



MINUTES SPECIAL COUNCIL MEETING

Tuesday, June 26, 2018 – 6:00 pm
Police and Courts Building, 100 West Main Street
Royse City, Texas

* Prior to the Special Council Meeting, at 5:00 pm a quorum of Council Members may or may not attend a social gathering. No action of the City Council will take place at this gathering. Council Chambers will be open to the public.
* No action was taken

A. CALL TO ORDER 6:09 PM BY MAYOR NICHOL

Announce the presence of a quorum.

- Members Present: Mayor, Janet Nichol
Council Member Place 1, Charles Houk
Mayor Pro Tem, Council Member Place 2, Clay Ellis
Council Member Place 3, Bruce Bradley
Council Member Place 5, James Branch
Council Member, Place 6, Tom Crowley
- Members Absent: Council Member Place 4, Matt Wheatley
- Staff Present: City Manager, Carl Alsabrook
City Attorney, Jason Day
City Secretary, Deborah Sorensen
Director of Finance, Shannon Raymond
Police Chief, Jeff Stapleton
Fire Chief, Rickey Bell
Executive Director of Community Development Corp., Larry Lott

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Nichol gave invocation and led the Pledge of Allegiance.

C. WORKSHOP

1. Discussion of upcoming budget and debt plan, and any matters related thereto.

Carl Alsabrook stated that as discussed previously, later tonight you will be voting on a bond of a maximum of \$4,000,000, which is potentially the most you can bond without having had a tax rate increase. Some of the items that can be included in the bond are vehicle purchases for police, fire, and parks, potential for park improvements, streets, a new fire truck, potential land purchase, drainage issues on Howard Street, and potential for building improvements at City Hall and the Police/Courts buildings. Shannon Raymond and Steven Adams, with Specialized Public Finance, can answer specific questions.

Council Member Branch asked about road repairs. Carl stated that staff recommendation for road repairs are up to \$1,000,000. Council Member Branch asked how do you keep the proposed bathroom at City Lake Park from getting torn up? Carl replied that the bathroom will be locked up during closed hours. It will not be manned. Council Member Crowley asked if there is an appointee

responsible at the ball field for the bathrooms. Carl confirmed that there was someone in charge of ensuring the bathroom is cleaned.

Council Member Branch confirmed with Shannon that this is won't change the tax rate for the current tax rate. Council Member Branch further asked how this would affect future bonding. Shannon introduced Steven Adams, with Specialized Public Finance. Steven presented the City's financial capacity. The City is considering the issuance of Certificates of Obligation to fund capital improvement needs. The City estimates the freeze adjusted FY 2019 value to be \$832,422,267 with annual growth between \$20 million to \$30 million in successive years. For the proposed financing, Specialized Pubic Finance has analyzed various borrowing iterations to fund the City's capital improvement plan. Series 2018 Certificates will be used to finance projects with differing useful lives. As such, \$200,000 will be financed over 3 years; \$900,000 will be financed over 10 years; and the remainder financed over 20 years.

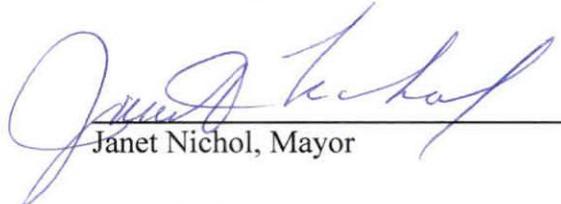
Based on the City's projected growth rate, the Series 2018 Certificates are anticipated to bring the City's I&S Tax Rate to 18 cents from the current I&S Rate of 16.75 cents. The I&S Tax Rate increase is expected to be offset with a reduction in the O&M Tax Rate. In addition, this analysis reviews the possibility of an issuance of Certificates in 2020 to fund additional capital needs. In 2020 based on current growth projections, the City could issue \$2,225,000 par amount and maintain the proposed 18 cent I&S Rate; or \$7,120,000 par amount and have approximate 2.5 cent tax rate increase from the projected rate. Steve reviewed the projected financing timeline.

Council Member Branch stated we are anticipating the next bond being 2020, will this bond take care of all of our significant needs so that we can focus on police, fire, and parks next. Carl stated that he can't state that that is 100% correct. There is the unknown factor; however, that is the goal. That is what we are moving towards. Council Member Branch added that he wants to solve all of the needs so that we can start making other stuff a priority, other than roads and water. We need a sports complex, a police and fire building, and we need to keep fixing roads and water. Carl stated that this does not catch us up on streets.

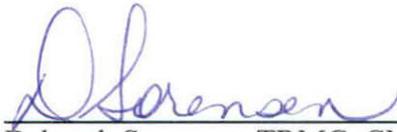
Steven recommended that City Council decide on an I&S tax rate that they are comfortable with and all of the projects that should be included in the bond. After today, if approved, items/projects can't be added to the bond. If approved, the sale date of the bond is August 28th.

E. ADJOURN AT 6:47 PM

Council Member Crowley made a motion to adjourn the meeting. Mayor Pro Tem Ellis seconded the motion. **Motion passed 6-0.**


Janet Nichol, Mayor

ATTEST:


Deborah Sorensen, TRMC, CMC, City Secretary

