

**GROVE MUNICIPAL SERVICES AUTHORITY
REGULAR MEETING
TUESDAY, NOVEMBER 19, 2019
4:30 PM
MINUTES**

The Grove Municipal Services Authority met in regular session on Tuesday, November 19, 2019 at 4:30 PM with Interim Chairman, Ivan Devitt presiding. Members present were Berwin Kock and Don Nielsen. Member(s) Marty Follis and Andy Stewart was absent. Also present was General Manager, Bill Keefer; Attorney, Darren Cook; Public Works Director, Jack Bower; City Treasurer, Lisa Allred; Assistant General Manager, Debbie Bottoroff and City Clerk, Bonnie Buzzard.

Nielsen made the motion to approve the minutes from the previous meeting. Seconded by Kock. AYE: Kock, Nielsen and Devitt. NAY: None. Motion carried.

Kock made the motion to approve the purchase order register. Seconded by Nielsen. AYE: Kock, Nielsen and Devitt. NAY: None. Motion carried.

Nielsen made the motion to approve the Notice of Posting of the regular scheduled meeting for 2020 Calendar Year. Seconded by Kock. AYE: Kock, Nielsen and Devitt. NAY: None. Motion carried.

Devitt opened the floor for discussion with respect to debt financing the relocation of sections of the gas transmission line and repairs to the sanitary sewer system. Keefer reported that he has been in visiting with Finance Advisor, Rick Smith in regards to the proposed financing for the relocation of two sections of GMSA natural gas transmission line as part of ODOT's highway improvements to Highway 59 between Sailboat Bridge and its intersection with Highway 69. The improvements to Highway 59 will be divided into two projects which will be cause for the relocation of the gas transmission line to also be divided into two projects with separate time tables. Keefer added that Smith has prepared some information outlining an opportunity to fund sewer system improvements that would address inflow and infiltration issues which could be funded through the CWSRP Loan Program. Keefer indicated that in the packet is information and spread sheet outlining GMSA's current debt schedule as well as debt payment schedule for the projects noted. The information also shows how any new debt would fit within the current debt schedule. Rick Smith – Municipal Finance Services addressed the Board to report on the future financing plan highlights for GMSA that detailed on:

- The significant drop off in existing debt payment beginning in 2021 which provided additional capacity without increasing utility rates.
- The City Sales Tax collections which continue to show a positive trend over the last few years.
- The City Use Tax collections that shows a significant growth due to OTC capturing taxes from on-line sales.
- The financing for the gas line relocation project and other gas system improvement should be accomplished through direct bank loans over the next couple of years without additional sales tax reliance for debt payments, and

- The voters' approval in August 2018 of the .40% capital sales tax extension through 2041 has enabled the City to be in a position to address its long-term capital needs.

Smith also detailed on the following GMSA financing components:

- Recent financial performance based on the audit financial statements
- General Fund financial performance from the audit financial statement
- Historical Sales Tax Collections – City Sales Tax – 3.40%
- Use Tax history – Municipal rate 3.40%
- GMSA existing & proposed debt service requirements
- CWSRF loan – Series 2020 Sewer Line Improvements

Smith entertained questions, comments and concerns from the Board and Staff. Kock made the motion to authorize the Staff to move forward with the preliminary relocation of the gas line transmission, and with Phase I – Sewer project financing. Seconded by Nielsen. AYE: Kock, Nielsen and Devitt. NAY: None. Motion carried.

STAFF REPORT:

Keefer reported that the Staff recently solicited bids for the odor control equipment to be installed at the transfer pump station along O'Daniel. Prior to the bid opening, it was determined that there was an error in the bid specifications pertaining to the installation of the equipment. The Staff revised the bid specifications and will again advertise with the goal to have this as an agenda item for consideration at the December meeting.

Keefer reported that the Staff met with representatives of the RWD #6 to discuss GMSA's acquisition of the assets of the district. Keefer indicated that it was a very positive meeting and that the district expressed their desire to move forward with the process. Keefer announced that Attorney, Cook will work with the district legal counsel to fulfill the obligations set forth in the state statute as well as in the district bylaws, etc. Keefer noted that he will keep the Board updated.

Bower reported that the crews are busy working on the normal repair & maintenance procedures to the gas & water meters, and the AMR's.

At 5:29 PM Kock made the motion to adjourn. Seconded by Nielsen. AYE: Kock, Nielsen and Devitt. NAY: None. Motion carried.