



CITY of McLENDON-CHISHOLM
CITY COUNCIL WORKSHOP
July 15, 2014

1. CALL TO ORDER

Mayor Moody called the workshop of the City Council of the City of McLendon-Chisholm, Texas to order at 6:30 p.m.

City Council Present:	Gary Moody	Mayor
	Steve Hatfield	Mayor Pro-Tem
	Gary Lovell	Council Member
	Jack Pullen	Council Member 6:31 p.m.
	Patrick Short	Council Member
	Lee Nichols	Council Member
Staff Present:	David Butler	City Administrator
	Deborah Sorensen	City Secretary

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Short gave invocation and led the Pledge of Allegiance.

3. CITIZENS COMMENTS

None

4. REGULAR BUSINESS

a. Discussion of projections for the City

Council Member Short suggested that Mike Coker, City Planner, do financials projections for build out of city. Mike Coker stated that he could take a long term look at what the tax base would look like with the city at build out or 30 years. He would look at how much land has been used year by year and what the zoning density would look like in 30 years. He can do a spread sheet and plug in numbers as needed. They would need to discuss ad valorem taxes and debt service. The ad valorem taxes cover debt services first, i.e. capital improvements, city hall, fire station etc. It would cost approximately \$7,500 to complete this project. Mayor Moody stated that we have completed a five year budget projections. He doesn't understand how Mike can have numbers at 30 years out. Mike Coker stated that it would be accurate numbers plus or minus 15%-20%. You can graph the history to get the future. There is construction everywhere and the economy is getting better. Mayor Pro-Tem is not keen spending that kind of money, however, he is not comfortable not knowing what the future may hold. Having accurate information that far out is worth the expense. Council Member Pullen stated that is good to have goals. He thinks that it is a good idea. The further out you go, the less accurate it will be. He feels five to ten years would be better. Council Member Nichols thinks that the data is important. Doesn't feel we need 30 years out. Council Member Lovell stated that we are spending money like it is falling out of the sky. He is opposed to paying \$7,500 to get projections. Mayor Pro-Tem Hatfield stated that we have the responsibility to the citizens to do the best job that we can. We have the largest land mass left in Rockwall County. Council Member Short stated that we have to rely on our experts. Mayor Moody stated that we need to be ahead of the ball and not behind it. When they looked at instituting the ad valorem tax, they didn't look down the road. They only looked at keeping the doors open.

No Action Taken

b. Discussion of funding options for the new City Hall

Boyd London, with First Southwest, stated that they looked at doing 1.5 million dollar bond. They do not do an amortization that looks at growth. That way if the growth stops, you can still pay your repayment. They made some assumptions on the interest rates. They looked at a seven year amortization rate as well. City Hall will last a long time and will need to expand in the future. What the city did right was to buy all the acreage at once and paid cash for it. Mayor Pro-Tem Hatfield would like to see a valuation estimate as well. Council Member Short stated that is part of Mike Coker's projections. Boyd London stated that when your valuations goes up, typically your need for service goes up as well.

No Action Taken

c. Discussion of future capital improvement needs

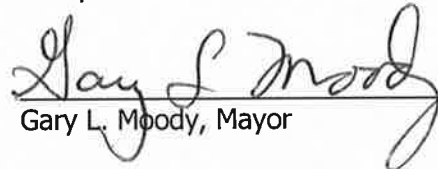
No Action Taken

5. CITY COUNCIL COMMENTS

None

6. ADJOURN

Council Member Short made a motion to adjourn. Council Member Nichols seconded the motion. **Motion passed 5-0.** The workshop was adjourned at 7:45 p.m.



Gary L. Moody, Mayor

ATTEST:



Deborah Sorensen, City Secretary

