

MINUTES OF SPECIAL CALLED MEETING OF THE CITY OF SAN JUAN COMMISSION

DATE: Wednesday, July 7, 2021
TIME: 12:00 p.m.
PLACE: San Juan Memorial Library
Multipurpose Meeting Room
1010 S. Standard
San Juan, Texas 78589

MEMBERS PRESENT:

Leonardo “Lenny” Sanchez, Mayor Pro-Tempore
Adina “Dina” Santillan, Commissioner
Marco “Markie” Villegas, Commissioner
Criselda Palacios, City Attorney

STAFF PRESENT:

Benjamin Arjona, City Manager
Diana Cavazos, City Secretary
Leroy Gonzalez, Director of Finance

ORDER OF BUSINESS

I. CALL MEETING TO ORDER:

Mayor Pro-Tempore Leonardo “Lenny” Sanchez called meeting to order at 12:25 p.m.

II. DISCUSSION AND POSSIBLE ACTION ON ALL OF THE FOLLOWING MATTERS:

- A. Consideration and Approval of a Resolution Approving the City of San Juan Plan of Finance Pertaining to the Contemplated Issuance of Obligations to be Designated as "City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021", Authorizing the City Staff and the City Financial Advisors and Bond Counsel to proceed with this Plan of Finance; and Authorizing other Matters Related to the Foregoing.

DISCUSSION: Benjamin Arjona, City Manager stated as you recall last week, we had a workshop where we discussed some projects within the city that were presented to you guys and now the next step is to come with a plan of Finance, as you remember there were four options that we brought before the table and as we talked about there was a matter whereas before September 1st we need to take some action on, so as we spoke to Mr. Chris Vela he's here with us to present us on the plan of Finance that how the City is going to be and what position are we in, is it doable? Is it something we can move forward on? And he's here with us Mr. Chris Vela, Financial Advisor to present the plan of Finance. Chris Vela, Financial Advisor responded, The City of San Juan Texas intends to finance various projects and equipment with the issuance of combination tax and limited pledge revenue certificates of obligation series 221, the certificates the total funding of the project would be \$9,017,000.00 and below that is a table that depicts the projects and the associated cost of each one and you have equipment for Sanitation, you have Fire Station improvements, you have equipment for streets and alleys and then you have a Parks and Recreation Facility, all that totaling to \$9,017,173.00. Now you'll see on the other corner of the page the amortization period and that's to coincide on the equipment side with your charter provision that must be met in order for the Attorney General to approve it so that has to do with the useful life of the equipment. On the next page 4, how do we finance this? And what is the impact to the City of San Juan, and there is no tax rate impact and we would structure the transaction as in the paper under \$10 million in calendar year '21 which means you would not exceed that and you get favorable treatment in the market as we've done before on various occasions which gives you a lower interest cost, other than that if there's any questions we would take competitive bids on the sale of the paper as we always do and that would be done on August the 24th and we would come back with the actual bids and the tabulations of those bids and present them to the City Commission their proof consideration and approval, so it would be competitive sale on the certificates to fund equipment improvements parks, improvements to the fire station, if there's any questions. Mayor Pro Tem Leonardo “Lenny” Sanchez asked with no impact, correct? To which Chris Vela, Financial Advisor responded that is correct, sir.

Commissioner Marco “Markie” Villegas made motion to approve and was seconded by Commissioner Adina “Dina” Santillan. Motion Passed (3-0).

- B. Consideration and Approval of a Resolution Approving an Engagement Agreement for Bond Counsel and Disclosure Counsel Legal Services with Locke Lord LLP; and other matters in Connection Therewith.

DISCUSSION: Benjamin Arjona, City Manager stated this is pretty much authorizing the resolution approving the resolution for Mr. Arnold Cantu to engage into these matters with the bond.

Commissioner Adina “Dina” Santillan made motion to approve and was seconded by Commissioner Marco “Markie” Villegas. Motion Passed (3-0).

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- C. Consideration and Approval of a Resolution by the City Commission of the City of San Juan, Texas Authorizing and Approving Publication of Notice of Intention to Issue Certificates of Obligation; Complying with the Requirements Contained in Securities and Exchange Commission Rule 15c2-12; and Providing an Effective Date.

DISCUSSION: Benjamin Arjona, City Manager stated this is just pretty much allowing us to publish a notice and it will be published on the 9th, it's already been submitted to the Monitor, the newspaper and also, it'll be on the 16th of next week and it'll comply with all of the rules that we need to comply with.

Mayor Pro Tem Leonardo "Lenny" Sanchez made motion to approve and was seconded by Commissioner Marco "Markie" Villegas. Motion Passed (3-0).

- D. Consideration and Approval of a Resolution Establishing the Intention of the City of San Juan, Texas to Reimburse Itself for the Prior Lawful Expenditure of Funds Relating to Constructing and Equipping Various City Improvements from the Proceeds of One or More Series of Tax-Exempt Obligations to be Issued by the City for Authorized Purposes; Authorizing other Matters Incident and Related Thereto; and Providing an Effective Date.

DISCUSSION: Benjamin Arjona, City Manager stated what this means, if there's any expenditures that we need to do between now getting those bonds, we can go ahead and do that if allowed and then once we get the bonds, we can get reimbursed for those monies that we used.

Mayor Pro Tem Leonardo "Lenny" Sanchez made motion to approve and was seconded by Commissioner Marco "Markie" Villegas. Motion Passed (3-0).

III. ADJOURMENT at 12:30 p.m.

Mayor Pro-Tempore Leonardo "Lenny" Sanchez made motion to adjourn at 12:30 p.m. and was seconded by Commissioner Adina "Dina" Santillan. Motion Passed (3-0).

CITY OF SAN JUAN, TEXAS

Mario Garza, Mayor

ATTEST:


Brenda Escalante, Interim City Secretary