main structure. All four wall surfaces are completely covered with a thin wall stone finish. The thin stone wall covering attachment and underlayment and has been partially removed to expose evidence of deterioration. This work was authorized by the city and will be billed under the original contract as a reimbursable.

Scope of Work:

- Develop an analysis and outline the cause of the damage and the extent of the failure.
- Develop alternatives for repairs or replacement (i.e. repair in kind, replace underlayment as needed, demolish and re construct.)
- Site inspections as needed.
- Meet with contractors as needed to develop cost. .
- Meet with City to discuss moving forward with repairs or replacement with specific repair or design approach.

Summary of repair options:

Repair in Kind. (Estimated cost - \$ 88,761.00)

1. Remove the exposed light gauge steel framing.
2. Repair structural steel.
3. Clean and paint the new and remaining structural steel.
4. Replace Light gauge and Install moisture resistance substrate.
5. Replace the reusable thin stone cover.
6. Replace and caulk stone as needed. *

Remove outside wall and repair remaining. (Estimated cost - \$ 66,205.00)

1. Remove the exposed light gauge steel framing.
2. Leave and water proof the glass canopy
3. Repair structural steel.
4. Clean and paint the new and remaining structural steel.
5. Replace Light gauge and Install moisture resistance substrate.
6. Replace the reusable thin stone cover.
7. Replace damaged stone as needed

Remove three walls including glass canopy. (Estimated cost - \$ 52,950.00)

1. Remove all exterior light gauge steel framing.
2. Remove structural steel.
3. Remove the glass canopy
4. Replace damaged stone as needed

Install drainage system in front of building to remove rainfall runoff.
(Estimated cost - \$ 19,500.00)

1. 240 ft. buried 6 in. HDPE system, 12 Catch basins, 40 ft. bore under walkway.
2. 177 ft. buried 6 in. HDPE outfall to street.

All cost includes a 20 % contingency.

* Replace and install damaged thin stone \$8.00/ sf

Sincerely,



Donald Spencer Carnes, P.E.
TX License # 46041

Carnes Engineering, Inc.
Firm Registration # F-003737