**MUSTANG CITY COUNCIL**
**APRIL 15, 2014**

The Mustang City Council met in regular session on Tuesday, April 15, 2014, at 7:00 p.m. in the Mustang Municipal Building Council Chambers. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Friday, April 11, 2014, at 2:45 p.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

## A. CALL TO ORDER

**Mayor Adams** called the meeting to order at 7:00 p.m.

## B. PLEDGE OF ALLEGIANCE/INVOCATION *(Councilman Taylor)*

**Councilman Taylor,** led the assembly in the Pledge and Invocation.

## C. ROLL CALL

| | |
|---|---|
| **Councilmembers Present:** | **Taylor** |
| | **Staples** |
| | **Bowers** |
| | **Jones** |
| | **Hagan** |
| | **Mount** |
| | **Adams** |
| **Councilmembers Absent:** | **None** |

## D. INTRODUCTION OF GUESTS/HEARING OF CITIZENS OR DELEGATES

None.

## E. NEW BUSINESS, DELETIONS OR CONTINUANCES TO THE AGENDA

None.

## F. CONSENT AGENDA

1. Approval of **04/01/14** City Council Minutes
2. Approval of **04/07/14** City Council Minutes

*3. Claims List for **FY '14**

4. Approval of **Resolution No. 14-042**, Making Changes in the Library Fund Budget by Making a Supplemental Appropriation to Increase the 2013-2014 Fiscal Year Budget by $1,487.
5. Approval of **Resolution No. 14-043**, Making Changes in the General Fund Budget by Making a Supplemental Appropriation to Increase the 2013-2014 Fiscal Year Budget by $4,741.

**MOTION** was made by **Councilman Taylor**, seconded by **Councilwoman Bowers,** to approve Items F-1 thru F-5 of the Consent Agenda.

**AYE:** **Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY:** **None**

## G. INFORMATION/REPORTS

### 1. City Manager

**City Manager Rooney** did not have anything to add in addition to his City Manager's report, but did remind everyone that the report is available on the City of Mustang website.

#### a. Quarterly Presentation of Financial Statements ending December 31, 2013

**Finance Director Watts** gave a presentation of the City of Mustang and Mustang Improvement Authority's (MIA) quarterly financial statements ending March 31, 2014, advising:

- Sales Tax received in April, 2014 totaled $672,855 which was $855 over projected budget representing .1%;
- Use Tax received in April, 2014 totaled $29,975;
- General Fund Net Change in Fund Balance Year to Date totaled $24,796 which represents a 9.46% in reserves;
- MIA Net Change in Fund Balance was $86,770 which represents a 10.71% in reserves

**2. <u>City Council</u>**

**Mayor Adams** asked the Councilmembers if they had anything to report in their respective Wards:

**Councilman Taylor** asked the City Manager for an update regarding the sound when watching the Council meetings via the internet.

**City Manager Rooney** stated ***Community Development Director Coleman*** has been in contact with a vendor and has received a quote to upgrade the system with this to be done in the immediate future. He stated money is available in this year's budget.

**Councilwoman Staples** asked if there was any information regarding her question last meeting concerning coyote problems.

**City Manager Rooney** stated he did receive a name of someone to contact at the State and will contact him and let her know.

**Councilwoman Bowers** stated she had nothing to report at this time; however, when driving to the meeting, saw a lot of people in the park and was proud to have such a great city.

**Councilman Jones** did not have anything to report at this time.

**Councilwoman Hagan** did not have anything to report at this time.

**Councilman Mount** did not have anything to report at this time.

**Mayor Adams** stated the Easter Egg Hunt at Wild Horse Park was outstanding and it was estimated there were over 3,000 people in attendance with over 16,000 eggs being hidden. He thanked the Parks and Recreation Department for their hard work and for doing an outstanding job. He also informed the Council he would not be at the May 6, 2014 City Council/MIA meeting.

**H. DISCUSSION ITEMS**

1. **Discussion, Consideration and Appropriate Action** relating to the Refinancing of the 2006 Bonds.

   a. Presentation by Mr. Allan Brooks, The Public Finance Law Group

**Mr. Allan Brooks,** The Public Finance Law Group, addressed the Council regarding the refinancing of the 2006 Bonds. He provided background advising in 1999, the City approved a 1% sales tax dedicated to the City complex and the City issued $17,755,000 in bonds to fund costs of the project which were set to mature in 2030, unless paid off early, which was the same time the sales tax was set to expire. In 2006, the 1999 bonds were refinanced and through the refinancing, the 1999 bonds went away and the City saved money by virtue of shortening the term to 2021 saving a significant amount of debt service, advising this is essentially what this is about tonight. **Brooks** stated by refinancing, the interest rate will lower from 5% (in 2006) to 2.2% and will cut the term of the debt by approximately 3.3 years; plus the City would be able to pay down the current debt of the 2006 bonds by using the excess sales tax held in debt service reserve (a requirement of the 1999 bonds), then by amending the documents, eliminate the requirement for that reserve. He stated in total, this would save about 12+ years on the termination date. He stated this was an opportunity to go back to the voters and ask for the purpose of the tax to be changed to another purpose and free up cash flow that would have been tied up to 2030. He stated they were working with the same bank that bought the 2013 debt and are recommending the new debt be sold to that bank. **Brooks** advised the action needed tonight is an indication to proceed and give a date to come back with documentation and resolution for formal approval.

Discussion was held concerning if the refinancing would free up sales tax to be used for other projects with the answer being yes, subject to the approval of the vote of the people.

Other discussion included the bank being BBT and what fees were involved and the cost of the refinancing. **Brooks** replied the transaction costs were approximately $241,000, but also stated another advantage of this bank is that they will provide an option half way through the term of the debt to make pre-payments every six months without penalty.

**Rick Smith**, Municipal Finance Services, Inc., addressed the Council and provided a hand-out providing a summary of the proposed obligation to be refinanced which provided Cash Flow Analysis, Issuance Components, Description of 2014A Note, and PV Savings Analysis. He advised the 2006 bonds have $10,820,000 in principal still outstanding at 5% interest rate and runs to 2021. He stated the bonds were callable in October, 2015 wherein an escrow account would be established that would be sufficient to pay those bonds to 2015 and pay off the remaining bonds, advising there would not be a penalty to pay off early. **Smith** advised the accrued interest was approximately $754,000 with the total funds required being approximately $11,500,000. He stated by applying the reserve fund (required to be established in the past) in the amount of approximately $2,600,000 and the sinking fund balance in the amount of approximately $850,000, the 2006 bonds could be paid down leaving a net due at a little over $8,000,000.

**Smith** stated the Cash Flow Analysis compares the 2006 bonds to the 2014 numbers. He stated there was no impact on cash flow and sales tax for debt purpose to lower the term and stated the overall net savings was around $875,000 over the next seven years. He stated under security regulations, it is a requirement to provide the value of that amount in today's dollars advising it was about $245,000 which equates to about 3% of the refunding principal. He stated if a transaction came close to 3% of net present value savings, it is considered an economical transaction in industry standards. He also stated the security would not change – it would be the same as it is now.

Discussion was held concerning the reserve fund. **Brooks** advised it was common practice in 1999 where a year's worth of payments were set aside (most communities would have to borrow it) as additional security for the bond holder in case payment wasn't made. He stated the market isn't demanding it now, but the problem here is that the documentation still does. He stated the bank working with them on the refinance is the same bank that owns the 2013 bonds and they will consent to modifying the documents so the reserve will not be required and less money will have to be borrowed.

**Brooks** stated this transaction will require super majority approval of the Council, so will need six people voting yes to approve it advising whatever date is selected to come back for final approval will need everyone there.

Discussion was held concerning a date for a Special Meeting with the date of April 28, 2014 @ 6:30 p.m. being selected.

**MOTION** was made by **Mayor Adams**, seconded by **Councilman Taylor** to Proceed with the Bond Refinance and set up a Special Meeting to be held April 28, 2014, at 6:30 p.m. to Vote on the Bond Refinance.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

2. **Presentation** from Catalyst Commercial concerning the City of Mustang Retail Market Analysis and Strategy Project.

   **Community Development Director Coleman** provided background regarding the City of Mustang Retail Market Analysis and Strategy Project stating the City Council had budgeted $25,000 in the FY2013-2014 budget for a professional research/market company to do a complete analysis of the Mustang trade area. He stated proposals were solicited with the committee selecting Catalyst Commercial's proposal as the best of the three proposals received.

   **Coleman** introduced Mr. Jason Claunch, Catalyst Commercial CEO.

   **Claunch** provided a high level summary of the report provided in the packet stating a lot of information was discovered which will benefit the City in recruiting businesses to Mustang. Some of the statistics included in the report were:

   - Mustang's characteristics vs primary trader characteristics;
   - Map showing customer intercepts;
   - Trade Area based on drive time;
   - Trade Area based on mileage distance;
   - Footprints;
   - Interview results;
   - Psychographics;
   - Market demand;
   - Capture rate;
   - Geography;
   - Economic analysis;

**Claunch** stated a City usually needs a certain number of people and cars to attract the bigger brands to their City such as Target. He stated Mustang was at the lower end of this amount. He stated an aerial map was also developed for our use as well as a strategic list of retailers which will help provide leverage and stated there was a tremendous amount of opportunity here. He thanked the Council for the opportunity to come to Mustang stating he enjoyed the City very much.

Discussion was held regarding hotels. **Claunch** stated when analyzing hotels, a whole different data set and approach is required and was not part of the scope of this project. He stated he could see one or possibly two hotels that could be supported in Mustang though.

Discussion was also held concerning how the estimated population for 2018 was determined stating it was projected using historical data, 2010 census projections, and a statistical trend line that shows where population might be.

3. **Public Hearing, Discussion, Consideration and Possible Action** regarding Approval of **Ordinance No. 1101**, Amending Chapter 102, Section 102-52 to Provide for Primary and Secondary Driveways for Single-Family Residences, and Chapter 106, Section 106-371 to Provide Standards for Primary and Secondary Driveways; Declaring Repealer; Providing for Severability; and Declaring an Emergency.

**Community Development Director Coleman** advised many of the City Ordinances concerning curb cuts, driveways and driveway approaches were adopted in 1977 and have remained mostly unchanged although some have not been uniformly followed. He stated complaints have been made from several parties concerning the minimum width requirement for secondary driveways in the Residential zoning districts, as well as complaints regarding the minimum radii requirement for driveway approaches on neighborhood streets in the Rural Estate zoning district.

**Coleman** stated Chapters 102 and 106 of the Municipal Code addresses driveways and driveway approaches advising current regulations prohibit residents from constructing secondary driveways of less than 18' in width in the R-1 zoning district and that driveway approaches in the RE zoning district are required to have minimum radii of 15'. He stated the proposed changes requested include (1) changing the minimum width of a secondary drive to 10' due to the current requirement of 18' being difficult to meet because of topical lot dimensions and setback requirements found in the R-1 zoning district; and (2) the minimum radii of a driveway approach being changed from 15' to 5' in the RE district because most lots are less than two acres and utilities and drainage systems are much more compacted. He stated he felt this was adequate to accommodate trailers without changing the requirements on arterial roads.

**MOTION** was made by **Mayor Adams,** seconded by **Councilman Taylor,** to open the matter for Public Hearing.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

**Mr. Todd Gregg, 617 N. Bluebird Way**, addressed the Council advising he was in favor of the proposed changes stating he was trying to build a secondary driveway for his travel trailer and with the Codes written as they are now, has made it very difficult. He thanked ***Coleman*** for his research and work on this item.

There being no further public discussion, **MOTION** was made by **Mayor Adams**, seconded by **Councilman Taylor**, to close the Public Hearing.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

**MOTION** was made by **Mayor Adams,** seconded by **Councilwoman Staples,** to Approve **Ordinance No. 1101**, Amending Chapter 102, Section 102-52 to Provide for Primary and Secondary Driveways for Single-Family Residences, and Chapter 106, Section 106-371 to Provide Standards for Primary and Secondary Driveways; Declaring Repealer; Providing for Severability;

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

**MOTION** was made by **Mayor Adams** and seconded by **Councilwoman Staples** to approve the Emergency Clause for **Ordinance No. 1101**.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

The emergency clause **passed**.

**J. <u>CITY ATTORNEY'S REPORT</u>**

None.

**K. ADJOURNMENT**

**MOTION** was made by **Mayor Adams**, seconded **Councilman Jones** to adjourn.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

The meeting was adjourned at **8:12 p.m.**

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**Jay Adams, Mayor**

**Attest:**

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**Lisa Martin, City Clerk**

**MUSTANG IMPROVEMENT AUTHORITY**
**APRIL 15, 2014**

The Mustang Improvement Authority met in regular session on Tuesday, April 15, 2014, at 7:00 p.m. in the Mustang Municipal Building Council Chambers. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Friday, April 11, 2014, at 2:45 p.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

**A. CALL TO ORDER**

**Chairman Adams** called the meeting to order at 8:12 p.m.

**B. ROLL CALL**

**Trustees Present:** **Taylor**
**Staples**
**Bowers**
**Jones**
**Hagan**
**Mount**
**Adams**

**Trustees Absent:** **None**

**C. NEW BUSINESS**

None.

**D. CONSENT AGENDA**

1. Approval of **04/01/14** MIA Minutes.
*2. Claims List for **FY '14**

**MOTION** was made by **Trustee Taylor**, seconded by **Trustee Bowers,** to approve Items D-1 thru D-2 of the Consent Agenda.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

## E. INFORMATION/REPORTS

### 1. Trustee Manager

None.

### 2. Trustees

None.

## F. DISCUSSION ITEMS

None.

## G. ADJOURNMENT

**MOTION** was made by **Trustee Jones** and seconded by **Trustee Taylor** to adjourn.

**AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
**NAY: None**

Meeting was adjourned at **8:13 p.m.**

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**Jay Adams, Chairman**

**Attest:**

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**Lisa Martin, Secretary**