

MINUTES

LANCASTER CITY COUNCIL MEETING OF OCTOBER 24, 2016

The City Council of the City of Lancaster, Texas, met in a called Regular session in the Council Chambers of City Hall on October 24, 2016 at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present:

Mayor Marcus E. Knight
Mayor Pro Tem Carol Strain-Burk
Deputy Mayor Pro Tem Stanley Jaglowski
Marco Mejia
Spencer W. Hervey Jr.
Clyde C. Hairston
Nina Morris

City Staff Present:

Opal Mauldin-Robertson, City Manager
Rona Stringfellow, Assistant City Manager
Dori Lee, Human Resources Director
Baron Sauls, Finance Director
Jim Brewer, Director of Public Works
Sean Johnson, Managing Director of Quality of Life & Cultural Services
Jermaine Sapp, Director of Equipment Services and Facilities
Sam Urbanski, Interim Police Chief
Rob Franklin, Fire Chief
Tony Felts, Senior Planner
Alton Dixon, Purchasing Manager
Fabrice Kabona, Assistant to the City Manager
Kay Brown, Community Relations Coordinator
Marcus Talton, Police Sergeant
Cheryl Womble, Administrative & Community Relations Supervisor
Kim Pekofske, Court Administrator
Sorangel O. Arenas, City Secretary
Mayra Ortiz, Deputy City Secretary

Call to Order:

Mayor Knight called the meeting to order at 7:00 p.m. on October 24, 2016.

Invocation:

Pastor Richardson gave the invocation.

Pledge of Allegiance:

Councilmember Hervey led the pledge of allegiance.

Recognition:

Mayor Knight recognized Lancaster Independent School District classes with perfect attendance in acknowledgment of National Attendance Month. The partnership with the LISD and the City of Lancaster is an effort to increase attendance and to encourage students and parents to understand the importance of attendance.

Proclamation:

Mayor Knight presented a proclamation announcing October 24, 2016 as "Lancaster ISD Board of Trustees Day," urging all citizens to congratulate and to further recognize the dedication and hard-work of the Lancaster ISD School Board Members which was named the number one Board in Texas.

Mayor Knight presented a proclamation to Beverly D. Humphrey announcing October 24, 2016 as "Coach Humphrey Day," extending congratulations to Coach Humphrey for her accomplishments and dedication, and for representing the Lancaster Independent School District and the City of Lancaster.

Mayor Knight proclaimed October 24, 2016 as "United Nations Day," urging everyone in the community to participate in all activities related to United Nations Day.

Mayor Knight proclaimed the week of November 7 through 11, 2016 as "Municipal Court Week," recognizing the fair and impartial justice offered to the citizens by the Municipal Court of Lancaster.

Consent Agenda:

City Secretary Arenas read the consent agenda.

1. **Consider approval of minutes from the City Council Regular Meeting held on October 10, 2016.**
2. **Consider a resolution granting a public utility easement to Oncor Electric Delivery Company for the installation, construction, operation, maintenance, replacement, repair, and/or upgrade of overhead and/or underground electric supply and communications facilities, consisting of a variable number of wires and cables, supporting structures, surface mounted equipment, conduits and all necessary or desirable appurtenances over, under, through, across and upon grantor's land in support of the Bear Creek Nature Park restroom project.**

MOTION: Councilmember Morris made a motion, seconded by Councilmember Hairston to approve consent items. The vote was cast 7 for, 0 against.

3. **Discuss and consider an ordinance authorizing the issuance of "City of Lancaster, Texas, General Obligation Refunding Bonds, Series 2016"; specifying the terms and features of said bonds; providing for the payment of said bonds by the levy of an ad valorem tax upon all taxable property within the City; and resolving other matters incident and related to the issuance, payment, security, sale and delivery of said bonds, including the approval and distribution of an official statement; and providing an effective date.**

Finance Director Sauls shared that the City has an opportunity to refund a portion of its outstanding debt and realize debt service savings. Staff met with First Southwest, the City's Financial Advisors, to discuss options based upon a preliminary refunding. Tonya Tarpeh, the City's Bond Counsel with West and Associates, LLP, and Nick Bulaich, Financial Advisor of First Southwest were introduced.

Nick Bulaich shared that \$6,575,000 was the price of General Obligation refunding bonds, which is like a home mortgage. The refinancing was strictly for interest savings and did not extend the final maturity. Since the maturity remained the same, the City was able to achieve debt service savings. Mr. Bulaich noted the following: The City's rate was affirmed and positive comments were made by the City for a rating upgrade and the City is on the right path for a rating upgrade in the future as the tax base continues to grow; the Financial Advisors sold the new bonds of \$6,575,000 at an average interest cost of 2.17%. He shared that the savings analysis report reflects the old debt service and the new 2016 debt service along with the savings. The annual savings was a total of \$772,000. The present value benefit is 10% and that number is above 3.5% its worthy of consideration and its low interest rate, we have been seeing very high debt service savings percentage numbers; the preliminary official statement which is used to market the bonds contains financial demographic information as well as security for the bonds. It contains anything that a potential investor would want to know before making an investment decision in the City's bonds.

Councilmember Hervey requested that Article 3 Section 3.1B and C, Terms of the Bond, be read for the individuals present at the meeting and the individuals streaming online.

City Manager Mauldin-Robertson shared that Councilmember Hervey is referring to Ordinance No. 2016-10-31 which has been prepared by the City's Bond Counsel, Tonya Tarpeh. Article 3, Section 3.1 reads "Amount, Purpose and Authorization, letter b reads, "It is hereby found and determined that the refunding

of the Refunded Obligations and the issuance of the Bonds will benefit the City by reducing total debt service, and that such benefit is sufficient consideration for the issuance of the Bonds." Letter C states, "It is hereby found and determined that the refunding of the Refunded Obligations will result in a gross savings of \$772,513.73 and a present value savings of \$692,428.17 to the City."

Councilmember Morris inquired if some information may be corrected in the presentation. Nick Bulaich stated that the information is a preliminary official statement, if Council approves the transaction there will be a final official statement and have seven (7) business days to make corrections.

Councilmember Morris inquired if the item approved will be as presented or with the modification prepared on the presentation. Mayor Knight disclosed item 3 will be authorizing the refinancing of current debt. If any changes are needed, the information will be updated.

Nick Bulaich shared that this transaction cannot be closed until after November 15th, this council meeting is the first opportunity the City had to execute this transaction.

MOTION: Councilmember Hairston made a motion, seconded by Deputy Mayor Pro Tem Jaglowski to approve item 3. The vote was cast 7 for, 0 against.

Executive Session:

4. **The City Council shall convene into closed executive session pursuant to:**
 - a. **Section § 551.072 of the Texas Government Code, discuss and deliberate the acquisition, purchase, exchange, lease or value of real property as deliberation in this open meeting would have a detrimental effect of the position of the City of Lancaster in negotiations with third persons.**
 - b. **Section § 551.074 (a)(1) of the Texas Government Code to deliberate the appointment, employment, evaluation duties or dismissal of a public officer, to wit: the City Secretary.**
 - c. **Section § 551.074 (a)(1) of the Texas Government Code to deliberate the appointment, employment, evaluation duties or dismissal of a public officer, to wit: the City Manager.**
5. **Reconvene into open session. Consider and take appropriate action(s), if any, on closed/executive session matters.**

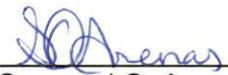
The City Council recessed for Executive Session at 7:42 p.m. and reconvened into open session at 10:00 p.m.

No action was taken following Executive Session.

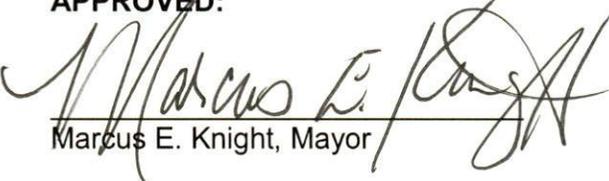
MOTION: Councilmember Morris made a motion, seconded by Councilmember Mejia, to adjourn. The vote was cast 7 for, 0 against.

The meeting was adjourned at 10:00 p.m.

ATTEST:


 Sorangel O. Arenas, City Secretary

APPROVED:


 Marcus E. Knight, Mayor