

## **FEBRUARY 8, 2021**

A Workshop was held at the M.S. Bailey Center at 6:00 PM with Mayor Bob McLean presiding with Councilmembers Cook, Jenkins, Kuykendall, Neal, Roth and Walsh. The Assistant City Manager and the City Attorney were present. All local news media were notified by email on February 5, 2021. No local news media was present. The Workshop was a closed meeting with citizens being able to view the meeting through the City's Facebook.

<b>INVOCATION</b>	The invocation was given by Councilmember Jenkins.
<b>PLEDGE ALLEGIANCE</b>	Mayor McLean asked Council and the audience to stand and recite the Pledge of Allegiance.
<b>EXECUTIVE SESSION</b>	Motion was made by Councilmember Cook to enter into an executive to discuss one personnel matter relating to the Office of the City Manager and return to open session on the call of the chair and seconded by Councilmember Walsh. The vote was unanimous.
<b>OPEN SESSION</b>	Mayor McLean declared Council back in open session. Mayor Mclean stated that one personnel matter was discussed with no action taken.
<b>CITY MANAGER RESIGNATION</b>	Mayor McLean stated that City Council have been made aware of the resignation of Mr. Bill Cannon, City Manager, effective immediately as of today.
<b>AMEND AGENDA</b>	Due to exigent circumstances created by Bill Cannon's resignation motion was made by Councilmember Cook to amend the agenda to appoint an Interim City Manager and seconded by Councilmember Walsh. The vote was unanimous. Mayor McLean stated that the City does not have a City Manager and the Assistant City Manager reports directly to the City Manager.
<b>INTERIM CITY MANAGER</b>	Motion was made by Councilmember Kuykendall to appoint Mr. Thomas Higgs as the Interim City Manager and seconded by Councilmember Cook. The vote was unanimous.
<b>WORKSHOP PROJECTS BOND</b>	Mayor McLean stated that the next item on the agenda is a Workshop to discuss projects and financing as they relate to the proposed Bond. Mayor McLean recognized Mr. Higgs, Interim City Manager. Mr. Higgs stated that Council has before them Mr. Lawrence Flynn, Bond Attorney, Bryan Thomas from W.K. Dickson who is the engineer for the Police and Fire Projects and Mike Pry from DP3 who is the Architect for the Police and Fire Projects.

**BOND FUNDING**

Mr. Higgs stated that Council would be able to discuss the proposed projects with Engineer and Architect who designed the plans and give them direction on what Council would like to see. Mr. Higgs recognized Mr. Flynn. Mr. Flynn stated that he would review the Installment Purchase Revenue Bonds with Council, which would allow Council to fund the proposed projects. Mr. Flynn stated that Council would need to decide how to spend the proposed funds from the General Fund. Mr. Flynn stated that the proposed amount Council may borrow and be able to make payments is \$6.5 million. Mr. Flynn stated that Council may make changes but the proposal before Council is based on what the current plans are. Mr. Flynn stated that the risk Council takes in delaying their decision is a rise in the interest rates. Mr. Flynn stated that the Installment Purchase Agreement allows the City to Base Lease the property in its current state to a Non-Profit Corporation created by the City and in turn, the Corporation borrows funds to make the renovations to the property. Mr. Flynn stated that the Corporation then would Project Lease the renovated property back to the City and the City would budget funds in order to make the payments on this loan. Mr. Flynn stated that the reason Council decided on the Installment Purchase Revenue Bonds is because the City does not have sufficient revenues to accomplish all of the projects. Mr. Flynn stated that the bank does not care where the funds come from to make these payments. Mr. Flynn stated that the City would be able to use funds from several sources to make the payments. Mr. Flynn stated that the entire project is broken into two projects, which are the Recreation Project for \$7.5 million. Mr. Flynn stated that the City would include \$3.5 million and this brings the cost of this project to \$4 million dollars. Mr. Flynn stated that the second project is the Police and Fire Building, which would cost \$6.5 million. Mr. Flynn stated that the City does not have any funds to put toward this project so the City would have to fund the entire project. Mr. Flynn stated that the total amount the City would fund is \$14 million, which represents the Recreation Complex and the Police and Fire Projects and the \$3.5 million the City would add to the funding. Mr. Flynn stated that the City would borrow \$10.5 million in bonds. Mr. Flynn stated that Council has before them a chart showing the breakdown of the debt service. Mr. Flynn stated that the Hospitality Taxes would support \$4 million of the debt service over the life of the bond and the General Fund would support \$6.5 million. Mayor McLean stated that the General Fund debt is for thirty years but the Hospitality Tax is for twenty-five years. Mr. Flynn stated that the reason to extend the payments out to thirty years is to keep the payment as low as possible.

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Mr. Flynn stated that the City receives enough Hospitality Funds to fund the Recreation Complex Project and there is no need to extend the payments beyond twenty-five years. Mr. Flynn stated that the City would need to tie the financing to the useful life of the project. Mr. Flynn stated that the City should not finance a baseball field for thirty years and the field's usefulness is fifteen years. Mr. Flynn stated that the City receives about \$500,000 per year in Hospitality Funds and the annual debt service would be about \$280,000. Mr. Flynn stated that the City could use the Hospitality Tax surplus to fund other events or fund personnel for the Recreation Complex. Mr. Flynn stated that in order to fund the \$6.5 million the City would apply available General Fund monies of \$200,000 and Local Option Sales Tax funds of \$180,000 to cover a debt service of \$360,733 per year for thirty years. Mr. Flynn stated that this debt service would give the City a surplus of \$21,000 per year. Mr. Flynn stated that this does not give the City much room to work but it could be done. Councilmember Walsh asked if the LOST Funds were stable and Mr. Flynn stated yes. Councilmember Cook stated that the LOST Funds are already included in the City's budget. Councilmember Cook asked what are the funds being used for and Ms. Morrow, Finance Director, stated that the LOST Revenues fund equipment and training for the Police and Fire Departments. Councilmember Cook stated that the City would have to find another revenue source such as grants to purchase equipment for these two departments and Ms. Morrow stated yes. Councilmember Walsh asked how available grants are for these types of purchase and Ms. Morrow stated that the Fire Department is currently working on a grant. Mayor McLean stated that these numbers are without a tax increase and Mr. Flynn stated yes. Mayor McLean states that over a thirty-year period, the City would use close to \$4 million for the payment instead of funding the Police and Fire Departments and Mr. Flynn stated yes. Councilmember Roth stated that the numbers are based on current economic conditions and how would an improvement affect the figures. Mr. Flynn stated that if the City's economic position improves over the years then this would affect all of the numbers and make it easier for the City to make the payments. Mr. Flynn stated that the numbers in front of Council do not account for any economic improvements. Mayor McLean asked Mr. Flynn if he felt comfortable with the \$6.5 million bond and Mr. Flynn stated yes. Mr. Flynn stated that if Council delays their decision the interest rates might increase and effect how much money Council could borrow. Mayor McLean stated that the City has needs and the interest rates are low and Council needs to make a decision. Councilmember Cook stated that Council has historic data to show that the City could borrow the \$6.5 million.

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**POLICE/FIRE PROJECTS**

Councilmember Walsh stated that these figures are based on the current architectural plans and Mr. Flynn stated yes. Mr. Flynn stated that as long as the facilities stay the same then Council could make changes to the plans. Councilmember Cook stated that Council needs to make a decision on what figure the City would borrow. Councilmember Cook stated that Council might want a lot of improvements but Council needs to be realistic. Mr. Bryan Thomas stated that he is with W.K. Dickson and his company was part of the team that created the plans for the Police and Fire Projects. Mr. Thomas stated that DP3 worked on the interior for the plans and W.K. Dickson worked on the exterior plans. Mr. Thomas stated that the process started in 2020 and had the first meeting with the City in May 2020. Mr. Thomas stated that they went through several meetings with the City to refine the proposed plans. Mr. Mike Pry from DP3 stated that the figures for the proposed plans deal only with the construction costs. Mr. Pry stated that the construction cost for the projects is \$4.95 million and once the fees are added on then the total cost is \$6.5 million. Mr. Pry stated that the budget for the projects include \$700,000 for contingencies. Councilmember Cook asked if the projects would be worked on at the same time or each project would be completed separately. Mr. Pry stated that the only project phased in was at the Public Safety Building because the department would have to be able to function while construction went on. Mayor McLean asked if there are any options for tearing the Police and Fire building down and building new. Mr. Pry stated that renovation costs are about \$175 per square foot and a new building is about \$250 per square foot. Councilmember Cook asked if there are any plans for a Court System in the current plans. Mr. Pry stated that during the conversations with the City it was determine not to include the Court System. Mr. Pry stated that eliminating the Court System helped bring down the cost. Mr. Higgs stated that after the last conversation with Council regarding the Court System no one contacted DP3 or W.K. Dickson about the issue. Mr. Higgs stated that some possibilities for the Court System is to use the Community Building or hold court in the bottom floor of the M.S. Bailey Center. Mr. Pry stated that to use the basement of the M.S. Bailey Center the City would have to upgrade the elevator and the restrooms. Mayor McLean asked where the original plans was for the Court System and Mr. Pry stated near the location of the Police Department. Mr. Pry stated that those plans were taken off the table because the School District occupies that area. Councilmember Cook asked if renovating the first floor of the M.S. Bailey Center is not in the plans and Mr. Pry stated no. Councilmember Cook stated that the area needs to be added to the proposed plans. Mr. Higgs stated that the City did look at a design for the first floor but could not afford it.

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Councilmember Cook stated that some improvements need to be done to the first floor and basement of the M.S. Bailey Center to add value to the building. Councilmember Cook stated that DP3 and W.K. Dickson need to look at the plans and determine what is necessary, still provide a safe environment for the Police Department and the Court System, and provide some type of improvement to the first floor of the M.S. Bailey Center, and Mr. Pry agreed. Mr. Pry stated that the plans for the Police Department has already been cut to reduce the cost. Councilmember Cook asked if the City could eliminate the Police Department's Sally Port and use those funds for other projects and Mr. Pry agreed. Mr. Higgs stated that the Sally Port would be used for storage. Councilmember Walsh asked if the Court System would take precedent over the Welcome Center. Mayor McLean stated that both are important. Councilmember Cook stated that the City might be able to fund about \$30,000 for the first floor. Mr. Higgs stated that the City may be able to apply for State Accommodation Tax Funds and City staff could do some of the work. Mayor McLean stated that if the Community Building is large enough for the Court System then that might be a solution. Mr. Higgs stated that the Community Building is in need of renovations. Mr. Pry stated that when these projects first started DP3 designed plans for every part of the M.S. Bailey Center and DP3 could put together plans that show a cost per area. Mayor McLean stated that he would also like to see the cost of a new Fire Station like the one he discussed with City staff. After some discussion, Council asked DP3 and W.K. Dickson to come up with some plans for the M.S. Bailey Center, Community Building, and new Fire Stations by March. Mayor McLean asked if the Mayor and the City Manager would be on the Corporation Board. Mr. Flynn stated that he recommends the Mayor being on the board but not the City Manager in order to have a degree of independence.

**PMPA BOARD  
PUBLIC WORKS  
DIRECTOR**

Mayor McLean stated that that the next item on the agenda is to appoint Joey Meadors, Director of Public Works as the alternate to the PMPA Board. Motion was made by Councilmember Jenkins to appoint the Public Works Director as an alternate to the PMPA Board and seconded by Councilmember Neal. Councilmember Kuykendall stated that he supports this decision but this is a time consuming appointment and just wanted the City to make sure that projects are completed. Mayor McLean stated that most of the Cities have their Public Works Director on the PMPA Board.

**ADJOURN**

With there being no further business before Council motion was made by Councilmember Cook to adjourn and seconded by Councilmember Kuykendall. The vote was unanimous.

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CITY CLERK

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**MAYOR**