

**CITY OF PURCELL - PURCELL PUBLIC WORKS AUTHORITY  
JOINT SPECIAL MEETING  
APRIL 20, 2015**

**MINUTES**

**Call to order and declaration of a quorum present.**

Mayor/Chairman Chilvers called the meeting to order and declared a quorum to be present at 6:01 p.m.

**Roll Call.**

Roll call was conducted by City Clerk/Trust Secretary, Dorothy Kennedy with the following results:

Councilman/Trustees present: Mike Pollok, Graham Fishburn, Tom McCurdy, John Chilvers

Councilman/Trustees absent: Ted Cox was absent at roll call and joined the meeting already in progress at 6:02 p.m.

Staff present: Dale Bunn, Shauna Long, Dorothy Kennedy, Tommy Mize, Kevin Williams, Chris Griffith

Legal counsel: Ted Haxel

**Welcome.**

Mayor/Chairman Chilvers welcomed guest.

Mayor/Chairman Chilvers led in the Pledge of Allegiance.

**Consideration and possible action concerning priority of Capital Improvements Projects.**

Dale Bunn provided and reviewed financial information with the Council/Trustees. He noted that the financial information began when the bridge was still out. Concerning the water sales are up from last year by 79% with commercial sales was up due to one commercial who purchased \$80K worth of water. He advised the water sales increase won't continue the increase was largely due to oil field purchases. Electric sales are only up 2% due to the cooler weather. Sewer sales are flat.

Mr. Bunn presented an in depth five year Capital project plan. He advised it included priority GreenScape, Water Well Field, Public Works Yard, and Work at the Lake. In discussion of Capital Projects Councilman/Trustee McCurdy asked for a five year plan listed in priority. He asked for clarification concerning conflicting information concerning how many water wells will be needed in the next five years. He advised he understood we would need one or two wells per year. But this report is showing only three in the next five years. Councilman/Trustee Pollok advised some of the information we are seeing is that we might be able to rehab and clean up current wells and not have to drill as many as previously thought.

Mr. Bunn reported on some major expenses that we have up-coming. One such expense will be redoing the Wastewater Treatment Sludge Removal, which will have to be done as required by DEQ. There are miscellaneous expenses which are not capital expenses but will need to be done as needed maintenance.

**Consideration and possible action concerning a feasibility study of a new Water Park from Kimley - Horn.**

Mr. Bunn asked if there was any questions they can be discussed, otherwise if the next agenda item can be opened we can discuss along with financing.

Mayor/Chairman Chilvers stated for clarification that we need to make it clear that a pool will not be funded from budget but will go to the people to decide on a increase of Sales Tax.

**Consideration and possible action concerning a presentation from Municipal Finance Services (MFS) concerning possible financing of a new Water Park and all Capital Improvement Projects.**

Mr. Rick Smith from MFS along with Ben Oglesby and Nate Ellis spoke concerning financing of Capital Projects. Mr. Smith advised for the projects that he has discussed with Mr. Bunn will need additional revenue. He presented a Preliminary Funding Approach for Priority Capital Projects. The funding discussed for a pool was \$6.8M. He reported approximately \$500K in payments will drop off in 2017. This he advised would free some revenues to be used for high priority projects. He advised this could be done as a bank note at a reduced interest rate.

Mr. Smith presented a Parks & Recs sheet proposing projects in the amount of \$8.8M with the City spending \$2.8M from reserves for Walnut Creek, Lake and other projects and financing \$6.8M for a Water Park, if approved by voters as an additional sales tax assessment. He explained the closest date available for a municipal election is July 14, 2015, and the City would need to notify the Election Board by May 14th in the form of a resolution. If approved the City would realize the increased revenues in December 2015.

The presentation afforded Option A which is a .60% with a fifteen year pay off and will put the overall sales tax at 9.6% This would be two different notes. Option B is a .75% for a 15 year pay off raising sales tax to 9.75% this option will also have two notes. These notes will be issued in two separate "Bank Qualified" notes, but in order to qualify it is mandatory not to issue more than \$10M debt per calendar year. Option C is for .75% increase for a eleven year note and would raise the sales tax to 9.75. All bonds will include \$185K cost of doing the notes.

Mr. Smith reported what the sales tax rate for surrounding areas are: Pauls Valley at 9.75%, Norman 8.25 but they are considering a .05% increase, Lexington at 8.75%, Noble 8.7%, and Lindsay at 9.75%. Councilman/Trustee Fishburn asked if there is any evidence when an increase in sales tax actually results in decreased revenue. Mr. Smith advised initially yes, but it generally levels out.

Ms. Dede Page a member of the pool committee stated that if the Council doesn't allow the decision to go to a vote of the people, she believed there could be long range problems. She advised there were over sixty responses to a Facebook message and on a Google voice mail in support of the direction of the aquatic center.

Councilman/Trustee McCurdy made a motion to draft a Resolution with language to come before Council in the May 4th meeting concerning an Aquatic Facility with the \$6.8M at .60%.

***The motion died for lack of second.***

Councilman/Trustee Cox when we are going to determine how we are going to handle a continued loss of \$100K annually as predicted by Kimley - Horn. Mr. Haxel advised the loss is already occurring but will become a loss associated with a nicer facility.

Councilman/Trustee Fishburn made a motion second by Councilman/Trustee Cox to provide a proposals for a sales tax increase in regards to the pool with fill-in-the blank terms left open for amounts of .60% or .75%.

Yes: Fishburn, Cox, Pollok, McCurdy, Chilvers                      No: None                      Absent: None



Approved on the 4th day of May 2015

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John Chilvers, Mayor/Chairman

ATTEST:

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Dorothy Kennedy, City Clerk/Secretary