

MINUTES OF SPECIAL  
CITY COUNCIL MEETING HELD  
MAY 18, 2022

The City Council of Olmos Park, Texas held a special meeting on May 18, 2022 commencing at 5:30 p.m. in the Council Chambers at City Hall. Mayor-Pro Tem Kenyon McDonald presided and Council members present were Will Brooks, Juliana Dusek, Erin Harrison, Sharon Plant and Deanna Rickabaugh. Staff present was City Manager, Celia DeLeon; and City Secretary, Kyndra Munoz. Also present was City Attorney, Richard Lindner; Christopher Allison, M.E. Allison & Co.; Arnold Cantu, Cantu Harden LLP; Paul Covey, 138 E. Wildwood; David Givler, Givler Engineering; Adam and Tess Harden, 415 Devine; Beth O'Brien, 103 E Mandalay; Linda McDonald, 121 E. Wildwood and Megan Rodriguez, San Antonio Express News.

Mayor Pro-Tem Kenyon McDonald called the meeting to order at 5:30 p.m. and determined a quorum was present.

Citizens to be heard: This time is provided for citizens to address the Council on issues and concerns. No action can or will be taken on issues raised under this portion of the meeting. Please state your name and address for the record and limit your remarks to a period not to exceed three minutes.

There were no citizens to be heard.

Councilman Brooks and Councilwoman Dusek and joined the meeting at 5:31 p.m.

Discussion and Possible Action on Ordinance No. 2022-07; Canvassing Election results and declaring official results of the election returns for the General and Special Election held May 7, 2022.

Mayor Pro-Tem McDonald stated I certify the figures on the tally sheets correspond with the figures on the returns for the General and Special Election held on May 7, 2022.

Councilwoman Rickabaugh moved to approve Ordinance No. 2022-07 canvassing election results and declaring official results of the election returns for the General and Special Election held May 7, 2022.

Councilwoman Harrison seconded the motion.

The vote in favor of the motion was unanimous.

Issue Certificate of Election and Statement of Elected Officer to newly elected officials

City Secretary Kyndra Munoz issued Certificate of Election and Statement of Elected Officer to newly elected officials Mayor Deanna Rickabaugh, Councilmember Will Brooks and Councilmember Kenyon McDonald.

Administer Oath of Office to Mayor Deanna Rickabaugh, Councilmember Will Brooks and Councilmember Kenyon McDonald.

City Secretary Kyndra Munoz administered Oath of Office to Mayor Deanna Rickabaugh, Councilmember Will Brooks and Councilmember Kenyon McDonald.

Mayor Rickabaugh presided the remainder of the May 18, 2022 special City Council meeting.

Citizens to be heard: Consideration and discussion of proposed issuance of debt obligations to be titled "City of Olmos Park, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022" to finance sewer system and road improvements in the City. Citizens

will be provided the opportunity to address the Council on issues and concerns related to this item. After an initial presentation, the Council will address questions, issues or concerns from the public in the order they were received.

There were no citizens to be heard.

Mayor Rickabaugh stated for the last few months we have been working on casting a plan for critical sewer repairs. We charged our City Engineer with developing a plan for the sewers to get us 15 to 20 years down the road. We believe it is prudent to look at long term financing and associate the financing with the long-term asset. Mr. Givler and Mr. Allison can provide a brief background on this project.

David Givler, Givler Engineering stated the last time the City did any major sewer renovations was 20 years ago and the design life on some of these repairs has expired. We are beginning to see some wear and tear on the system and the idea is to get ahead of the deterioration, stabilize it and get another 20 years out the system. The City has 10.2 miles of pipes that carry sewage and has 229 manholes. The City is borrowing \$6 million to perform this project. Over the last 4 years we have studied the entire system and we have identified 189 remaining problems. Of these 189 problems identified, we can complete about 138 with the \$6 million bond. We have targeted the most drastic repairs. We would phase the \$6 million into 6 different contracts at \$1 million a piece and run them at 2 projects a year. We expect to have this completed in about 3 years.

Christopher Allison, M.E. Allison & Co. stated I serve as the Financial Advisor to the City of Olmos Park. Bond financing is focused on matching the life of the asset to the terms of financing. The important thing is the sewer repairs are going to last longer than the life of the 20-year bonds. We will not have proposed rates for the City to decide whether or not to proceed until June.

Councilwoman Plant asked if something were to happen between now and then, we would be able to reevaluate this project?

Christopher Allison stated the City of Olmos Park has a commitment to Standard and Poor's for a rating fee in the amount of \$7,500 for the initial rating. If you pursue with the bond issue, they charge an initial fee and would be the only commitment. The focus towards the taxpayers for everyone who is 65 years and over is the taxes are frozen and there would not be any impact. The debt service on the proposed issue of \$6 million would be less than what the City is currently paying on its outstanding debt and be a lower annual principal interest payment. On May 1<sup>st</sup>, I ran an interest rate calculation of 3.48%. Today, I priced a deal on a single A rating at 4.03% which would be a \$446,000 annual expense; this might be different in June. I expect the City of Olmos Park will be a AA rating.

Councilwoman Harrison asked if the interest rates have already gone up ½% since May 1<sup>st</sup>, do you expect that similar trend to continue?

Christopher Allison stated from the middle of last week to the beginning of this week, the market has been the weakest we have seen this year and is slowly trending up. If we come back with something that doesn't look like a favorable long-term rate, I will recommend against moving forward. We have talked about the types of bond issues in which I recommended the certificate of obligation so we do not have to wait for an election in November. The sale can be either a complete bid or a negotiated sale. In the last 5 years, except for the 2-week COVID lockup in March of 2020, the competitive bid was the way to go. When you have a sloppier market, I think a negotiated sale is the appropriate method because of the change in the market.

Councilwoman Harrison asked if down the road rates come back down to a more favorable percentage, would we have the option to refinance?

Christopher Allison stated if you issue bonds, we would be locked in for 9 years until they become callable.

Councilwoman Plant asked what is the timeframe on the bid process for this project since they will be larger than our usual projects? How long will it take you to put the packet together for the bid?

David Givler stated the bid process would take about a month. The State requires the notice to be advertised twice a week apart and we need to allow time for the contractors to process the information. We have a lot of information for the bid already and it will take about 2-3 months to put the packet together.

Councilwoman Harrison asked is there a way to increase our reach for this project to make sure we have a higher traffic volume of potential people who might be interested because of the size of the project?

David Givler stated we have some state-wide advertising services for bids and we can utilize this service.

There was no further business and the meeting was adjourned at 5:56 p.m.

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Deanna Rickabaugh  
Mayor

ATTEST:

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Kyndra Munoz  
City Secretary