

MINUTES OF SPECIAL
CITY COUNCIL MEETING HELD
JUNE 22, 2022

The City Council of Olmos Park, Texas held a special meeting on June 22, 2022 commencing at 5:00 p.m. in the Council Chambers at City Hall. Mayor Deanna Rickabaugh presided and Council members present were Will Brooks, Juliana Dusek, Kenyon McDonald and Sharon Plant. Council member not present was Erin Harrison. Staff present was City Manager, Celia DeLeon; and City Secretary, Kyndra Munoz. Also present was Christopher Allison, M.E. Allison & Co.; Adam Harden, Cantu Harden LLP; Megan Rodriguez, San Antonio Express News and via Zoom was Arnold Cantu, Cantu Harden LLP.

Mayor Deanna Rickabaugh called the meeting to order at 5:00 p.m.

Mayor Rickabaugh recessed the meeting at 5:00 p.m. to allow time for obtaining a quorum.

Mayor Rickabaugh reconvened the meeting at 5:02 p.m. and determined a quorum was present.

Citizens to be heard: This time is provided for citizens to address the Council on issues and concerns. No action can or will be taken on issues raised under this portion of the meeting. Please state your name and address for the record and limit your remarks to a period not to exceed three minutes.

There were no citizens to be heard.

Consideration and appropriate action on an ordinance authorizing the issuance of "City of Olmos Park, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022"; providing for the payment of said Certificates by the levy of an ad valorem tax upon all taxable property within the City and further securing said Certificates by a lien on and pledge of the Pledged Revenues of the System; providing the terms and conditions of said Certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and a purchase contract; complying with the requirements of the letter of representations previously executed with the Depository Trust Company; and providing an effective date.

Christopher Allison, M.E. Allison & Co. stated today we priced \$5,635,000 in bonds. The original ordinance was \$6 million in bonds and because of the structure of the coupons, we reduced this to \$5,635,000. If you look at the column for maturity value of the \$5,635,000 because of the premium generated, the issuance generated \$6,142,268. From this, approximately \$35,000 is taken from Frost underwriter's discount. The remaining \$102,950 is expenses related to the issuance including the financial advisor fee, bond counsel fee, trustee fee, the rating agency fee, the Texas Attorney General review fee and other miscellaneous fees. The interest cost on the borrowing is 3.667% and the all-inclusive interest cost is 3.86%. You will receive \$6 million to deposit into the project construction fund. I feel Frost did a very good job of marketing the bonds and got rates very close to AAA borrowers that are also bank qualified. The prices are in line with the market. The bonds can be refunded after 9 years. On this new structure, you will have annual debt service payments between \$435,000 - \$430,000. On the issue that matured on February 1, 2022; those annual payments were \$467,000 - \$473,000. The fact that you have lower payments going forward for the next 20 years, over time the I&S rates generally will decrease. The rates for those over 65 are frozen and even if the home value goes up or you adopt a higher tax rate, those values are capped at their freeze amount. The primary idea is this issue will allow you to address the majority of the most critical problems Givler has identified in terms of sewer repairs. It will take

time to get the bond proceeds spent and it is important to know, while you are sitting on money that is unspent, you do have very attractive short-term investment rates, option of a guaranteed investment contract and other multiple options.

Mayor Rickabaugh stated we have an investment committee composed of myself, Financial Advisor Christopher Allison, City Accountant Cynthia Barr, City Manager Celia DeLeon and 2 residents of Olmos Park who have agreed to serve.

Christopher Allison stated settlement is scheduled for July 11, 2022. We did push back pricing one week but we did not push back settlement. This is a very compressed time frame to get everything for the Texas Attorney General process.

Councilman Brooks asked is it your expectation interest rates are going to continue to trend up going forward? Is it the debt service rate that factors in the difference between the actual interest rate and the all-inclusive rate?

Christopher Allison stated in the near future I see something that will change between now and August. The cost of issuance is the primary difference between the actual and all-inclusive interest rate.

Councilwoman Plant moved to an ordinance authorizing the issuance of "City of Olmos Park, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022"; providing for the payment of said Certificates by the levy of an ad valorem tax upon all taxable property within the City and further securing said Certificates by a lien on and pledge of the Pledged Revenues of the System; providing the terms and conditions of said Certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and a purchase contract; complying with the requirements of the letter of representations previously executed with the Depository Trust Company; and providing an effective date.

Councilman McDonald seconded the motion.

The vote in favor of motion was unanimous.

Mayor Rickabaugh stated I think this a very good thing for the City and I am excited to get started.

There was no further business and the meeting was adjourned at 5:15 p.m.

Deanna Rickabaugh
Mayor

ATTEST:

Kyndra Munoz
City Secretary