Regular Meeting of the:

Pampa City Commission

September 9, 2014

4:00 p.m.

City of Pampa
201 W. Kingsmill St.
P.O. Box 2499
Pampa, Texas  79066-2499
Phone: 806-669-5750
Fax: 806-669-5767
PLEDGE OF ALLEGIANCE
TO TEXAS FLAG

“HONOR THE TEXAS FLAG;
I PLEDGE ALLEGIANCE TO
THEE; TEXAS, ONE STATE
UNDER GOD, ONE AND
INDIVISIBLE.
CITY OF PAMPA  
CITY COMMISSION AGENDA  
REGULAR MEETING  

John Studebaker, Commissioner Ward 1  Brad Pingel, Mayor  Richard Morris, City Manager  
Chris Porter, Commissioner Ward 2  Karen Price, City Secretary  
Robert Dixon, Commissioner Ward 3  Leland Waters, City Attorney  
Karen McLain, Commissioner Ward 4  Shane Stokes, Asst. City Manager  

Notice is hereby given of a REGULAR MEETING of the City Commission of the City of Pampa, Texas to be held on TUESDAY, SEPTEMBER 9, 2014 at 4:00 p.m. at City Hall – City Commission Chamber, Third Floor, 201 W. Kingsmill, Pampa, Texas, for the purpose of considering the following agenda items.  

All agenda items are subject to action. The City Commission reserves the right to adjourn into Executive Session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.  

CALL TO ORDER  

INVOCATION  

PLEDGE OF ALLEGIANCE  

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PUBLIC COMMENTS:  
Citizens who have signed a card to speak to the City Commission will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the City Staff and City Commission Members are prevented from discussing the subject and may respond only with statements of factual information or existing city policy. Citizens are limited to three (3) minutes for their presentation to the City Commission.  

PUBLIC HEARING: The City Commission of the City of Pampa, Texas will conduct a Public Hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 17.66 percent (percent by which proposed tax rate exceeds lower of rollback or effective tax rate calculated under Chapter 26 of the Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.  

If the governing body adopts the proposed tax rate of $0.717584 of taxable value, the amount of taxes imposed this year on the average home would be $364.60. Members of the public are encouraged to attend the public hearing and express their views.  

AUTHORIZED BY CITY COMMISSION:  

1. Consider approving the minutes of the August 26, 2014 regular City Commission Meeting as presented.
2. Excuse the absence of Commissioner Karen McLain from the August 13, 2014 special City Commission Meeting.


6. Consider authorizing the City Manager to renew a three (3) year Contract with David Teichmann for the Operation of Hidden Hills Municipal Golf Course.

7. Consider extending two (2) year Farm Land (surface only) Lease Agreement with Richard and Linda DeVuyst d/b/a Red River Dairy for land located on Section 53.


ADJOURNMENT

CERTIFICATION

I certify that the above Agenda was posted on the outside officially designated bulletin board in front of City Hall, facing Kingsmill Street, a place convenient and readily accessible to the general public at all times and said Agenda was posted on FRIDAY, SEPTEMBER 5, 2014, BEFORE 5:00 P.M. and remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Karen L. Price, City Secretary

ASSESSIBILITY STATEMENT

In compliance with the Americans with Disabilities Act, the City of Pampa will provide for reasonable accommodations for persons attending City Commission meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Karen Price, City Secretary, at 669-5750. City Hall is wheelchair accessible. Entry is on the West side of the building.
AGENDA REMOVAL NOTICE
This public notice was removed from the official designated bulletin board at 201 W. Kingsmill Street, Pampa, Texas, City Hall on the following date and time:

Date: _________________________________  Time: _________________________________

By: ___________________________________________
PUBLIC HEARING – PROPOSED TAX RATE

MEETING DATE: September 9, 2014

DESCRIPTION: PUBLIC HEARING: The City Commission of the City of Pampa, Texas will conduct a Public Hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 17.66 percent (percent by which proposed tax rate exceeds lower of rollback or effective tax rate calculated under Chapter 26 of the Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

If the governing body adopts the proposed tax rate of $0.717584 of taxable value, the amount of taxes imposed this year on the average home would be $364.60. Members of the public are encouraged to attend the public hearing and express their views.
AGENDA ITEM NO. 1

ITEM/PROJECT: MINUTES

MEETING DATE: September 9, 2014

DESCRIPTION: Consider approving the minutes of the August 26, 2014 regular City Commission Meeting as presented.

STAFF CONTACT: Karen Price

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION: Approve minutes as presented.

BACKGROUND/ADDITIONAL INFORMATION: Minutes attached.
CALL TO ORDER: Mayor Brad Pingel at 4:05 p.m.

PRESENT: Brad Pingel Mayor
John Studebaker Commissioner
Chris Porter Commissioner
Robert Dixon Commissioner
Karen McLain Commissioner

ABSENT: None

STAFF: Richard Morris City Manager
Shane Stokes Asst. City Manager
Leland Waters City Attorney
Karen Price City Secretary
Donny Hooper Public Works Director
Kelly Rushing Chief of Police
Kim Powell Fire Chief
Kevin Webb IT Manager
Gayla Pickens Asst. Finance Director
Cary Rushing Building Official

VISITORS: Lori Byrne Chamber of Commerce
Mac Smith Pampa Business Owner

NEWS MEDIA: John Lee Pampa News
Mike Erhle KGRO Radio

INVOCATION: Brad Pingel Mayor

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PUBLIC COMMENTS: NONE

AUTHORIZATIONS BY COMMISSION:

14-102

1. Consider approving the minutes of the August 12, 2014 Work Session and Regular Meeting and the August 13, 2014 Special Meeting as presented.

A motion was made by Commissioner Dixon and Seconded by Commissioner Porter to approve the minutes of the August 12, 2014 Work Session and Regular Meeting and the August 13, 2014 Special Meeting as presented, with each Commission Member voting AYE, the motion carried.

14-103

2. Consider adopting on second and final reading Ordinance No. 1619, an Ordinance of the City of Pampa amending the monthly rates to be charged for water within and outside the corporate limits of Pampa, Texas.

ORDINANCE NO. 1619

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT THE CODE OF ORDINANCES BE AMENDED BY REVISING
CHAPTER 13, SECTIONS 13.02.038 AND 13.02.039 OF SAID CODE PROVIDING FOR THE MONTHLY RATES TO BE CHARGED FOR WATER WITHIN AND OUTSIDE THE CORPORATE LIMITS OF THE CITY OF PAMPA, TEXAS, RESPECTIVELY, AND PROVIDING FOR AN EFFECTIVE DATE.

A motion was made by Commissioner McLain and Seconded by Commissioner Studebaker to adopt on second and final reading Ordinance No. 1619, an Ordinance of the City of Pampa amending the monthly rates to be charged for water within and outside the corporate limits of Pampa, Texas, with each Commission Member voting AYE, the motion carried.

14-104

3. Consider adopt on second and final reading Ordinance No. 1620, an Ordinance of the City of Pampa amending the monthly rates to be charged for sewer service within and outside the corporate limits of Pampa, Texas.

ORDINANCE NO. 1620

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT THE CODE OF ORDINANCES BE AMENDED BY REVISIONING SECTION 13.03.002 OF SAID CODE PROVIDING FOR THE MONTHLY RATES TO BE CHARGED FOR SEWER SERVICE WITHIN AND OUTSIDE THE CORPORATE LIMITS OF THE CITY OF PAMPA, TEXAS; AND PROVIDING FOR AN EFFECTIVE DATE.

A motion was made by Commissioner Porter and Seconded by Commissioner Dixon to adopt on second and final reading Ordinance No. 1620, an Ordinance of the City of Pampa amending the monthly rates to be charged for sewer service within and outside the corporate limits of Pampa, Texas, with each Commission Member voting AYE, the motion carried.

14-105

4. Consider adopting on second and final reading Ordinance No. 1621, an Ordinance of the City of Pampa amending rates for solid waste disposal for residential and other customers within and outside the corporate limits of Pampa, Texas.

ORDINANCE NO. 1621

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT THE CODE OF ORDINANCES, BE AMENDED BY REVISIONING CHAPTER 6, SECTIONS 6.05.010(a), 6.05.010(b), AND 6.05.010(d), PROVIDING FOR RATES FOR SOLID WASTE DISPOSAL FOR RESIDENTIAL AND OTHER CUSTOMERS WITHIN AND OUTSIDE THE CORPORATE LIMITS OF THE CITY OF PAMPA, TEXAS, RESPECTIVELY, AND PROVIDING FOR AN EFFECTIVE DATE.

A motion was made by Commissioner Dixon and Seconded by Commissioner Studebaker to adopt on second and final reading Ordinance No. 1621, an Ordinance of the City of Pampa amending rates for solid waste disposal for residential and other customers within and outside the corporate limits of Pampa, Texas, with each Commission Member voting AYE, the motion carried.

14-106

5. Consider adopting on second and final reading Ordinance No. 1622, an Ordinance of the City of Pampa amending tonnage fees to be charged at the City’s Sanitary Landfill.
A motion was made by Commissioner Studebaker and Seconded by Commissioner McLain to adopt on second and final reading Ordinance No. 1622, an Ordinance of the City of Pampa amending tonnage fees to be charged at the City’s Sanitary Landfill, with each Commission Member voting AYE, the motion carried.

14-107

6. Consider reappointing Cleo Meaker, Lyndon Field and Kevin Hunt to the Board of Adjustments for a two year term with term beginning October 1, 2014 and ending September 30, 2016.

A motion was made by Commissioner Dixon and Seconded by Commissioner Studebaker to reappoint Cleo Meaker, Lyndon Field and Kevin Hunt to the Board of Adjustments for a two year term with term beginning October 1, 2014 and ending September 31, 2016, with each Commission Member voting AYE, the motion carried.

14-108

7. Consider adopting Resolution No. R14-008, a Resolution of the City of Pampa, Texas appointing Mac Smith to the Canadian River Municipal Water Authority Board of Directors for a two year term, term will begin immediately and end July 31, 2016.

A motion was made by Commissioner Porter and Seconded by Commissioner Dixon to adopt Resolution No. R14-008, a Resolution of the City of Pampa, Texas appointing Mac Smith to the Canadian River Municipal Water Authority Board of Directors for a two year term, term will begin immediately and end July 31, 2016, with each Commission Member voting AYE, the motion carried.

14-109

8. Consider adopting Resolution No. R14-009, a Resolution of the City of Pampa, Texas authorizing the submission of a FY 2015 Regional Solid Waste Grants Program application to the Panhandle Regional Planning Commission.

RESOLUTION NO. R14-009

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAMPA, TEXAS, AUTHORIZING THE SUBMISSION OF A FY 2015 REGIONAL SOLID WASTE GRANTS PROGRAM APPLICATION TO THE PANHANDLE REGIONAL PLANNING COMMISSION (PRPC) AND AUTHORIZING THE CITY MANAGER TO REPRESENT THE CITY IN ALL MATTERS PERTAINING TO THIS APPLICATION.

A motion was made by Commissioner Studebaker and Seconded by Commissioner McLain to adopt Resolution No. R14-009, a Resolution of the City of Pampa, Texas authorizing the submission of a FY 2015 Regional Solid Waste Grants Program application to the Panhandle Regional Planning Commission, with each Commission Member voting AYE, the motion carried.
9. Consider approving a two year agreement with the Chamber of Commerce Tourism Committee for tourism advertisement and promotion.

A motion was made by Commissioner McLain and Seconded by Commissioner Studebaker to approve a two year agreement with the Chamber of Commerce Tourism Committee for tourism advertisement and promotion, with each Commission Member voting AYE, the motion carried.


A motion was made by Commissioner McLain and Seconded by Commissioner Studebaker to approve the List of Disbursements dated July 2014 with total Disbursements being $2,020,316.62 and the amount after balance sheet and income accounts being $967,797.55, with each Commission Member voting AYE, the motion carried.

11. EXECUTIVE SESSION – The City Commission convened into closed session at 4:21 pm in accordance with Texas Government Code, Subchapter D, Section 551.071-Consultation with Attorney to discuss:

   ▶ Pending or Contemplated Litigation

RECONVENED – The City Commission reconvened into open session at 4:30 p.m. with no action to be taken.

ADJOURNMENT

There being no further business on the agenda, the meeting was adjourned at 4:30 p.m. by Mayor Brad Pingel.

Karen L. Price, City Secretary  Brad Pingel, Mayor
AGENDA ITEM NO. 2

ITEM/PROJECT: EXCUSE COMMISSION ABSENCE

MEETING DATE: September 9, 2014

DESCRIPTION:
Excuse the absence of Commissioner Karen McLain from the August 13, 2014 special City Commission Meeting.

STAFF CONTACT:

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION:
AGENDA ITEM NO. 3

ITEM/PROJECT: BOARD REAPPOINTMENTS

MEETING DATE: September 9, 2014

DESCRIPTION: Consider reappointing Annie Hall, Lance DeFever, Darville Orr and Ty Stubblefield to the Planning & Zoning Commission for a two year term beginning October 1, 2014 and ending September 30, 2016.

STAFF CONTACT: Donny Hooper

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION:
AGENDA ITEM NO. 4

ITEM/PROJECT: BOARD REAPPOINTMENTS

MEETING DATE: September 9, 2014

DESCRIPTION: Consider reappointing OK Lee, Stuart Smith, James White and John Howell to the Hidden Hills Golf Advisory Board for a two year term beginning October 1, 2014 and ending September 30, 2016.

STAFF CONTACT: Shane Stokes
                 David Teichmann

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION:
AGENDA ITEM NO. 5

ITEM/PROJECT: APPOINT ELECTION JUDGES AND ALTERNATES.

MEETING DATE: September 9, 2014


STAFF CONTACT: Karen Price
Leland Waters

FINANCIAL IMPACT: Judges and Alternates are paid $10.00 per hour. Both positions average 15 hours each on Election Day. Early Voting Judges will average 88 hours each.

SOURCE OF FUNDS: Operating Budget

START/COMPLETION SCHEDULE: Appoint Election Judges and Alternates as recommended.

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION: List of Judges and Alternates attached.
Memo

To: The Honorable Mayor and Commission
From: Karen Price, City Secretary
Date: September 5, 2014
Re: Election Judge and Alternates

Below is the list of proposed Judges and Alternate Judges for the City of Pampa Special Election (Joint Election with Gray County) to be held on November 4, 2014.

As the governing body conducting the November 4th Special Election, you are responsible for appointing the Election Judges and Alternates. Because we will be conducting our Election jointly with Gray County this year, we are required to appoint Judges and Alternates to each Precinct that City of Pampa residents vote in.

Appointment of Judge and Alternates will be for the November 2014 Special Election only.

If you have any questions concerning these appointments, please call me.

**Early Voting Judge and Alternate**

Nell Bailey, Judge
1201 S. Hobart
Pampa, TX

Nancy Whitten, Alternate
410 Texas Ave.
Pampa, TX

**Election Day Judges and Alternates**

Precinct 2
Lovett Library
Nell Bailey, Judge
1201 S. Hobart
Pampa, TX
Hector Leal, Alternate
1101 Finley
Pampa, TX

Precinct 5
First Christian Church
Roy Morriss, Judge
1515 N. Faulkner
Pampa, TX
Martha Jonas, Alternate
2232 N. Christy
Pampa, TX
Precinct 6
Zion Lutheran Church
Ora Mae Hedrick, Judge
725 N. Wells
Pampa, TX
Ron Schmidt, Alternate
2534 Fir
Pampa, TX

Precinct 7
M.K. Brown Auditorium
Laura Loughmiller, Judge
1527 Hamilton
Pampa, TX
Wynola Sanders, Alternate
1305 Crawford
Pampa, TX

NOTE: Bilingual Judges or/and Clerks will be available at each Precinct as per State Law.
AGENDA ITEM NO. 6

ITEM/PROJECT: RENEW CONTRACT FOR OPERATION OF MUNICIPAL GOLF COURSE

MEETING DATE: September 9, 2014

DESCRIPTION: Consider authorizing the City Manager to renew a three (3) year contract with David Teichmann for the Operation of Hidden Hills Municipal Golf Course.

STAFF CONTACT: Shane Stokes
David Teichmann

FINANCIAL IMPACT: $213,740.00 annually

SOURCE OF FUNDS: Operating Budget

START/COMPLETION SCHEDULE: Effective October 1, 2014 through September 30, 2017

RECOMMENDED ACTION: Authorize City Manager to renew Contract with David Teichmann for the Operation of Hidden Hills Municipal Golf Course.

BACKGROUND/ADDITIONAL INFORMATION: Contract is a three year agreement made and entered into between the City of Pampa and David Teichmann (“Contractor”) for the operation of the Hidden Hills Municipal Golf Course. Contract attached.
CONTRACT FOR OPERATION OF MUNICIPAL GOLF COURSE

THIS AGREEMENT is made and entered into by and between the CITY OF PAMPA, a home-rule municipality located in Gray County, Texas (“City”) and DAVID TEICHMANN (“Contractor”).

W I T N E S S E T H:

WHEREAS, the City is the owner of a golfing facility located north of the City in part of Sections 94 and 95, in Block 3, of the I&GN Ry. Co. Survey, Gray County, Texas, known as “Pampa/Hidden Hills Golf Course” (hereinafter referred to as the “Facility”); and

WHEREAS, City desires to contract with Contractor to operate the Facility and to provide services to take charge of, operate, manage, marshal and control said Facility and to provide all personnel required to perform under the provisions of this Agreement; and

WHEREAS, Contractor represents to the City that he is professionally qualified to perform the services under this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter made, the parties hereto DO CONTRACT and AGREE as follows:

ARTICLE 1.
SCOPE OF SERVICES OF CONTRACTOR

Section 1.01 General Scope of Services. Contractor agrees to perform, in a satisfactory manner, all golf professional services for the proper operation, in a businesslike manner, of the Facility in keeping with the terms and provisions of this Agreement.

Section 1.02 P.G.A. Card. Contractor represents to the City that he holds a Class “A” P.G.A. card and agrees to keep and maintain said classification during the term of this Agreement and any renewals and extensions thereof.

Section 1.03 Operation of Pro Shop.

(a) City grants to Contractor the right to operate and maintain a golf pro shop at the Facility for the sale and/or rental of golf equipment, clothing, giving of lessons, and all other services generally provided by such municipal golf pro shop, and as hereinafter specifically enumerated, EXCEPT, however, and there is hereby RESERVED unto the City, the right to own and provide for rental purposes all motorized golf carts to be used at said Facility. Contractor shall rent said cars on behalf of the City pursuant to policies and procedures established by the City.
(1) Said golf carts will be made available during all hours said Facility is open, conditions of the course permitting.

(2) All rental fees of said golf carts shall be set and established by the City.

(3) All of said golf carts shall be maintained in good mechanical condition by the Contractor. City, at its sole cost and expense, will furnish all repair and replacement parts.

(4) Rental of additional carts which may be required for tournaments or otherwise over and above cart inventory as required under paragraph 2.02 of Article 2 below shall be with the written approval of the Community Services Director.

(b) Contractor shall provide and maintain, at his sole cost and expense, a first class golf shop to provide clubs, balls, clothing, caddie carts and other golf paraphernalia for sale and/or rental, together with services for the repair of golf equipment. Contractor shall provide all furnishings and equipment necessary in the operation of his pro shop. Contractor agrees to maintain an adequate inventory for said golf shop and with a sufficient number of caddie carts for rental.

(c) Except as hereinafter specifically agreed to be provided by the City, Contractor shall provide for telephone services relating to his pro shop operation.

Section 1.04 Golf Lessons. All golf lessons shall be within the exclusive control of Contractor.

Section 1.05 Acceptance of the Facility. Except as hereinafter specifically assumed by the City, Contractor shall keep and maintain all of the buildings and like improvements located on the Facility in a good condition and repair, fair wear and tear and damage by the elements alone is accepted. Contractor accepts said Facility in an “AS IS” condition, “WITH ALL FAULTS.” At the expiration or termination of this Agreement, Contractor agrees to peacefully surrender possession of the facility.

Section 1.06 Cleaning or Improvements. Contractor shall keep the premises of the Facility in a neat, clean and sanitary condition.

Section 1.07 Licenses.

(a) In the operation of the pro shop and other business services of the Contractor required or permitted under this Agreement, Contractor shall obtain, at his sole cost and expense, all licenses and permits which may be required in the operations permitted hereunder.
(b) The Contractor shall procure all permits and licenses, including but not limited to, any required state licenses for application of herbicides and pesticides, and, with the exception of the Alcoholic Beverage License, shall pay all charges and fees necessary and incidental to the lawful conduct of the services. Contractor shall keep himself fully informed of all existing and future, federal, state, and local laws, ordinances and regulations which in any manner affect the fulfillment of the Agreement and comply with the same.

Section 1.08 Beer Sales. Contractor shall be responsible for the purchase and sale of beer, hold the liquor license for the sale of beer, carry liability insurance to allow the sale and consumption of alcoholic beverages, train, supervise and monitor employees’ compliance with all laws related to beer sales and report sales and costs to the City.

Section 1.09 Taxes. Contractor shall promptly report and pay ad valorem taxes, sales taxes and any other assessment which may be made relating to the services and properties of the Contractor which are provided under this Agreement by the Contractor.

Section 1.10 Alterations of Improvements. No alterations in the existing improvements at the Facility or additions thereto may be made by Contractor without the prior written consent of the City. Any permanent fixtures installed by Contractor or other structural changes made with the consent of the City shall inure to and become the property of the City. Any "trade fixtures" shall remain the property of Contractor and may be removed by him at the expiration or termination of this Agreement, provided that said Contractor is not in default hereunder.

Section 1.11 Repairs. Contractor agrees to repair, at his cost and expense, any and all damages or injury to the property of the City caused by the Contractor or any of his agents or employees.

Section 1.12 Rules and Regulations. The parties will mutually agree on the rules and regulations relating to the use of said Facility by patrons, players and other persons on said premises. Contractor shall enforce the agreed rules and regulations.

Section 1.13 Hours of Operation. The Facility shall be open seven (7) days a week from sunrise to sunset each day as the parties may mutually agree.

Section 1.14 Employees. Contractor shall hire at his own cost and expense such employees, including but not limited to, a golf course Superintendent, as Contractor may deem necessary for the operation of the pro shop, driving range, cart rental and repair, and the general operation of the Facility. The Superintendent shall be a person with previous experience as a golf course Superintendent or Assistant Superintendent and fully qualified to perform all the duties and functions of that position. The number of employees, whether full-time or part-time, shall be sufficient to provide good and efficient management of the Facility. Contractor shall be available at all reasonable times during the operation of the Facility.
Section 1.15 Playing Conditions. Contractor shall provide advice to and consultation with the City concerning playing conditions and other matters in order to provide a first-class municipal golf facility.

Section 1.16 Greens, Fairways and Tees. Contractor shall keep and maintain all greens, fairways, tees, and driving range in as good or better condition as of the effective date of this Agreement. Contractor shall insure that sufficient water (provided it is available from the City), fertilizer, herbicide and other required treatment shall be done so that the condition of the Facility shall be maintained in the same standard of municipal golf courses in the City of Amarillo.

Section 1.17 Character of Employees. All of Contractor’s employees shall be of good moral character and properly trained.

Section 1.18 Independent Contract Status. Contractor shall be deemed an independent contractor and shall have the sole responsibility and duty for the operation, management, supervision and control of the golf course. All employees which Contractor is required or elects to employ by the terms of this Agreement shall be his employees and shall be paid by Contractor and subject to his control and supervision only. Contractor shall be responsible for all FICA, withholding taxes, unemployment taxes and the obligations relating to Contractor’s employees. Any employees of Contractor who may operate motor vehicles shall be duly licensed under the laws of the State of Texas, licensed for the type of vehicle being operated.

Section 1.19 Contractor Not City Agent. Contractor has no authority to act for or bind the City to any contract or in any manner without the City’s prior written consent and approval.

Section 1.20 Advertising. The parties will agree on an advertising program to promote the Facility, with costs to be negotiated. City shall not be responsible for any costs of advertising associated with marketing Contractor’s lessons, products or other services available for sale and/or rental at the golf pro shop.

ARTICLE 2
SERVICES AND FACILITIES TO BE FURNISHED BY CITY

Section 2.01 Ownership.

(a) City is the owner of the Facility located north of the current city limits of the City which consists of an 18-hole grass green golf course with underground sprinkler system and including, but not limited to, golf pro shop; golf storage facility; equipment storage building; driving range; and trailer home for the use and benefit of the City.

(b) City agrees to provide said Facility to the Contractor in keeping with the terms, limitations and restrictions set forth in this Agreement.
Section 2.02  **Golf Carts.**  City agrees to provide no less than forty (40) motorized golf carts.

Section 2.03  **City Provided Utilities.**  City agrees to provide all utilities as currently exist at the Facility and including one toll restricted telephone line to the pro shop and telephone service to the maintenance facility. No additional utility services shall be provided by the City, over and above those currently provided, without the prior written consent of the City.

Section 2.04  **City Provided Improvements.**  City shall furnish the basic buildings which are currently constructed at the facility. Any major repairs required to keep and maintain said buildings shall be done at the cost and expense of City.

Section 2.05  **Driving Range.**  City shall provide at its expense, all balls, automatic ball dispensers and other means for providing balls for customers of the driving range.

Section 2.06  **City Expenses.**  City agrees to budget for each fiscal year during the term hereof an amount, in the opinion of the City, adequate to provide fertilizer, herbicide and for other expenses to be paid by the City. Contractor may expend such reimbursable expenses of not more than $500.00 without prior City approval. Any expenditure in excess of $500.00 must be approved by the City’s Community Services Director.

Section 2.07  **Inventory.**  The parties, on or about the effective date of this Agreement, will jointly conduct an inventory of all City-owned equipment, furniture, fixtures, tools, and supplies which the City will furnish for the operation of the golf course. Contractor accepts such inventory “AS IS” and “WITH ALL FAULTS.” At the termination or expiration of this Agreement, all of such inventory will be returned to the City in as good condition as when received, fair wear and tear and incidental breakage or failure excepted. Contractor will reimburse the City for any missing inventory at its fair market value. None of the City-owned inventory shall be used for personal use.

**ARTICLE 3**

**FINANCIAL CONSIDERATIONS**

Section 3.01  **Rental to City.**  Contractor agrees to pay to the City, at Pampa, Texas, as rent for the concession premises, the sum of Ten Dollars ($10.00) per month, payable in advance, for each month during the term of this Agreement. Such rental shall be due and payable on or before the 1st day of each and every month during the term hereof, beginning October 1, 2011.

Section 3.02  **Payments to Contractor.**  In consideration of the services to be performed hereunder by Contractor, Contractor shall be paid as follows:
(a) An annual fee of $213,740.00 for each 12 months of the three-year term to be paid in bi-weekly payments of $8,220.00 on the same dates and manner as the City’s payroll, with the first of such payments on or about October 10, 2014, and to continue bi-weekly thereafter during each 12-month period of the three-year term. It is understood that the above fee is determined, in part, on the current minimum wage. If, during the term hereof, an increase in minimum wage is mandated by law, Contractor may request an adjustment in the annual fee and the City agrees to consider, in good faith, an adjustment to offset the direct cost increase resulting from the change in the minimum wage; however, the City is under no obligation to grant such requested increase. In addition, the City agrees to consider adjusting the annual fee in each of the three years by an amount directly related to any cost of living allowance (COLA) given to city employees for the three members of the maintenance staff.

(b) For each 12-month period of the three-year term, ten percent (10%) of the monthly motorized golf cart rentals and, if applicable, of trail fee revenues which share shall be paid to Contractor on or before the 15th day of each month beginning on October 15 during each 12 month term of this Agreement, covering the accounting period of the 10th of the preceding month through the 10th of the month in which payment is made.

(c) Sixty-five percent (65%) of all profits from beer sales after the cost of the alcoholic beverage license and liability insurance, to be paid in the same manner as provided in (b) above.

(d) Twenty-five percent (25%) of all gross revenue from the golf driving range, to be paid in the same manner as provided in (b) above.

(e) All gross revenues from vending and concessions, merchandise, private golf lessons, repairs to golf equipment, and caddie carts which accrue through his operation of the said pro shop.

Section 3.03 Green Fees. All green fees shall remain the property of the City.

Section 3.04 Remitting to City. Contractor shall remit, on not less than two (2) separate days each week, to the City Finance Director, all green fees, motorized golf cart rentals, trail fees (if applicable), and driving range fees collected at the facility. Contractor shall provide the City Finance Director monthly reports of all pro shop revenues, motorized golf cart rentals, green fees, trail fees (if applicable), driving range receipts, and tournament sheets. Such reports shall be prepared according to accounting methods prescribed by the City Finance Director and shall show all income and expenses. Such reports shall be submitted on or before the first day of the month following the month being reported.
Section 3.05 Audit of Records. Following the completion of each and every calendar quarter’s operation, Contractor shall, within twenty (20) days thereafter, make available to the City Finance Director or his/her representative any and all records kept and maintained by the Contractor in accordance with this Agreement for purpose of an internal audit by the City. Records shall be submitted and made available to permit the compilation of quarterly reports itemizing the following revenues, to-wit:

(a) Pro Shop Revenue and Gross Receipts - All gross sales of golf balls, golf clubs, clothing, tees, shoes, gloves, bags, and any other golf merchandise exclusive of motorized golf cart rentals, trail fees and green fees.

(b) Motorized Golf Cart Rentals and Gross Receipts - All gross motorized golf cart rentals provided by the City under the terms of this Agreement.

(c) Green Fees and Gross Receipts - All gross green fees including, but not limited to, annual fees, daily fees, senior fees, student fees, family fees, nonresident fees (if applicable). This report will delineate weekend or holiday play as determined by City from weekday play.

(d) Driving Range and Gross Receipts - All gross driving range revenue.

Section 3.06 Promotions. City and Contractor agree to cooperate in various promotions to advertise and increase the use of the Facility. City agrees to provide up to three hundred (300) green fee passes annually to be used by the Contractor in such promotions.

ARTICLE 4
TERM AND TERMINATION

Section 4.01 Term. The term of this Agreement shall be a period of three (3) years commencing on October 1, 2014, and terminating September 30, 2017, unless sooner terminated as provided below.

Section 4.02 Termination Rights. The City or the Contractor may terminate this Agreement for convenience by service of ninety (90) days written notice on the other party, said notice to be mailed to the address stated below by certified mail, time to run from date of mailing.

Section 4.03 Termination for Cause. The City may terminate this Agreement for cause in the event the Contractor fails to perform in accordance with the provisions of this Agreement or any act or event which operates to make the Contractor unable to provide the services called for in this Agreement. Said termination will be made in writing, directed to the Contractor by the City Manager or his duly authorized representative, setting forth the grounds for said termination. If such grounds for cause are not corrected within thirty (30) days from the date of said notice, the termination shall be effective at the end of said thirty (30) days.
Section 4.04 Purchase of Contractor’s Property Upon Termination. Upon termination of this Agreement under this Article 4, the Contractor shall have the right, subject to any lien or obligations due the City, to remove all personal property owned by the Contractor, or it may be offered to the City of Pampa for purchase at the Contractor’s cost plus freight should the Contractor so desire. However, City shall only be obligated to purchase at cost those items of clothing which bear the City of Pampa or Pampa/Hidden Hills Golf Course name or emblem.

ARTICLE 5
EXAMINATION OF BOOKS AND RECORDS

Section 5.01 Books and Records. The Contractor shall establish accounting procedures that are acceptable to the City Finance Director and will maintain cash register tapes, receipts and such other records in such a manner as to clearly indicate the amount of gross receipts received by the Contractor each month. As a minimum, the Contractor shall maintain a separate set of accounts for this concession and shall separately account for purchases and sales subject to the concession. The City shall have the right to inspect all books of account and ledgers of Contractor relating to the operation of the concession and the right to make or cause to be made audits at reasonable intervals.

ARTICLE 6
FINANCIAL GUARANTY BOND AND PERFORMANCE BOND

Section 6.01 Collection of Fees and Security Deposit. The Contractor agrees to faithfully perform all of his obligations under this Agreement and to collect carefully all green fees, motorized golf cart rentals and other fees, charges and rentals set forth in this Agreement, and to deliver over faithfully to, and to account for same to, the City Finance Director, according to the accounting methods and practices set forth herein. In this connection, City agrees to accept delivery from Contractor of a Certificate of Deposit from a local bank, in the amount of $5,000.00, which Contractor has endorsed over to City, in lieu of a Financial Guaranty Bond or a Performance Bond.

Section 6.02 Return of Security Deposit. It is understood and agreed that upon termination or expiration of the Agreement, or any extension thereof, or upon any other arrangement between the parties whereby all of Contractor’s obligations under this Agreement, including the obligation to collect and account for certain monies belonging to the City, is terminated, then in that event said Certificate of Deposit will be promptly delivered back to Contractor with proper endorsements, by the City Manager or City Finance Director, without any further action being necessary; provided, that any audit called at the time by the City indicates that Contractor has fully complied with the terms and conditions of this Agreement and fully and faithfully accounted for all sums due to the city hereunder. In the event such audit or other evidence indicates to the contrary, the Certificates of Deposit may be summarily forfeited to the City to the extent of any deficiency; and Contractor hereby fully authorizes the City to cash same with the appropriate bank.
ARTICLE 7
INDEMNIFICATION AND INSURANCE PROVISIONS

Section 7.01 Indemnification. The Contractor agrees to indemnify, defend, and save harmless the City, its Mayor and Commission, appointed boards and commissions, officials, officers, employees and insurance carriers, individually and collectively, from all losses, claims, suits, demands, expenses, subrogation’s, attorneys’ fees, or actions of any kind and nature resulting from personal injury to any person, including employees of the Contractor or of any subcontractor employed by the Contractor (including bodily injury or death) or damages to any property, arising or alleged to have arisen out of the work to be performed hereunder, except any such injury or damages arising out of the sole negligence of the City, its officers, agents, or employees. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of indemnity in this paragraph.

Section 7.02 Insurance. The Contractor agrees to:

(a) Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. The Contractor will provide satisfactory certificates of the required coverage to the City Community Services Director before beginning work. All policies will contain an endorsement providing that written notice be given to the City at least ten (10) calendar days prior to termination, cancellation, or reduction in coverage in any policy.

(b) The Comprehensive General Liability Insurance policy will include the City as an additional insured with respect to liability arising out of the performance of this contract. The Contractor agrees that the insurance required hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

(c) Provide and maintain minimum insurance limits as follows:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limits of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Worker’s Compensation</td>
<td>Statutory</td>
</tr>
<tr>
<td>2. Employer’s Liability</td>
<td>$250,000</td>
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<tr>
<td>3. Comprehensive General Liability Insurance</td>
<td>$500,000 Bodily Injury</td>
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<tr>
<td>Including:</td>
<td>Combined Single Unit</td>
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<tr>
<td>(a) Products &amp; Completed Operations</td>
<td>$100,000 Property Damage</td>
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<tr>
<td>(b) Blanket Contractual</td>
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</tr>
<tr>
<td>(c) Personal Injury</td>
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</tr>
</tbody>
</table>
ARTICLE 8
GENERAL PROVISIONS

Section 8.01 Authority to Set Fees. The prices, rates and/or charges for motorized golf cart rentals, green fees, and driving range fees to be collected by Contractor are to be set and determined solely by the City Commission of the City of Pampa.

Section 8.02 Destruction of Improvements. Should the concession premises be substantially destroyed by fire, casualty, war or any other cause through no fault of the Contractor, then this Agreement, at the option of either party, shall cease and expire. In case of partial damage, the City shall forthwith restore the premises to its previous condition. Under no circumstances, however, shall the City be held to indemnify Contractor for any loss of income or personal property during any such partial or total loss or resulting there from of the use of said premises.

Section 8.03 No Landlord-Tenant Relationship. Any other term or provision of this Agreement to the contrary notwithstanding, the relationship of landlord and tenant is not created hereunder, and no right of exclusive control over any real property, including improvements thereto, shall vest in Contractor at any time, and the City Manager and the Director of Community Services shall have the right to enter the concession structures or areas for purposes of inspection of the Facility to determine Contractor’s compliance with this Agreement.

Section 8.04 Signs. No signs or advertising matter of any kind shall be displayed so as to be visible outside the pro shop by Contractor unless first approved in writing by the Community Services Director.

Section 8.05 Notices. Any written notices required under this Agreement shall be given by certified mail, return receipt requested, postage pre-paid, addressed to the non-notifying party at the address shown below:

<table>
<thead>
<tr>
<th>City of Pampa</th>
<th>David Teichmann</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTN: City Manager</td>
<td>Head Golf Professional</td>
</tr>
<tr>
<td>P. O. Box 2499</td>
<td>P. O. Box 1919</td>
</tr>
<tr>
<td>Pampa, Texas 79066-2499</td>
<td>Pampa, Texas 79066-1919</td>
</tr>
</tbody>
</table>

Section 8.06 No Private Carts. No privately owned motorized carts will be permitted at the Facility, with the exception of carts modified specifically for accommodating individuals with disabilities.

Section 8.07 Assignment Prohibited. This Agreement may not be assigned by the Contractor without the prior written consent of said City, which consent will not be unreasonably withheld; otherwise, this Agreement is binding upon the parties hereto, their successors and assigns.
Section 8.08 Non-Waiver. No waiver of default by the City of any of the terms, covenants, or conditions hereof to be performed, kept or observed by the Contractor shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained.

Section 8.09 Headings. Headings of paragraphs are for reference purposes only.

EXECUTED in duplicate originals this the 9th day of September, 2014, but effective as provided in this Agreement.

ATTEST:

Karen Price,
City Secretary

By:

Richard Morris,
City Manager

David Teichmann,
Head Golf Professional

APPROVED AS TO FORM:

Leland Waters, City Attorney
AGENDA ITEM NO. 7

ITEM/PROJECT: RENEW FARM LAND LEASE AGREEMENT

MEETING DATE: September 9, 2014

DESCRIPTION: Consider extending two (2) year Farm Land (surface only) Lease Agreement with Richard and Linda DeVuyst d/b/a Red River Dairy for land located on Section 53.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: 

SOURCE OF FUNDS: 

START/COMPLETION SCHEDULE: 

RECOMMENDED ACTION: Renew Lease Agreement.

BACKGROUND/ADDITIONAL INFORMATION: Farm Lease Agreement attached.
MODIFICATION OF FARM LEASE

Date: September 9, 2014

Lease:

Date: September 15, 2004

Landlord: City of Pampa, successor to the Pampa Economic Development Corporation, Inc.

Tenant: Richard DeVuyst and Linda DeVuyst, husband and wife, dba Red River Dairy and aka DeVuyst Farms

Premises: Surface only of Section 53, Block 3, I&GN RR Co. Survey, Gray County, Texas

Lease Commencement Date: September 15, 2004

Original Lease Termination Date: September 14, 2011
Amended Lease Termination Date: September 30, 2014

Landlord and Tenant agree to the following modification to the Farm Lease dated September 15, 2004:

Amended Lease Termination Date: September 30, 2017
Amended Rent: $10,300.00 for 2014-15
               $10,609.00 for 2015-16
               $10,927.27 for 2016-17

The Lease is ratified as modified.

EXECUTED in duplicate this the 9th day of September, 2014.

CITY OF PAMPA, TEXAS

By:____________________________
   Brad Pingel, Mayor

ATTEST:

____________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

____________________________
Leland W. Waters, City Attorney
RED RIVER DAIRY d/b/a DEVUYST FARMS

__________________________________
Richard DeVuyst, Tenant

__________________________________
Linda DeVuyst, Tenant
AGENDA ITEM NO. 8

ITEM/PROJECT: RESOLUTION NO. R14-010 – CRMWA BOND REFUNDING

MEETING DATE: September 9, 2014


STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: See attached information.

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION: Resolution No. R14-010 and Refunding information attached.

BACKGROUND/ADDITIONAL INFORMATION:
RESOLUTION NO. R14-010

A RESOLUTION BY THE CITY OF PAMPA, TEXAS, AUTHORIZING REFUNDING OF CANADIAN RIVER MUNICIPAL WATER AUTHORITY CONTRACT REVENUE REFUNDING BONDS, SERIES 2005 (CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT) AND/OR CANADIAN RIVER MUNICIPAL WATER AUTHORITY CONTRACT REVENUE BONDS, SERIES 2006 (CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT)

WHEREAS, the City of Pampa, Texas (the “City”) has entered into that certain Agreement for the Purchase and Acquisition of Conjunctive Use Groundwater Supply (the “Agreement”) entered into as of May 15, 1996, as amended, with the Canadian River Municipal Water Authority (the “Authority”); and

WHEREAS, the Authority has entered similar agreements with each of the other cities that are members of the Authority (the “Member Cities”); and

WHEREAS, the Authority issued and has outstanding its Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2009 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2010 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Bonds, Series 2011 (Conjunctive Use Groundwater Supply Project); and Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 (Conjunctive Use Groundwater Supply Project); and

WHEREAS, the Authority has expressed its intent to issue refunding bonds to refund all or a part of the outstanding Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project) (the “Series 2005 Refunding Bonds”) and all or a part of the outstanding Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Supply Project) (the “Series 2006 Bonds”) if market conditions justify refunding both the Series 2005 Refunding Bonds and the Series 2006 Bonds; and

WHEREAS, if the market conditions do not result in sufficient savings to refund both the outstanding Series 2005 Refunding Bonds and the Series 2006 Bonds, then the Authority will want to refund such issue as may be economically feasible; and
WHEREAS, if the market conditions only justify the refunding of the Series 2005 Refunding Bonds, then the Authority desires to issue refunding bonds in a principal amount not to exceed $13,500,000 to refund all or a part of the outstanding Series 2005 Refunding Bonds; and

WHEREAS, if the market conditions only justify the refunding of the Series 2006 Bonds, then the Authority desires to issue refunding bonds in a principal amount not to exceed $36,500,000 to refund all or a part of the outstanding Series 2006 Bonds; and

WHEREAS, the Agreement provides for certain notice requirements before the Authority may issue Additional Bonds, as defined in the Agreement; and

WHEREAS, the refunding bonds are Additional Bonds under the Agreement; and

WHEREAS, the timing constraints of getting the governing bodies of all Member Cities of the Authority to meet and approve refunding bonds may prevent the Authority from issuing refunding bonds in a timely manner to provide savings to the Member Cities; and

WHEREAS, it is in the best interest of the City to waive certain notice requirements under the Agreement and consent to the issuance of the bonds to permit the Authority to refund all or a part of the outstanding Series 2005 Refunding Bonds and all or a part of the Series 2006 Bonds if a combined present value savings of at least 4.50% can be achieved; and

WHEREAS, if the market is such that only the Series 2005 Refunding Bonds can be refunded, it is in the best interest of the City to waive certain notice requirements under the Agreement and consent to the issuance of the bonds to permit the Authority to refund all or a part of the outstanding Series 2005 Refunding Bonds if a present value savings of at least 5.50% can be achieved; and

WHEREAS, if the market is such that only the Series 2006 Bonds can be refunded, it is in the best interest of the City to waive certain notice requirements under the Agreement and consent to the issuance of the bonds to permit the Authority to refund all or a part of the outstanding Series 2006 Bonds if a present value savings of at least 3.50% can be achieved; and

WHEREAS the City agrees to the Authority's issuance of bonds as subordinate lien bonds to eliminate the need of a reserve fund;

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PAMPA, TEXAS:
SECTION 1. (a) That the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in a principal amount not to exceed $50,000,000 to refund all or a part of the outstanding Series 2005 Refunding Bonds and all or a part of the outstanding Series 2006 Bonds, subject to the requirement that the refunding bonds for both issues combined provide a present value debt service savings of at least 4.50%.

(b) Should market conditions only justify the refunding of the Series 2005 Refunding Bonds, the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in a principal amount not to exceed $13,500,000 to refund all or a part of the outstanding Series 2005 Refunding Bonds, subject to the requirement that the refunding bonds for the Series 2005 Refunding Bonds provide a present value debt service savings of at least 5.50%.

(c) Should market conditions only justify the refunding of the Series 2006 Bonds, the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in a principal amount not to exceed $36,500,000 to refund all or a part of the outstanding Series 2006 Bonds, subject to the requirement that the refunding bonds for the Series 2006 Bonds provide a present value debt service savings of at least 3.50%.

SECTION 2. That the City Secretary be and is hereby authorized to deliver certified copies of this Resolution and minutes pertaining to its adoption to the Authority in such numbers as may be requested for the Authority’s records and proceedings.

[The remainder of this page intentionally left blank.]
PASSED, APPROVED AND ENACTED this the _____ day of __________, 2014.

______________________________
Mayor, City of Pampa, Texas

ATTEST:

______________________________
City Secretary
City of Pampa, Texas

[City Seal]
August 25, 2014

VIA FEDERAL EXPRESS

Mr. Richard E. Morris
City Manager
City of Pampa
200 West Foster, Room 205
Pampa, Texas 79065

Re: Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 (Conjunctive Use Groundwater Project)

Dear Mr. Morris:

I have enclosed a resolution for your consideration. The City has a Conjunctive Use Groundwater Supply Project Contract with the Canadian River Municipal Water Authority (the “Authority”) and the Authority has issued contract revenue bonds based on that contract, including its Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Project) and its Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Project). George Williford with First Southwest Company, the Authority’s financial advisor, has identified potentially significant savings if these bonds are refunded. I have attached an analysis that he has prepared. Similar information was presented at the last meeting of the Board of Directors of the Authority.

The contracts with the Member Cities have notice requirements that could delay the ability to refund the bonds in question unless each of the Member Cities waives the notice requirements and consents to the issuance of the refunding bonds. The contracts make the notice requirements apply to all bonds, not just new money bonds. Consequently, the Authority is requesting that the notice requirements be waived and that each Member City consent to the refunding. This is the same procedure we have used previously when issuing refunding bonds.

The resolution provides that your consent is good only if

(1) Both the Series 2005 Refunding Bonds and the Series 2006 Bonds can be refunded together where the Authority can achieve at least a 4.50% combined present value savings. That would mean that there would be debt service savings of at least $320,000 each year during 2017-2020 and $145,000 each year during 2021-2027 as a result of the refunding, or
(2) If only the Series 2005 Refunding Bonds can be feasibly refunded and where the Authority can achieve at least a 5.50% present value savings. That would mean that there would be debt service savings of at least $170,000 each year as a result of the refunding, or

(3) If only the Series 2006 Bonds can be feasibly refunded and where the Authority can achieve at least a 3.50% present value savings. That would mean that there would be debt service savings of at least $145,000 each year 2017-2027 as a result of the refunding.

Typically, a 3% present value savings is used to identify acceptable refundings. If you and the other Member Cities approve the refunding, a refunding bond resolution will be placed on the Board’s October agenda in the form of a parameter sale where the Board will approve the resolution and authorize the General Manager to proceed with the refunding only after consulting with the Finance Committee and confirming that sufficient savings will be achieved. Even though each Member City might pass the resolution consenting to the refunding, it may be that the market will prevent us from issuing the refunding bonds for all or either of the two issues. However, we want to be ready in the event the market holds. As we have done with prior refundings, you will be provided with the results of the sale and how it reduces your payments.

I suggest the following agenda language for the resolution:

Consider and possible action approving a resolution authorizing refunding of Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project) and/or Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Supply Project)

I have enclosed the following documents:

5 copies RESOLUTION AUTHORIZING REFUNDING OF CANADIAN RIVER MUNICIPAL WATER AUTHORITY CONTRACT REVENUE REFUNDING BONDS, SERIES 2005 (CONJUNCTIVE USE GROUNDWATER PROJECT) AND/OR CANADIAN RIVER MUNICIPAL WATER AUTHORITY CONTRACT REVENUE BONDS, SERIES 2006 (CONJUNCTIVE USE GROUNDWATER PROJECT)

1 copy First Southwest Report: Bond Issues Proposed to be Refunded
Mr. Richard E. Morris  
August 25, 2014  
Page 3  

Four Certificates for Resolution are provided for the Resolution. Once the City Commission has approved the Resolution, please keep one for your records and return the remaining four executed originals to me with the accompanying Certificate for Resolution. A prepaid Federal Express envelope is enclosed for you to return the documents to me.

Should you need a copy of the Resolution in Word, please let me know.

Please let Kent Satterwhite and me know when the City has passed the resolution. Please let me know if you have any questions concerning this matter.

Very truly yours,

Thomas M. Pollan

Enclosures

cc: Kent Satterwhite  
General Manager  
Canadian River Municipal Water Authority
Bond Issues Proposed to be Refunded

**Contract Revenue Refunding Bonds, Series 2005**
- Original Par Amount: $28,260,000
- Aggregate Callable Principal Amount: $12,605,000
- Principal Maturity Dates: 2016 through 2020
- Interest Rates: 4.00% - 5.00%
- Call Date: February 15, 2015 @ Par

**Contract Revenue Bonds, Series 2006**
- Original Par Amount: $49,075,000
- Aggregate Callable Principal Amount: $32,670,000
- Principal Maturity Dates: 2017 through 2027
- Interest Rates: 5.00%
- Call Date: February 15, 2016 @ Par

* Combined callable principal: $45,275,000*
## Current Market - Combined

### Refunded Principal:
- **Series 2005 Ref** maturities 2016-2020 callable 2/15/2015
  - $12,605,000
- **Series 2006** maturities 2017-2027 callable 2/15/2016
  - $32,670,000
  - $45,275,000

### Net Present Value Savings
- $3,417,599

### Percentage Savings of Refunded Bonds = 7.549%

### Table

<table>
<thead>
<tr>
<th>FYE</th>
<th>Prior Debt Service</th>
<th>Transfer from Debt Service Fund</th>
<th>Refunding Debt Service</th>
<th>Savings</th>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
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<tr>
<td>2021</td>
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<tr>
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<tr>
<td>2023</td>
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<tr>
<td>2024</td>
<td>3,851,625</td>
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<tr>
<td>2026</td>
<td>3,846,500</td>
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<td>3,588,000</td>
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<tr>
<td>2027</td>
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<td>3,582,375</td>
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</table>

\[ \text{Percentage Savings of Refunded Bonds} = 7.549\% \]

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1 Preliminary rates, subject to change.
At 4.50% Minimum Present Value Savings

<table>
<thead>
<tr>
<th>FYE</th>
<th>Prior Debt Service</th>
<th>Transfer from Debt Service Fund</th>
<th>Refunding Debt Service</th>
<th>Savings</th>
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<td>2027</td>
<td>3,838,625</td>
<td>-</td>
<td>3,688,546</td>
<td>150,080</td>
</tr>
</tbody>
</table>

$60,466,575 $58,005,905 $2,460,670

Refunded Principal:
- Series 2005 Ref maturities 2016-2020 callable 2/15/2015 $12,605,000
- Series 2006 maturities 2017-2027 callable 2/15/2016 $32,670,000

Net Present Value Savings $2,051,991

Percentage Savings of Refunded Bonds = 4.532%