

**MINUTES
CITY OF PURCELL
PURCELL PUBLIC WORKS AUTHORITY
JOINT SPECIAL MEETING
September 6, 2022
5:00 P.M.
IN THE COMMUNITY ROOM OF
CITY HALL
230 W. MAIN STREET**

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

Mayor Fishburn called the meeting to order and declared a quorum to be present at 5:00 p.m.

2. Roll Call.

Roll call was conducted by City Clerk, Andrea Millsap, with the following results:

Councilmen/Trustees present: Ted Cox, Graham Fishburn, Theda Engert, Jay Tate, Allen Eubanks

Councilman absent: None

Staff present: Dale Bunn, Andrea Millsap, Victor Lohn

Counsel: None

3. Pledge of Allegiance.

Waived until regular meeting.

4. Welcome.

Mayor Fishburn welcomed all.

5. Presentation by Rick Smith of Municipal Finance Services concerning General Obligation Bonds for funding of street improvements. Also in attendance for consideration may be Nathaniel Ellis and Allan Brooks III of Public Finance Law Group plus Jon and Chris Wolff of Municipal Finance Services

Chris Wolf and Rick Smith were present to discuss General Obligation Bonds. ("GO Bonds") Rick Smith presented the materials. Noted he worked with Purcell in 1985 with Rob Stallings, Benjamin Taylor and Graham's dad Ron were both on the council. Mr. Smith explained GO Bonds are funded via ad valorem tax, unlike other bonds which are through a sales tax. He gave other general information concerning GO Bonds. This has to go before the voters, projects the funds will be used for having to be specified as a separate proposition, 70% of those funds have to be earmarked for specific items, and passes by simple majority. He gave examples of other cities and what they have done with GO Bonds. GO Bonds are put out for competitive bid, rate cannot exceed 10%, and the term cannot exceed 25 years. Cities don't have a legal limit but does have a practical limit which is typically 10-15% of net assessed valuation. A dollar amount, a purpose and a term are what the voters are voting on. All of these go to the Attorney General's office, AG goes through a checklist, and there's a 30-day waiting period before the issue can be closed. So 4-5 months from beginning to receiving funds.

New assessed valuation for the City of Purcell was almost \$43 million. This year had an 8.35% increase over the prior year. Information was presented about current levies. Mills to dollars, which is what is used to formulate the taxes, a mil is 1/1000 of a cent.

Mr. Smith gave examples of tax levies for surrounding cities and what they used them for. Explained that with a GO Bond payment the payments are applied to principal and interest equally, unlike a regular bond/loan and gave some examples of various amounts and how they would pay out. Gave information about interest rates and their trends.

Voting for GO Bonds have specific election dates. 2023 is an odd numbered year and an election date is available every month except December. A 60-day notice to the election board is required to hold an election unless primary election year then a 75 day notice is required.

Jerry Davidson, bond council, came in during the presentation and was introduced.

Vice Mayor Cox asked if a GO Bond could be written for projects that have already been started. Mr. Smith said no. Mr. Davidson answered questions about whether the interchange project would be eligible. A reimbursement resolution could be prepared, and other items could be captured for things within 60 days prior. Additional discussion was had on this subject and on interest rates and possibility of refinancing if interest rates go down. GO Bond are exempt from state and federal taxes.

6. Discussion and possible action to retain Municipal Finance Services for developing financing for street improvements.

Vice Mayor Cox made a motion second by Councilman Tate to table Agenda Item No. 6 to another meeting.

Yes: Cox, Tate, Engert, Eubanks, Fishburn

No: None Absent: None

7. City Council Comments.

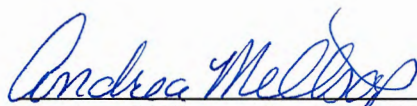
None.

8. City Manager and Staff Comments.

None

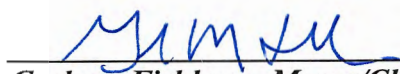
9. Adjourn.

Vice-Mayor/Vice-Chairman Cox declared the meeting to be adjourned at 5:56 p.m.



Andrea Millsap, City Clerk/Secretary

Approved this 26th day of October 2022



Graham Fishburn, Mayor/Chairman

