

Will Brule, Council District #1
Mitchell Jordan, Council District #2
Vickey L. Chivers, Council District #3
Joseph Thompson, Council District #4
Doug Smith, Council District #5
Steve Presley, Council District #6



Mike Alexander, City Manager
Teresa Herrera, City Secretary
Ronald D. Stutes, City Attorney

Bob Herrington, Mayor

NOTICE OF MEETING
CITY COUNCIL AGENDA
Monday, January 30, 2017
Special Meeting @ 4:00 p.m., City Council Chambers
Work Session, City Hall Conference Room
504 N. Queen Street
Palestine, Texas

The City Council may meet in Closed Session regarding any item on this agenda if necessary, as permitted by Subchapter D of Chapter 551 of the Texas Government Code.

SPECIAL MEETING

A. CALL TO ORDER

- 1) Consider a resolution regarding a contract for the purpose of financing "Vehicles, Radios, and related equipment." Finance Director Steve Groom

B. ADJOURN

WORK SESSION

- 1) Discuss the proposed City of Palestine Employee Handbook. City Manager Mike Alexander
- 2) Discuss Charter Review Committee recommended changes to the charter.
- 3) Discuss funding Fourth of July Fireworks at Steven Bennett Park. Asst. City Manager Michael Hornes

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outdoor bulletin board at the main entrance to City Hall, 504 N. Queen Street, Palestine, Texas, on the following date and time:

Friday, January 27, 2017 at 2:00 p.m. Teresa Herrera

Teresa Herrera, City Secretary

In compliance with the Americans with Disabilities Act, the City of Palestine will provide for reasonable accommodations for persons attending City Council meetings. Requests for accommodations or interpretive services must be made 48 hours prior to the meetings. Please contact the City Secretary's office for further information at 903-731-8414.

**City Council
City of Palestine, Texas
Agenda Action Form**

AGENDA DATE:	01/23/2017 30	AGENDA ITEM	
AGENDA SUBJECT:	Financing of General Fund Vehicles and PD Radio Equipment		
PREPARED BY:	Steve Groom <i>SG</i>	Date Submitted:	01/26/2017
EXHIBITS:	Resolution, Proposed Amortization Schedules		
BUDGETARY IMPACT			
Budgeted expense			
CITY MANAGER APPROVAL:			

SUMMARY:

The current adopted budget provided for debt service in the general fund for the following two items that staff recommends expediting:

- Police communications equipment (\$700,000)
- Vehicles (\$394,000)

Debt service contemplated in the General Fund's balance budget was \$260,000.00.

Government Capital Corporation offers 2.865% financing over 3 years for vehicles with annual payments of \$139,173.61 and 3.247% over 10 years for equipment with annual payments of \$81,693.02. Alternatively, a blended single financing at 3.190% over 10 years with accelerated payments for the first three years.

Both scenarios minimize payments for FY 2019-20 and FY2020-21 when existing debt payments will be higher than current year. And even taking present value into account, the two scenarios are within \$400 of each other, staff recommends the separate note scenario for audit simplicity and reporting clarity although either can be implemented easily.

RECOMMENDED ACTION:

Authorize City Manager to proceed with General Fund debt issue up to \$1,100,000 for police communications equipment and general fund vehicle replacements.

Review and approve the attached "Resolution regarding a contract for the purpose of financing "Vehicles, Radios and related equipment."

RESOLUTION # _____

**A RESOLUTION REGARDING A CONTRACT FOR THE PURPOSE OF
FINANCING "VEHICLES, RADIOS & RELATED EQUIPMENT".**

WHEREAS, City of Palestine (the "Issuer") desires to enter into that certain Finance Contract by and between the Issuer and Government Capital Corporation ("GCC") for the purpose of financing "Vehicles, Radios & Related Equipment". The Issuer desires to designate this Finance Contract as a "qualified tax exempt obligation" of the Issuer for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF PALESTINE:

Section 1. That the Issuer will enter into a Finance Contract with GCC for the purpose of financing "Vehicles, Radios & Related Equipment" not to exceed \$1,100,000.

Section 2. That the Finance Contract by and between the City of Palestine and GCC is designated by the Issuer as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Issuer will designate the City Manager as an authorized signer of the Finance Contract by and between the City of Palestine and GCC.

PASSED AND APPROVED by the City of Palestine in a meeting held on the ____day of _____, 2017.

Issuer: City of Palestine

Witness Signature

Bob Herrington, Mayor

Teresa Herrera, City Secretary

Separate Financing

Vehicles

Compound Period: Annual
 Nominal Annual Rate: 2.865%

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal
Loan 2/1/2017			
0 2/1/2017	\$ 139,173.61	\$ -	\$ 139,173.61
1 2/1/2018	\$ 139,173.61	\$ 7,644.58	\$ 131,529.03
2 2/1/2019	\$ 139,173.61	\$ 3,876.25	\$ 135,297.36
Grand Totals	\$ 417,520.83	\$ 11,520.83	\$ 406,000.00
			\$ 405,478.10

PD Radio Equipment

Palestine 10 years
 Compound Period: Annual
 Nominal Annual Rate: 3.247%

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal	PV
Loan 2/1/2017				
0 2/1/2017	\$ 81,693.02	\$ -	\$ 81,693.02	\$ 81,693.02
1 2/1/2018	\$ 81,693.02	\$ 20,417.36	\$ 61,275.66	\$ 79,313.61
2 2/1/2019	\$ 81,693.02	\$ 18,427.74	\$ 63,265.28	\$ 77,003.51
3 2/1/2020	\$ 81,693.02	\$ 16,373.52	\$ 65,319.50	\$ 74,760.69
4 2/1/2021	\$ 81,693.02	\$ 14,252.59	\$ 67,440.43	\$ 72,583.19
5 2/1/2022	\$ 81,693.02	\$ 12,062.80	\$ 69,630.22	\$ 70,469.12
6 2/1/2023	\$ 81,693.02	\$ 9,801.91	\$ 71,891.11	\$ 68,416.62
7 2/1/2024	\$ 81,693.02	\$ 7,467.61	\$ 74,225.41	\$ 66,423.90
8 2/1/2025	\$ 81,693.02	\$ 5,057.51	\$ 76,635.51	\$ 64,489.22
9 2/1/2026	\$ 81,693.02	\$ 2,569.16	\$ 79,123.86	\$ 62,610.90
Grand Totals	\$ 816,930.20	\$ 106,430.20	\$ 710,500.00	\$ 717,763.77

Total Interest

117,951.03

1,123,241.87