

**ORDINANCE NO. 2017-01-12B**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS, AUTHORIZING A LOAN AGREEMENT WITH TEXAS BANK AND TRUST FOR THE PURPOSE OF REFUNDING THE REMAINING BALANCE OF PRINCIPAL AND ACCRUED INTEREST ON THE SERIES 2003 GENERAL OBLIGATION AND REFUNDING BONDS DATED JULY 15TH, 2003 AND AUTHORIZING THE MAYOR AND CITY MANAGER TO SIGN SAID AGREEMENT ON BEHALF OF THE CITY OF OVERTON.**

**WHEREAS**, the City Council of the City of Overton desires to manage the City’s finances in such a way that will ensure the availability of reserves for funding needed in emergencies and initiate a program of building a reserve position sufficient for funding such emergencies if they are needed in the future; and

**WHEREAS**, an opportunity exists to secure a loan to prepay debt service on existing bonded debt, namely a 2003 Series General Obligation and Refunding Bond that would reduce the obligation for such debt from \$176,070.00 to \$39,639.55 in the current fiscal year; and

**WHEREAS**, the reduction for this year and until the maturity of the loan is reached in Feb 2024 will allow for reduced water and sewer rates for the prison that complies with a Settlement Agreement with MTC which has been agreed to in concept, with the City recovering remaining debt obligation expenses from the prison for the life of the loan; and

**WHEREAS**, the interest rate for the loan is 1% lower than that for the existing Obligation;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS:**

**THAT**, the City Council authorizes the Mayor and City Manager to execute a Loan Agreement with Texas Bank and Trust as defined in Exhibit A, attached hereto and incorporated herein.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS THIS 12<sup>TH</sup> DAY OF JANUARY, 2017.**

**PRESENTED AND APPROVED ON THIS THE 12th DAY OF JANUARY, 2017, AT A SPECIAL CALLED COUNCIL MEETING OF THE CITY OF OVERTON BY A VOTE OF 5 AYES, 0 NAYS, AND 0 ABSTENTIONS.**



CITY OF OVERTON  
*C. R. Evans, Jr.*  
C. R. Evans, Jr., Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

*Rachél Gafford*  
Rachél Gafford, City Secretary

*Blake Thompson*  
Blake Thompson, City Attorney

**EXHIBIT A**

<u>Num.</u>	<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>	
1	8/15/2017	\$ 29,758.33	\$ 9,881.22	\$ 460,341.67	\$ 39,639.55
2	2/15/2018	\$ 31,981.48	\$ 7,658.07	\$ 428,360.19	\$ 39,639.55
3	8/15/2018	\$ 32,629.70	\$ 7,009.85	\$ 395,730.49	\$ 39,639.55
4	2/15/2019	\$ 33,056.33	\$ 6,583.22	\$ 362,674.16	\$ 39,639.55
5	8/15/2019	\$ 33,704.61	\$ 5,934.94	\$ 328,969.55	\$ 39,639.55
6	2/15/2020	\$ 34,166.94	\$ 5,472.61	\$ 294,802.61	\$ 39,639.55
7	8/15/2020	\$ 34,788.63	\$ 4,850.92	\$ 260,013.98	\$ 39,639.55
8	2/15/2021	\$ 35,314.06	\$ 4,325.49	\$ 224,699.92	\$ 39,639.55
9	8/15/2021	\$ 35,962.47	\$ 3,677.08	\$ 188,737.45	\$ 39,639.55
10	2/15/2022	\$ 36,499.79	\$ 3,139.76	\$ 152,237.66	\$ 39,639.55
11	8/15/2022	\$ 37,148.27	\$ 2,491.28	\$ 115,089.39	\$ 39,639.55
12	2/15/2023	\$ 37,724.97	\$ 1,914.58	\$ 77,364.42	\$ 39,639.55
13	8/15/2023	\$ 38,373.53	\$ 1,266.02	\$ 38,990.89	\$ 39,639.55
14	2/15/2024	\$ 38,990.89	\$ 648.64	\$ -	\$ 39,639.55
		\$ 490,100.00	\$ 64,853.68		

2003 GO Ref

2/15/2017 20	-	10,535.00	
8/15/2017 20	155,000.00	10,535.00	176,070.00
2/15/2018 20	-	7,202.50	
8/15/2018 20	160,000.00	7,202.50	10,535.00
2/15/2019 20	-	3,762.50	10,535.00
8/15/2019 20	<u>175,000.00</u>	<u>3,762.50</u>	165,535.00
	490,000.00	43,000.00	
		21,853.68	