

CITY OF GLADEWATER  
CITY COUNCIL SPECIAL SESSION  
MINUTES  
JUNE 30, 2009  
5:45 P.M.

MEMBERS PRESENT: Mayor Walter Derrick, Mayor Pro-tem John Ussery, Jimmy Williams, Joe Derouen, Judith Burlison, Scott Owens, Charles Meadows

STAFF PRESENT: Jay Stokes, Melba Haralson, Farrell Alexander

GUESTS PRESENT: Ed Moore, Jim Bardwell, Angela Ward, Mark Carpenter, Vi Melton, Delbert Burlison

I. CALL TO ORDER

Mayor Derrick called the meeting to order at 5:45 p.m. and welcomed those in attendance.

II. CONSIDER adoption of Ordinance authorizing the issuance and delivery of the City of Gladewater, Texas Waterworks and Sewer System Revenue Bonds, Series 2009, and all other matters incident and related thereto

Ed Moore of Southwest Securities, explained this is the first series of straight water and sewer revenue bonds the City has issued in a long time. The issue is for \$4,984,000 and we are selling to the Rural Utilities Service (RUS) through the U. S. Department of Agriculture at 4.5% with a 40 year maturity. We have a call option on 3/15/19, which will permit the City to repay early. The average annual payment including principle and interest will be a little over \$267,000.

Mr. Moore further explained that revenue bonds require a separate reserve fund in addition to a debt service fund. We have 10 years to build up the reserve of \$267,120, which equates to a monthly reserve allotment of \$2,226.

Councilmember Burlison asked if our current rates during a normal year of projected rainfall would pay for this. City Manager Stokes affirmed that we recently increased water and sewer rates in preparation for this new debt, but we will keep a watch on it especially during wet summers when revenues are down.

With no other questions, Ed Moore recommended the adoption of the Ordinance. City Manager Stokes informed the Council that Ed Moore is not being paid for his services. He is doing this as a courtesy to the City and it's very much appreciated.

Councilmember Williams moved to adopt the Ordinance, seconded by Councilmember Derouen. Carried 7-0.

III. ADJOURN

Councilmember Meadows moved to adjourn at 5:56 p.m., seconded by Councilmember Williams. Adjourned by consensus.

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WALTER DERRICK, MAYOR

ATTEST:

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MELBA HARALSON, CITY SECRETARY