

REGULAR MEETING OKEMAH CITY COUNCIL

WHEN: MONDAY, AUGUST 12, 2024 @ 6:00 P.M.

PLACE: OKEMAH CITY HALL, 502 WEST BROADWAY, OKEMAH, OK

I. Attendees

- Mayor Ron Gott
- Vice Mayor Ronnie Lucas
- Board Member Brandon Anderson
- Board Member Wayne Bacon
- City Manager Kristy Lesley
- Chris Wolff (Municipal Finance Services Representative)
- Nate Ellis (Public Finance Law Group Representative)
- City Clerk Treasurer Relena Haddox

II. Okemah City Council Meeting Minutes

Call to Order & Pledge of Allegiance

- Mayor Gott called the meeting to order at 6:00 PM and led the Pledge of Allegiance.
- Roll call confirmed a quorum.

Approval of Previous Meeting Minutes

- A motion to approve the minutes from the previous meeting was made by Wayne Bacon, seconded by Ronnie Lucas, and passed unanimously.

Approval of Purchase Orders

- A motion to approve the purchase orders from the previous meeting was made by Brandon Anderson, seconded by Wayne Bacon, and passed unanimously.

Public Appearances

- No public appearances were noted.

Public Hearing

- No public comments
- Mayor Gott explained the public hearing process, allowing citizens five minutes to address the council with questions or concerns.

F. Resolution Regarding Promissory Note, Lease Agreement, and Sales Tax Agreement

- **Resolution Details:** Consideration and action on a resolution approving action taken by the Okema Utility Authority, authorizing a promissory note to the Oklahoma Water Resources Board (OWRB), ratifying an amended lease agreement and

operation/maintenance contract, and confirming a sales tax agreement pledging certain sales tax revenue.

- **Action:** A motion to adopt the resolution and move forward was made by Ronnie Lucas, seconded by Wayne Bacon, and passed unanimously.

G. Water Treatment Plant Project Financing

- **Presentation by Chris Wolff:** Chris Wolff presented a detailed financial analysis of the water treatment plant project, including funding sources, cost increases, and proposed financing options.
- **Key Financial Points:**
 - Wolff explained the project's cost escalation from an initial estimate of \$20-22 million to approximately \$30-35 million.
 - Wolff detailed the funding sources, including a prior OWRB loan, ARPA grants, and IHS monies.
 - Wolff presented a funding gap of \$2.275 million needed to complete the project.
 - Wolff proposed using \$75,000 of city cash on hand to mitigate rate increases.
 - Wolff outlined a proposed OWRB loan of \$2.185 million with a true interest cost of approximately 4.20%.
 - Wolff presented a 30-year fixed-rate loan structure with annual payments between \$130,000 and \$135,000.
 - Wolff explained the loan's call option after seven years, allowing for potential refinancing.
 - Wolff proposed a rate increase of \$9 per month for both water and sewer customers to cover the increased debt service and maintain the required 1.40x debt coverage ratio.
- **Council Discussion:** Vice Mayor Lucas expressed concern over the significant increase in project costs from the initial estimate.
- **Clarification:** Wolff clarified that the \$135,000 annual payment figure represents the additional debt service from the new loan, not the total debt load. He further explained the need to account for a projected decrease in revenue from rural water districts due to usage patterns.
- **Action:** A motion to approve the proposed financing plan and rate increases was made, seconded, and passed unanimously.

H. Tax Increment Financing (TIF) District

- **Presentation by Nate Ellis:** Nate Ellis presented a comprehensive overview of the proposed TIF district, including its purpose, boundaries, projected revenues, and potential impacts.
- **Key TIF Points:**
 - Ellis explained the TIF process and the role of the TIF review committee.
 - Ellis outlined the proposed TIF boundaries and project area.
 - Ellis detailed the projected infrastructure costs, including road improvements, signalization, and lift station upgrades.
 - Ellis presented projected TIF revenues over 25 years, including ad valorem, sales tax, and hotel tax increments.

- Ellis explained the revenue-sharing mechanism, allocating 50% of ad valorem increments to taxing entities and 50% to project costs.
 - Ellis addressed potential impacts on population, business activity, and tax collections.
- **Public Hearing:** The first public hearing on the proposed TIF district was opened.
- **Public Question:** A member of the public inquired about potential tax increases.
- **Clarification:** Ellis and City Manager Lesley clarified that the TIF would not increase tax rates but would capture a portion of the incremental new revenue generated within the district. Further discussion ensued regarding the current sales tax rate and public perception.

H. Approve Delta Airport Task Order No.4 in the amount of \$145,000.00

- **Action:** A motion to approve task order made by Brandon Anderson, seconded by Wayne Bacon, and passed unanimously.

I. Airport Hangar Construction

- **Update:** Mayor Gott provided an update on the airport hangar construction project, noting that the project is funded by state grant money. The bid opening was scheduled for August 21st or 22nd, with a 45-day state review period and a 180-day construction timeline.
- **Action:** A motion to approve Task Order #4 with Delta Airport Consultants for \$145,000 for professional services was made, seconded, and passed unanimously.

J. Project Updates

- **Street Overlay:** City Manager Lesley reported that the street overlay project was completed within budget, but some streets were not addressed due to higher-than-anticipated costs. Discussion followed regarding addressing drainage issues on certain streets.
- **Signage:** Mayor Gott discussed plans for a new Okemah Lake sign, with potential placement on a private property owner's sign.
- **Airport:** Mayor Gott provided an update on the airport project, including completed taxiways and the upcoming hangar construction. He also mentioned ongoing efforts to secure funding for a fuel system and pilot's lounge.

K. City Manager's Comments

- **Building Demolition:** City Manager Lesley provided an update on the demolition of buildings at 514 and 516, noting that DEQ testing was conducted for asbestos. Final results were pending for 514, which could impact demolition costs.
- **Boat Sale:** City Manager Lesley reported the sale of the city's boat for \$22,000 and discussed plans to use the proceeds for a side-by-side vehicle, a small boat, and potentially paddle boats and kayaks for a rental program.
- **OWRB:** City Manager Lesley announced that OWRB and OSU plan to install a new water gauge in the lake for research purposes.

Adjournment

- Mayor Gott adjourned the meeting at 6:24p.m

Relena Haddox, City Clerk

Ron Gott, Mayor

