Minutes
Special Council Meeting
September 1, 2026

On this 1st day of September 2026, at 7p.m., the City Council of the City of Devine convened for a Special Council Meeting, the same being open to the public, at the Dr. George S. Woods Community Center, 200 E. Hondo Avenue, Devine Texas 78016. Notice of said meeting having been prescribed in Chapter 551, Government Code, and Vernon's Texas Codes, Annotated, and the following members being present:

Alderman Ray Gonzales
Alderman Michael Hernandez
Alderman Jeff Miller
Alderman Adrian Valle
Alderman Harold Lance Jr
Mayor Butch Cook

Thus, constituting a quorum.

Personnel Present: Michelle Martin, City Secretary, Pete Sanchez, Director of Public Works, and David Jordan, City Administrator.

Others Present: Lauren Ferrero, McCall, Parkhurst & Horton LLP, Jack McLiney, SAMCO.

Mayor Butch Cook called the special council meeting to order at 7:00pm.

The second order of business was to consider and act upon approval of an ordinance authorizing the City's Combination Tax and Revenue Certificates of Obligation, Series 2026 in the maximum amount of $2,750,000, for the purposes set forth in the City's Notice of Intention, payable from the proceeds of an Annual Ad Valorem Tax Levied, within the limitations prescribed by law, upon all taxable property in the City, and a pledge of certain revenues of the City's combined utility system; and other matters in connection therewith.

Jack McLiney with SAMCO Capital Markets, the City's financial advisor, presented the final results from the competitive sale of the City's Combination Tax and Revenue Certificates of Obligation, Series 2026.

Mr. McLiney reported that the City went out for bids on $2,750,000 in Certificates of Obligation and received four bids from financial institutions across the country. The lowest bid was submitted by R.W. Baird & Co. at a true interest cost of 4.403%.

The final par amount of the bonds was $2,740,000. Due to the premium paid by the purchaser, approximately $2,922,000 will be received from the sale. After payment of issuance costs, legal fees, rating fees, and other related expenses, the full $2,750,000 will be deposited into the City's project fund. Closing is scheduled for September 29, 2026, with the funds anticipated to become available at that time.

Mr. McLiney further reported that the final financing came in approximately $52,000 below the preliminary projections and allows the City to maintain its targeted tax rate.

The City's A+ S&P rating was also discussed. The purchaser elected to obtain bond insurance, resulting in an insured rating of AA for the bonds. City Administrator David Jordan explained that approximately $1.3 million to $1.5 million of the proceeds will initially be used for critical wastewater infrastructure improvements involving two lift stations and the wastewater treatment plant aerator. The remaining funds will be available for other infrastructure priorities identified by the City Council, including potential street improvements and waterline replacement projects.

Bond counsel clarified that approval of the ordinance also constitutes approval of the successful bid and award of the bonds; therefore, a separate vote to accept the bid was not required.

A motion was made by Alderman Miller to approve Ordinance No. 2026-0901 authorizing the City's Combination Tax and Revenue Certificates of Obligation, Series 2026, in a maximum amount of $2,750,000, for the purposes identified in the City's Notice of Intention payable from the proceeds of an Annual Ad Valorem Tax Levied, within the limitations prescribed by law, upon all taxable property in the City, and a pledge of certain revenues of the City's combined utility system; and other matters in connection therewith. Alderman Hernandez seconded the motion.

Motion passes 5-0.

The third order of business was to consider and act upon the Fund Balance Policy and Resolution.

City Admin Jordan explained that during the City's recent bond-rating review, S&P Global Ratings recommended that the City formally adopt a written policy governing its fund balance reserves. Although the City has already maintained reserves as part of its financial practices, the proposed policy formally establishes the City's goal of maintaining at least 25% of overall funding in reserve.

The reserves are intended to provide financial stability and allow the City to continue operations in the event of catastrophic events, unexpected expenditures, revenue fluctuations, or other financial emergencies.

The policy applies to the:

- General Fund
- Water and Sewer Funds
- Stormwater Fund and Venue Project Fund.

The Mayor read Resolution No. 2026-0901 out loud for the record.

Alderman Miller made a motion to approve Resolution No. 2026-0901 adopting the City's Fund Balance Policy as presented. Alderman Hernandez seconded the motion. Motion passes 5-0.

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The fourth order of business was to adjourn. Alderman Miller made a motion to adjourn the meeting. Alderman Valle seconded the motion. Motion passes 5-0. Meeting ended at 7:20 pm.

Michelle H. Martin
City Secretary

Butch Cook
Mayor