

**SPECIAL
JOINT MEETING
HARLINGEN ELECTIVE COMMISSION
DEVELOPMENT CORPORATION OF HARLINGEN, INC.
May 25, 2010**

A joint meeting of the Harlingen Elective Commission and the Development Corporation of Harlingen, Inc. was held on Tuesday, May 25, 2010 at 5:30 p.m. in Town Hall, City Hall, 118 E. Tyler Street, Harlingen, TX. Those in attendance were:

Mayor and City Commission

Mayor Chris Boswell
Gus C. Ruiz, Commissioner District 1
Robert Leftwich, Commissioner District 2
Kori Marra, Commissioner District 3
Jerry Prepejchal, Commissioner District 4
Joey Trevino, Commissioner District 5

Staff Present:

Gabriel Gonzalez, Interim City Manager
Roxann P. Cotroneo, City Attorney
Sylvia R. Trevino, City Secretary

On behalf of the City Commission and with a quorum of the City Commission present, Mayor Boswell called the special joint meeting to order @ 5:45 p.m.

Commissioner Leftwich made a motion to go into Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial or financial information from a business prospect with which the Board is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives to a business prospect known as Bass Pro Shops. Commissioner Trevino seconded the motion and it carried unanimously.

**EXECUTIVE SESSION PURSUANT TO CHAPTER 551, SUBCHAPTER D.,
V.T.C.A. GOVERNMENT CODE (SECTION 551.087) REGARDING
COMMERCIAL OR FINANCIAL INFORMATION FROM A BUSINESS
PROSPECT WITH WHICH THE BOARD IS CONDUCTING ECONOMIC
DEVELOPMENT NEGOTIATIONS AND/OR TO DISCUSS OR DELIBERATE
FINANCIAL OR OTHER INCENTIVES TO A BUSINESS PROSPECT KNOWN
AS BASS PRO SHOPS.**

Present during the Executive Session (above) were: Leftwich, Trevino, Ruiz, Prepejchal and Mayor Boswell. Absent: Marra.

The Executive Session convened at 5:46 p.m. At this time the Executive Session was held jointly with the members from the Development Corporation of Harlingen, Inc. Board members present during this Executive Session from the Development Corporation were: Martinez, Gray and Ledesma.

The Executive Session concluded at 6:10 p.m. with no action taken.

Back in Open Session, the Development Corporation proceeded with Item No. 8 on their agenda.

At 6:11 p.m. Commissioner Leftwich made a motion to go back into Executive Session. Commissioner Trevino seconded the motion and it carried unanimously.

The Executive Session concluded at 6:31 p.m. with no action taken in closed session.

**DISCUSSION HELD ON GENERAL OBLIGATION REFUNDING BONDS, A
REIMBURSEMENT RESOLUTION AND SELECTION OF UNDERWRITERS**

Ann Berger, with First Southwest, the City's financial advisor explained that as the City's financial advisor, they periodically review the City's indebtedness for opportunities to save the City money. She explained that they identified two bond issues, one in 2001, and one in 2002, which can be paid off without penalty now. They have coupons, which range from 4.5 to 4.90 on the 2001 bond and 3.30 to 3.875 on the 2002 bond. Based on the market the rates are very low and this produces a refinancing opportunity to save money. She indicated that they are not proposing to extend the debt at all but basically to do it over the same period of time but at a lower interest rate. The estimated gross debt service savings are about \$108,000 and when they are valued back to today's dollars is about \$102,000 and the estimated annual debt service savings is about \$17,000 per year. This creates a 3.96% present value. Ann Berger suggested combining the general obligation refund with the proposed certificate of obligation. This way the City gets the economies of scale on the cost of issuance, there is only one document and the rating fee would cover both issues and it would make the bond issues more efficient and less costly. This is another good opportunity to consider both bond issues in conjunction with the certificates of obligations. Ms. Berger recommended using the same underwriters.

Gabriel Gonzalez pointed out that there is no action to be taken at this time and that the items will be placed on the City Commission agenda for June 2.

There being no further business the meeting adjourned at 6:35 p.m.

Chris Boswell, Mayor

Attest:

Sylvia R. Trevino, City Secretary