

October 14, 2021

The Graham City Council met in REGULAR SESSION in the Council Chambers at 9:00 a.m. on Thursday, October 14, 2021, with the following members present:

MEMBERS:	Mayor:	Neal Blanton
	Mayor Pro-Tem:	Shana Weatherbee-Wolfe
	Council Members:	Alex Heartfield
		Jack Little
		Randy Cantin
	City Manager:	Brandon Anderson (absent)
	City Secretary:	Sharon McFadden
	City Attorney:	Dan De La Cruz
	Municipal Judge:	Jim Reeves
	Police Chief:	Brent Bullock
	Fire Chief:	Jim Don Laurent

VISITORS: Randall Dawson, Kelli Shifflett, Thomas Wallner, Jimmy McLeroy, Carla Ritchie, David Aleshire, Dennis Fellows, BJ Cook, Grant Ingram, Krisa De La Cruz, Steve Perry of D.A. Davidson & Companies, and Michael Kellner of D.A. Davidson & Companies,

ORDER: Mayor Blanton called the meeting to order and opened with prayer.

PUBLIC FORUM: Mayor Blanton asked if anyone would like to speak in the public forum. No comments were made.

APPROVAL OF MINUTES:

Regular Session Council meeting held on Thursday, September 30, 2021, were considered. Jack Little made the first motion approving the minutes and Alex Heartfield seconded. The minutes were unanimously approved 4-0.

DISCUSS THE SALES TAX FOR AUGUST 2021 RECEIVED IN OCTOBER 2021:

Mayor Blanton said the sales tax revenue is good and currently shows an increase of more than 30 percent over last year (2020-2021). Alex Heartfield asked if there was something going on in August to cause the increase. Mayor Blanton said part of the increase is likely for "back to school" sales. Alex Heartfield said it was a big increase and Mayor Blanton agreed with Alex Heartfield's comment.

STEVEN PERRY AND MICHAEL KELLNER OF D.A. DAVIDSON & COMPANIES WILL PROVIDE A PRESENTATION OF THEIR ORGANIZATION REGARDING REFUNDING GENERAL OBLIGATION BONDS:

Mayor Blanton introduced Steven Perry and Michael Kellner. Steve Perry said he and Mr. Kellner were here to share information regarding the City (of Graham) bonds. Mr. Perry said there has been information provided to the City (of Graham) in the past. Mr. Perry said on the agenda, the following item is a resolution, but an ordinance is required. The ordinance had not been prepared by Mr. Perry's staff prior to the Council meeting. Mr. Perry said assuming Council approves at the next meeting (October 28, 2021), will allow them (D.A. Davidson & Companies) to proceed with the refinancing which includes certain parameters. Mr. Perry briefly reviewed his Bond Refinancing Overview provided to Council. The City of Graham has two (2) bonds that were issued in 2013. Mr. Perry compared the interest rates and options available to the City of Graham. Mr. Perry said his perception of the market is that rates have already increased the past few weeks and will likely continue to rise. Mr. Perry said the goal of the City (of Graham) is to reduce debt payments. Mr. Perry said the process is like the refinancing process of a home and compared the interest rates in past, present, and future. Mr. Perry said he believes next year (2022) that interest rates will be much higher. Mr. Perry said the City (of Graham) savings will be approximately \$786,097.10. Mr. Perry discussed information regarding the bond insurance policy and how that affects the bond refinancing. Mr. Perry has provided the bond insurance company with information required for consideration and is waiting for the response. Mr. Perry said the City (of Graham) financial situation is improving and the current relationship with the bond insurance company, helps improve the likelihood of agreeing to insure the refinancing of bonds. Jack Little asked Mr. Perry if the City (of Graham) does not receive approval on this (bond insurance), then the City (of Graham) needs to continue with current bonds. Mr. Perry said he agrees that if denied, continue paying current bonds until the needed improvement is attained. Mr. Perry if approved, this is an opportunity for the City (of Graham) to save money. Jack Little asked Mr. Perry if by refinancing, where are their (D. A. Davidson) fees in the process. Mr. Perry said there is a flat fee charged and only receive payment if the refinancing takes place. Jack Little said when the savings are figured the \$928,265.00, they (D.A. Davidson) fees are not included. Mr. Perry said the fees have already been deducted and the remaining amount is the savings to the City (of Graham). Mr. Perry explained the process of the refinancing of the bond, those involved in the process, and how the bond is funded. Randy Cantin asked if the flat fee is based on how much he (Mr. Perry) saves us (City of Graham). Mr. Perry said the fees are based on the amounts the City (of Graham) sells on the principal amount. Mayor Blanton said the City (of Graham) bond rating is not where we (City Council) would like for it to be. Mayor Blanton asked what the expectations are for the rising of the bond level. Mr. Perry said once locked in, that becomes important for future borrowings. The bond insurance policy will be at a higher rate for the City (of Graham) due to a lower bond rating of BBB-, the City (of Graham) will pay a higher rate than a city with an A rating. Mr. Perry said there can be a significant difference because people that buy bonds have restrictions and the lower the rating, the less likely people are willing to buy the bonds. Jack Little asked Mr. Perry, in his professional opinion, if he believes the City (of Graham) can improve the bond rating. Mr. Perry said there is a good chance of maintaining the current rating and the rate has been cut a few times over the last few years. Mr. Perry recommended working toward maintaining then start to improve. Mr. Perry said the credit rating agencies quickly cut ratings, but it is difficult and takes a long time to improve or recover. Mayor Blanton said the resolution (number 127) that is being presented today does not need action taken. Mayor Blanton stated there needs to be an ordinance presented at the next Council meeting (October 28, 2021). Mr. Perry agreed with Mayor Blanton and added there will be additional documents added. Mr. Perry said he should hear back from the bond insurance company soon. Mr. Perry said interest rates have been all over the place lately. Mayor Blanton thanked Mr. Perry and Mr. Kellner for attending the Council meeting and providing information.

CONSIDER AND ACT ON RESOLUTION NO. 127 AUTHORIZING THE CITY MANAGER TO SIGN DOCUMENTS FOR REFUNDING OF GENERAL OBLIGATION BONDS (GRAHAMCO 13, GRAHAMCO 13A):

Mayor Blanton said there will be no action would be taken on resolution number 127 but will consider an ordinance at the next meeting (October 28, 2021).

CONSIDER AND ACT ON THE YOUNG CENTRAL APPRAISAL DISTRICT (YCAD) 2021-2022 BUDGET:

Mayor Blanton said action needs to be taken on whether Council approves or disapproves of the YCAD budget. Jack Little made the first motion to disapprove. Alex Heartfield said he does not think the budget is out of line. Randy Cantin seconded the disapproval. Mayor Blanton asked those who disapprove to raise their hand. Jack Little, Shana Weatherbee-Wolfe, and Randy Cantin raised their hands. Alex Heartfield did not raise his hand. The YCAD 2021-2022 budget was disapproved on a vote of 3-1.

CONSIDER AND ACT ON RESOLUTION NO. 128 NOMINATING A REPRESENTATIVE TO THE YOUNG CENTRAL APPRAISAL DISTRICT BOARD:

Mayor Blanton said Darby Brockway has represented the City (of Graham) since he began on City Council and is no longer on City Council so a new representative is necessary. Shana Weatherbee-Wolfe said she nominated Jack Little as the representative. Alex Heartfield seconded. Jack Little was approved to serve as the YCAD board representative for the City of Graham. With a vote of 3-0, Jack Little was approved. Jack Little abstained from the vote.

Mayor Blanton announced entering Executive Session.

ENTERED INTO EXECUTIVE SESSION AT 9:19 A.M.

551.072 Deliberation Regarding Real Property
- Discuss Bid received from Lake Lot #259 to purchase their lease from the City of Graham.

EXIT FROM EXECUTIVE SESSION AT 9:40 A.M.

CONSIDER AND ACT ON A BID RECEIVED FROM LAKE LOT #259 TO PURCHASE THEIR LEASE FROM THE CITY OF GRAHAM:

Alex Heartfield made the motion to accept the offer at fair market value, subject to the agreement on deed restrictions, and authorizing the City Manager to execute the deed. Jack Little provided the second motion. The bid offer was unanimously accepted with a vote of 4-0.

CONSIDER AND ACT ON A REQUEST BY FIRST BAPTIST CHURCH TO CLOSE THE 600 BLOCK OF CHERRY STREET ON OCTOBER 31, 2021, FROM 3:00 P.M. TO 7:00 P.M., FOR THEIR ANNUAL TRUNK OR TREAT:

Randy Cantin made a motion to accept the request. Shana Weatherbee-Wolfe provided the second motion. The request was unanimously approved 4-0.

REPORTS:

- Public Works Director, Randall Dawson, said staff are still repairing water leaks and doing work on the streets. Jack Little asked Randall if the dumpster had been moved. Randall said it is a dumpster for an apartment at the 900 block of Kentucky. Randall said he is trying to contact the property owner. Jack Little said the dumpster needs to be removed from the alley due to the damage the trash truck is creating. Randall and Jack Little discussed the condition of the alley. Randy Cantin said he would talk to staff at Waste Connections. Mayor Blanton asked Randy Cantin to keep Brandon informed (contacting Waste Connections).
- Municipal Judge, Jim Reeves, said Municipal Court will have an updated report for them at the next Council meeting (October 28, 2021).
- Grant Ingram, Executive Director of Graham Economic Improvement Corporation (GEIC) said he is busy and has a lot of things in the pipeline.
- City Secretary, Sharon McFadden said the lake level is 91.2 percent full.

ADJOURNMENT:

Jack Little made the motion to adjourn the meeting and Randy Cantin seconded.



Neal Blanton, Mayor

ATTEST:



Sharon McFadden, City Secretary