

HUMBLE CITY COUNCIL**MINUTES****REGULAR MEETING****SEPTEMBER 22, 2016 – 6:30 P.M.****HELD AT CITY HALL, 114 WEST HIGGINS, HUMBLE, TEXAS**

STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

MEMBERS PRESENT: Mayor Merle Aaron, Presiding
 Mayor Pro Tem Norman Funderburk
 Council Member Ray Calfee
 Council Member Andy Curry
 Council Member David Pierce
 City Manager Darrell Boeske
 City Secretary Jason Stuebe

MEMBERS ABSENT: Council Member Allan Steagall

STAFF PRESENT: Assistant City Manager Aimee Phillips
 Fire Chief Gary Outlaw
 Public Works Director Barry Brock
 Human Resources Manager Kathy Babineaux

VISITORS PRESENT: Diane Pierce
 Linda Brock
 Jennifer Summer
 Ben Rosenberg
 Sandra Stain
 Lloyd Jernigan

Mayor Aaron called the regular meeting of the Humble City Council to order with a quorum present at 6:30 P.M.

1. **INVOCATION AND PLEDGE OF ALLEGIANCE.**
 Mayor Pro Tem Funderburk offered the invocation and led the Pledge of Allegiance.
2. **CONSENT AGENDA**
 - 2A. **MINUTES – REGULAR MEETING MINUTES SEPTEMBER 8, 2016; SPECIAL MEETING MINUTES SEPTEMBER 12, 2016**
 - 2B. **FIANCIAL STATEMENT**
 - 2C. **QUARTERLY INVESTMENT REPORT**
 - 2D. **CURRENT INVOICES**

2E. MONTHLY DEPARTMENT REPORTS
2F. CORRESPONDENCE

Upon a motion by Mayor Pro Tem Funderburk, the City Council voted five (5) for and none (0) opposed to approve the Consent Agenda.

- 3. ADOPTION OF ORDINANCE 16-787 LEVYING THE AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF HUMBLE, TEXAS FOR THE YEAR 2016 AT A RATE OF \$0.21 PER ONE HUNDRED DOLLARS (\$100.00) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF HUMBLE AS OF JANUARY 1, 2016; APPROPRIATING THE TAX LEVY FOR THE SPECIFIC PURPOSES; AND OTHER RELATED MATTERS.**

Mayor Aaron stated that the City had held two public hearings on the proposed tax rate in accordance with state law.

Upon a motion by Mayor Aaron, the City Council voted five (5) for and none (0) opposed to adopt Ordinance 16-787 levying the Ad Valorem taxes for 2016.

- 4. ADOPTION OF ORDINANCE 16-788 AMENDING CHAPTER 38 "SUBDIVISIONS," SECTION 29 "OFF-STREET PARKING REQUIREMENTS" BY AMENDING SUBSECTION (2) S "MINIMUM PARKING REQUIREMENTS FOR MANUFACTURING OR INDUSTRIAL ESTABLISHMENT, RESEARCH OR TESTING LABORATORY, CREAMERY, BOTTLING PLANT, WAREHOUSE OR SIMILAR ESTABLISHMENT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED THERETO.**

City Manager Boeske recommended approval of the ordinance noting that it was a small change from providing one parking space per two employees to one parking space per each employee.

Upon a motion by Council Member Curry, the City Council voted five (5) for and none (0) opposed to adopt Ordinance 16-788 amending the Chapter 38, Section 29, Subsection (2)S.

- 5. CONSIDERATION AND APPROVAL OF A CONTRACT BETWEEN THE CITY OF HUMBLE, TEXAS AND US CAPITAL ADVISORS LLC TO PROVIDE MUNICIPAL FINANCIAL SERVICES.**

Upon a motion by Council Member Funderburk, the City Council voted five (5) for and none(0) opposed, to approve the contract between the City of Humble and US Capital Advisors, LLC.

- 6. ADOPTION OF ORDINANCE 16-789 AUTHORIZING THE ISSUANCE OF CITY OF HUMBLE, TEXAS COMBINATION TAX AND REVENUE REFUNDING BONDS, SERIES 2016, LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS ACCORDING TO CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO.**

Mayor Aaron recognized Mr. Ben Rosenberg with US Capital Advisors, LLC to discuss the ordinance and parameters.

Mr. Rosenberg stated that US Capital Partners is a Houston based wealth management firm with a public finance portfolio and was happy to provide services to the City of Humble. Mr. Rosenberg explained that the city borrowed \$10 million in 2006 for water and sewer projects at an interest rate

of 3.42% noting that the bonds became callable in February of 2016. The City had previously considered defeasing the bonds with cash but decided against it so as to maintain the City's reserve fund. In lieu of defeasing the bonds, it is possible to refund the bonds to lock in today's lower interest rates while keeping the same maturity schedule. Utilizing this process does not require a vote by the public.

The firm looked at multiple options for refunding the bonds including a Direct/Private Placement mechanism utilizing regional or local banks as well as a Competitive Market Transaction.

In regards to the parameters established by the Ordinance, the firm would prepare the offering documents and coordinate the sale. Once the sale date is set, various parameters are required to be met in order to execute the transaction including the minimum stated price being met, limitations on the interest rate not exceeding the legal limits, maintaining the same maturity scheduled, and that it will not cost more than the bond principal amount plus costs of issuance. Mr. Rosenberg stated that a savings of 3% would be considered a good deal but that initial estimates indicated a range of 5% to 8%. In addition, the process will establish and update the city's credit rating and provide opportunities for future borrowing.

Based on the firm's initial analysis, regional and local banks were offering an estimated total interest cost of 1.71% compared to a competitive market transaction which offered a total interest cost of 1.66%. As such the firm is recommending that the city proceed with a competitive market transaction as they believe the rates will continue to be lower than the regional and local banks. Once the parameters of the ordinance are met, the ordinance authorizes the Mayor, City Manager and Finance Director to execute the sale and the firm will monitor the market to find the optimum time in which to pull the trigger and lock in a new lower rate.

Council Member Pierce asked if refunding the bonds would affect the length of repayment. Mr. Rosenberg stated that there were nine years left on the bonds and that they recommended leaving the schedule as it is.

Council Member Pierce asked if there was a rule as to how many times a bond can be refunded. Mr. Rosenberg stated that a bond can be refunded as many times as a borrow wants, however the typical call feature is for 10 years, anything less than that and the lenders will probably ask that the bonds are non-callable without some sort of interest penalty. Mr. Rosenberg added that the chance of the rates going any lower than what they are today is minimal.

Assistant City Manager Aimee Phillips stated that refunding the bonds would allow for a little extra money to remain in the cash reserve on hand which could then be parlayed when the city goes out for its next bond sale for upcoming water and sewer infrastructure needs.

Upon a motion by Council Member Funderburk, the City Council voted five (5) for and none (0) opposed to adopt Ordinance 16-789 authorizing the issuance of City of Humble, Texas Combination Tax and Revenue Refunding Bonds, Series 2016.

7. ADOPTION OF RESOLUTION 16-770 CREATING SECTION 4.16.01 "OUTSIDE EMPLOYMENT" OF THE CITY OF HUMBLE PERSONNEL POLICIES.

City Manager Boeske stated that staff found an area in the policy that needed a minor tweak so that a minimum "break" time off is required for employees with secondary employment before beginning their primary shifts with the city.

Upon a motion by Council Member Curry, the City Council voted five (5) for and none (0) opposed to approve Resolution 16-770 creating Section 14.16.01 of the City of Humble Personnel Policies.

8. **APPROVAL OF PARADE PERMIT APPLICATION BY THE CITY OF HUMBLE BEAUTIFICATION COMMITTEE TO HOLD THE ANNUAL CHRISTMAS PARADE ON TUESDAY, DECEMBER 6, 2016 AND AUTHORIZING THE CLOSING OF MAIN STREET FROM THE I-69 FRONTAGE ROAD TO AVENUE H.; GRANBERRY STREET FROM RAILROAD AVENUE TO AVENUE H; AND HIGGINS STREET FROM RAILROAD AVENUE TO AVENUE H FROM 3:00 P.M. TO 10:00 P.M. ON DECEMBER 6, 2016.**

Upon a motion by Council Member Funderburk, the City Council voted five (5) for and none (0) opposed to approve the Parade Permit request.

9. **APPROVAL OF ROAD CLOSURE FOR AVENUE G FROM MAIN STREET TO GRANBERRY FROM 12:00 P.M. UNTIL 7:00 P.M. ON SATURDAY, OCTOBER 8, 2016 FOR THE FIRST UNITED METHODIST CHURCH FALL FESTIVAL.**

City Manager Boeske stated that this was something the City had done each year and asked for approval.

Upon a motion by Council Member Curry, the City Council voted five (5) for and none (0) opposed to approve the Road Closure Request.

There being no further business before the City Council, Mayor Aaron adjourned the Regular Meeting of the City Council at 6:49 P.M. on Thursday, September 22, 2016



Merle Aaron
Mayor

ATTEST:



Jason Stuebe
City Secretary

