

City of Wimberley
221 Stillwater
Wimberley, Texas
Minutes of Special Meeting of City Council
February 11, 2014 at 6:00 p.m.

City Council meeting called to order at 6:00 p.m. by Mayor Bob Flocke.

Councilmembers Present: Mayor Bob Flocke and Councilmembers Tom Talcott, Mac McCullough (arrived at 6:05 p.m.), Matt Meeks, Steve Thurber, and John White.

Staff Present: City Administrator Don Ferguson and City Secretary Cara McPartland

Workshop

A workshop to discuss a proposal to call a bond election on May 10, 2014 for the purpose of funding various street, drainage and wastewater improvements in the City of Wimberley. (*City Administrator*)

City Administrator Ferguson presented cost estimates for the following improvements:

- Street Improvements - \$2,750,000
- Drainage Study - \$75,000 to \$100,000
- Central Wimberley Wastewater System
 - Core system - \$5,600,000
 - North side (of Cypress Creek) - \$1,900,000

City Administrator Ferguson reviewed the Transportation Advisory Board’s (TAB’s) ranked list of needed street improvements and explained the process for compiling and prioritizing the list of streets. He reminded that costs are estimated and that such costs are expected to increase over time due to continuing increases in materials costs, plus the possibility that additional streets may be added to the list. He stated that it would be advisable to conduct a drainage study to better identify needs and projected costs, before undertaking drainage improvements.

City Administrator Ferguson provided various debt service scenarios based on Council’s previous discussion:

Proposition No. 1 - \$2,850,000 for Street Improvements & Drainage Study

Term of Debt Service	Annual Debt Service Payment
10 years	\$315,000
20 years	\$191,000
25 years	\$172,000

He noted that a lengthier debt service term will incur more interest than a shorter term.

Proposition No. 2 - \$7,500,000 for Central Wimberley Wastewater System

Term of Debt Service	Annual Debt Service Payment
10 years	\$645,000
20 years	\$516,000
25 years	\$465,000

If the Central Wimberley Wastewater System is considered as two separate elements, the following debt service scenario would apply:

Central Wimberley Wastewater System – Core System Only - \$5,600,000

Term of Debt Service	Annual Debt Service Payment
10 years	\$630,000
20 years	\$386,000
25 years	\$347,000

Central Wimberley Wastewater System –North Side Only - \$1,900,000

Term of Debt Service	Annual Debt Service Payment
10 years	\$214,000
20 years	\$130,000
25 years	\$117,000

Total debt service on combined street, drainage, and wastewater improvements was presented as follows:

Streets, Drainage & Wastewater Improvements - \$10,325,000

Term of Debt Service	Annual Debt Service Payment
10 years	\$1,100,000
20 years	\$785,000
25 years	\$638,000

City Administrator Ferguson provided the following projected tax rates for a \$10,325,000 bond issue:

Term of Debt Service	Tax per \$100 Assessed Value
10 years	26 cents
20 years	16 cents
25 years	14 cents

Discussion addressed:

- Wastewater system funding via general obligation bonds versus revenue bonds, or a combination thereof
- Ad valorem tax-backed bond versus ad valorem tax-backed Texas Water Development (TWDB) loan

- Various ways to structure proposition language for specific improvements
- Projected amounts of CAMPO annual funding distributions for street improvements, which are subject to year-to-year fluctuations
- Management of construction projects to lessen impact on citizens/businesses
- Ability to trim debt load through bond refund/early payoff
- Completion of drainage study before bond election to determine needs/costs
- Reasoning for May 2014 versus November 2014 possible bond election dates
- Amount of time for public education, should bond election be held in May 2014
- Public sentiment regarding the need for specific capital improvements and ad valorem taxation to fund those improvements
- Projected tax rates and debt service terms
- Public education efforts on bond issue
- Structuring of propositions to include individual or groupings of capital improvement projects
- Concerns regarding splitting of core/north side systems under Proposition No. 2
- Use of bond funds to pay the City’s matching fund requirement upon receipt of CAMPO’s distribution
- Request for tax/interest rate on 15-year debt service term.

City Administrator Ferguson advised that an ordinance can be drafted for a bond election containing the aforementioned Propositions No. 1 and No. 2, for a bond issue with a term of twenty years, as well as an alternate scenario with a term of fifteen years. Brief discussion followed on how to facilitate public information efforts on the bond issue.

Hearing no further comments, Mayor Flocke called the meeting adjourned.

Adjourn

Mayor Flocke called the meeting adjourned at 6:52 p.m.

Recorded by:

Cara McPartland
 Cara McPartland

These minutes approved on the 20th of February, 2014.



APPROVED:
Bob Flocke
Bob Flocke, Mayor