



AMENDED AGENDA

City of Lucas City Council Meeting and Budget Workshop July 30, 2020 6:05 PM

(or immediately following the Lucas Fire Control, Prevention and EMS District Board Meeting)

Video Conference 665 Country Club Road – Lucas, Texas

Notice is hereby given that a meeting of the Lucas City Council will be held on Thursday, July 30, 2020 at 6:05 pm (or immediately following the Lucas Fire Control, Prevention and EMS District Board meeting) by video conference at which time the following agenda will be discussed. As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting.

On March 16, 2020 Governor Abbott suspended some provisions of the Open Meetings Act in response to the COVID-19 emergency. To comply with Governor Abbott's latest Executive Order, GA 18, and to practice safe distancing, Lucas City Council meetings will not be open to on-site visitors. In the interim, City Council meetings will be available through Ring Central Webinar from your computer or smartphone. **To join the meeting, go to <https://webinar.ringcentral.com/j/1490916910?pwd=aGI0anVwNEN2YXd3Yzg4YTUxMHZJUT09> PASSWORD 9727278999** you will be asked for your name and email address to join the meeting.

If the public desires to speak during a specific agenda item, **they must email shenderson@lucastexas.us by 4:30 pm on the day of the meeting.** The email must contain the person's name, address, phone number, and the agenda item(s) for which comments will be made.

Call to Order

- Roll Call
- Determination of Quorum
- Reminder to turn off or silence cell phones
- Pledge of Allegiance

Citizen Input

Citizen input is an opportunity for the public to address the City Council on any matter that is included on the agenda. Comments can be received for items not on the agenda, but the City Council will not be able to discuss those comments at length.

Regular Agenda

1. Discuss the final broadband internet feasibility report and other matters related to the proposed broadband project for the City of Lucas. **(Councilmember Wayne Millsap)**
2. Consider the Lucas Farmers Markets remaining 2020 season, receive a report from the July 25, 2020 market, and provide guidance to the Lucas Farmers Market Committee and City Staff regarding upcoming markets. **(Lucas Farmers Market Committee Chair Debra Guillemaud, City Manager Joni Clarke)**
3. Discuss the proposed City of Lucas budget for Fiscal Year 20/21. **(Finance Director Liz Exum)**
4. Adjournment.

Certification

I do hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall, 665 Country Club Road, Lucas, TX 75002 and on the City's website at www.lucastexas.us on or before 5:00 p.m. on July 24, 2020.

Stacy Henderson, City Secretary

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services should be directed to City Secretary Stacy Henderson at 972.912.1211 or by email at shenderson@lucastexas.us at least 48 hours prior to the meeting.



City of Lucas Council Agenda Request July 30, 2020

Requester: Councilmember Wayne Millsap

Agenda Item Request

Discuss the final broadband internet feasibility report and other matters related to the proposed broadband project for the City of Lucas.

Background and Financial Information

The broadband project would be similar to the City's water service and set up as a separate enterprise fund where it can be self-sustaining through the revenue generated by the customer base for the services provided. The Council indicated funding for the project would need to be approved by the citizens through a bond election. Bond elections are limited to uniform election dates which are Tuesday, November 3, 2020 or Saturday, May 1, 2021. The key date for calling a bond election is the adoption of an ordinance which must be done no more than 90 days and no less than 78 days prior to either election date.

City staff is currently pursuing a grant from the Economic Development Administration (EDA), U.S. Department of Commerce (DOC) that may fund a portion of the broadband project if awarded. However, the EDA has indicated that the City's broadband project may not be considered competitive compared to other ready-to-go projects if the project requires voter approval from the May 1, 2021 Bond Election.

Discussions with the City's Financial Advisors at SAMCO Capital and the Bond Counsel at Norton Rose Fulbright have occurred to discuss funding strategies, timelines, and gain insight on similar broadband projects at the Cities of Dayton and Mont Belvieu. The Bond Counsel has prepared a draft of the proposition language to be included on the ballot should the City Council call a date for the bond election.

The Bond Counsel indicated that (1) the working capital funding is limited to 10% of the total project/bond amount, (2) there is no anticipated impact on the City's bond rating, and (3) the ad valorem tax base provides the underlying credit support in the event that the project does not perform as expected. Possible funding sources for the broadband project would be through bond funds, federal grant(s), and reserves. Reserves could be used or loaned with interest to the Technology Fund as a means of reducing the amount of debt funding.

Magellan Advisors has completed the financial model and is recommending the 55% uptake model in the broadband feasibility study. The justification for recommending this model is based on the minimum uptake percentage and rate combination that can support a sustainable enterprise which includes generating positive free cash flow, paying off debt, and minimizing possible interfund loans from the City.

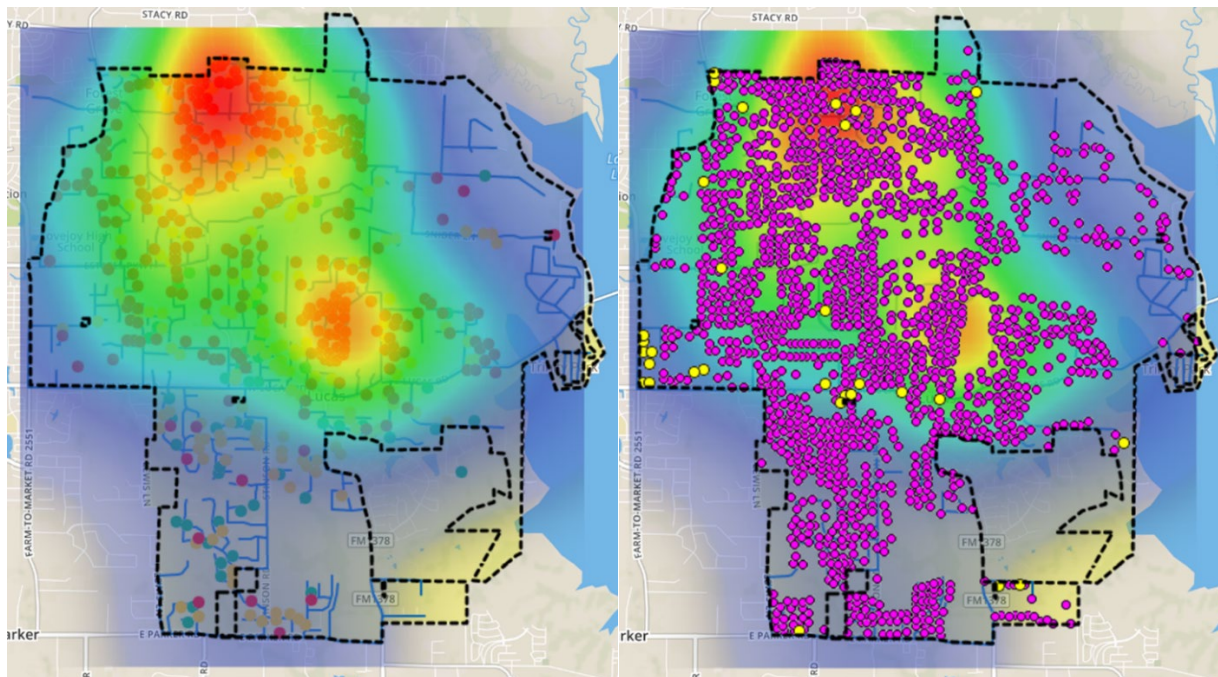


City of Lucas Council Agenda Request July 30, 2020

Item No. 01

The 55% uptake requires 1,352 out of 2,458 residential households within city limits to become internet customers. Based on the Technology Committee’s research and data from the internet speed test, the majority of households with inadequate internet service (defined by the Federal Communications Commission as below 25 Mbps) are located in areas north of West/East Lucas Road. Magellan Advisors has created a heat map of the City to identify areas with potential high take rates based on the internet speed test data.

Below is the heat map (shown with data of reported internet speeds below 25 Mbps) in comparison to the map of total residential households divided between north and south at West/East Lucas Road:



| | North Lucas (North of West/East Lucas Road) | South Lucas (South of West/East Lucas Road) |
|-------------------------------|--|--|
| Residential Households | 1,714 | 744 |
| Businesses | 39 | 11 |

The remaining timeline regarding the broadband project is:

- | | |
|----------------|---|
| July 27, 2020 | Zoom meeting with Magellan Advisors to review finalized feasibility study |
| July 30, 2020 | City Council meeting to make a decision regarding the bond election date |
| August 6, 2020 | City Council meeting to call the bond election for November 3, 2020 (tentative) |



City of Lucas Council Agenda Request July 30, 2020

Item No. 01

Attachments/Supporting Documentation

1. Timetable for a Bond Election on Tuesday, November 3, 2020
2. Timetable for a Bond Election on Saturday, May 1, 2021
3. Comparison Matrix of Financial Summary
4. Fiber Project Analysis by SAMCO Capital
5. Final Broadband Feasibility Study will be sent out as a separate attachment

Budget/Financial Impact

Magellan Advisors has provided the below financial summary of the 55% uptake financial model which includes the estimated principal and interest cost of the broadband project. The Bond Counsel indicated the working capital funding is limited to 10% of the total project/bond amount. Magellan Advisors has estimated the cost of interfund loans from the City to cover projected year-end shortfalls where the model does not generate sufficient positive cash flow.

The City's Financial Advisor Mark McLiney at SAMCO Capital recommended a conservative interest rate of 3.25% to calculate financing estimates for the construction and implementation of a municipal fiber network.

| Uses of Funds | Principal | Interest | Total |
|---------------------------------------|----------------------|---------------------|----------------------|
| Fiber Plant & Facilities | \$ 11,321,124 | \$ 4,251,961 | \$ 15,573,085 |
| Network Equipment & Buildings | \$ 3,465,273 | \$ 649,083 | \$ 4,114,356 |
| Home Equipment | \$ 2,593,971 | \$ 347,992 | \$ 2,941,963 |
| Working Capital | \$ 1,800,000 | \$ 502,792 | \$ 2,302,792 |
| Total General Obligation Bonds | \$ 19,180,368 | \$ 5,751,828 | \$ 24,932,196 |
| Interfund Loans | \$ 4,730,000 | \$ 1,321,225 | \$ 6,051,225 |
| Total Debt | \$ 23,910,367 | \$ 7,073,053 | \$ 30,983,420 |

Recommendation

NA

Motion

I make a motion to approve/deny _____.

City of Lucas, Texas

Timetable for a Bond Election on Tuesday, November 3, 2020 – to be Called August 5-17, 2020

| Event | Time Required | Date | Done |
|--|--|--|-------------|
| City staff confers with financial advisor/bond counsel | At least 4 weeks before calling election | June 2020 | |
| City staff explores possible polling locations | At least 3 weeks before calling election | July 2020 | |
| City Council adopts ordinance calling election | Not more than 90 days or less than 78 days prior to election ¹ | August 6, 2020 (Thurs.) | |
| Bond counsel orders translations (Spanish, etc.) | Immediately after calling the election | August 7, 2020 (Fri.) | |
| Bond counsel delivers ballot to election official | Deadline determined by election official | <i>Est.</i> August 31, 2020 (Mon.) | |
| Bond counsel delivers notice of election to the county election official ² | Not later than 60 days before election | September 4, 2020 (Fri.) | |
| Last day to register to vote | 30 days prior to election ³ | October 4, 2020 (Sun.) | |
| City staff publishes first notice of election in English, Spanish, and other applicable languages | Not more than 30 days or less than 14 days prior to election ⁴ | <i>Submit by October 7 (Weds.)</i> October 8, 2020 (Thurs.) | |
| City staff posts notice of election (all applicable languages) prominently on the City's website | Not later than 21 days before election until after election | October 13, 2020 (Tues.) | |
| City staff posts sample ballot on the City's website | Not later than 21 days before election until after election | October 13, 2020 (Tues.) | |
| City staff posts notice of election (all applicable languages) at City Hall's bulletin board | Not later than 21 days before election until after election | October 13, 2020 (Tues.) | |
| City staff posts notice of election and voter information document (all applicable languages) at three public places in the City | Not later than 21 days before election until after election | October 13, 2020 (Tues.) | |
| City staff publishes second notice of election (all applicable languages) | Exactly one week after first publication | <i>Submit by October 14 (Weds.)</i> October 15, 2020 (Thurs.) | |
| Early voting begins | 17 days prior to election day ⁵ | October 19, 2020 (Mon.) | |
| Early voting ends | 4 days prior to election day | October 30, 2020 (Fri.) | |
| Election day | 1st Tuesday after the 1st Monday in November | November 3, 2020 (Tues.) | |
| City Council canvasses election returns | Not later than 14 days after election and not earlier than the later of: (1) the 3rd day after election; (2) the date the provisional ballots have been counted; or (3) the date that all timely cast overseas ballot have been counted ⁶ | November 6, 2020 (Fri.) through November 17, 2020 (Tues.) | |
| End of election contest period | Later of 30 days after canvassing or 15 days after electronic records publicly available | <i>Generally no later than</i> December 17, 2020 (Thurs.) | |

¹ This window is Wednesday, August 5, 2020 to Monday, August 17, 2020. Notice of the meeting must be posted at least 72 hours prior to the meeting. In home-rule cities, charter requirements for election notices must be followed. Ordinance reading requirements need not be followed but may be. Gov't Code § 1201.028. If so, all readings should occur within the "call window."

² Bond counsel will provide the election official with appropriate notices of election for each polling location, typically after this deadline.

³ Because the deadline falls on Sunday, October 4, the Secretary of State typically moves the date to the next business day. The deadline is not affected by the Columbus holiday (October 12, 2020).

⁴ The first day to publish the first time is Sunday, October 4, 2020, and the last day to publish the first time is Tuesday, October 20, 2020. The second publication must occur one week after the first publication on the same day of the week as the first publication. The *Allen American* publishes legal notices on Thursdays. Notice must be submitted by 1:00 pm the Wednesday before publication. Payment may also be required at that time. The entire notice must be published in both languages.

⁵ The early voting period for a November election is typically longer than a May election. Because the first day of the early voting period falls on Saturday, October 17, 2020, the date moves to the next business day. The results from early voting are not available until 7:00 p.m. on election day.

⁶ This canvass period applies to a November election in even-numbered years. Notice of the canvass meeting should be posted at least 72 hours prior to the meeting. Final results including mailed and provisional ballots may not be available until the last two days of the canvassing period. An election with close results may be affected.

City of Lucas, Texas

Timetable for a Bond Election on Saturday, May 1, 2021 – to be called January 31-February 12, 2021

| Event | Time Required | Date | Done |
|--|--|--|-------------|
| City confers with financial advisor/bond counsel | At least 4 weeks before calling election | January 2021 | |
| City staff explores polling locations | At least 2 weeks before calling election | January 2021 | |
| City Council adopts an ordinance calling the election | Not more than 90 days or less than 78 days prior to election ¹ | February 4, 2021 (Thurs.) | |
| Bond counsel orders translations (Spanish, etc.) | Immediately after calling the election | February 5, 2021 (Fri.) | |
| Bond counsel delivers ballot language to election official | determined by the election official | <i>Estimated</i> February 17, 2021 (Mon.) | |
| Bond counsel delivers notice of election to the county election official ² | Not later than 60 days before election | March 2, 2021 (Tues.) | |
| City staff publishes first notice of election in English, Spanish, and other applicable languages | Not more than 30 days or less than 14 days prior to election ³ | <i>Submit by March 31 (Weds.)</i> April 1, 2021 (Thurs.) | |
| Last day to register to vote | 30 days prior to election | April 1, 2021 (Thur.) | |
| City posts sample ballot on the City's website | Not later than 21 days prior to election until after election day ⁴ | April 9, 2021 (Fri.) | |
| City staff posts notice of election (all applicable languages) prominently on the City's website | Not later than 21 days prior to election until after election day | April 9, 2021 (Fri.) | |
| City staff posts sample ballot on the City's website | Not later than 21 days prior to election until after election day | April 9, 2021 (Fri.) | |
| City staff posts notice of election (all applicable languages) at City Hall on the bulletin board used for posting meeting notices | Not later than 21 days prior to election until after election day | April 9, 2021 (Fri.) | |
| City staff posts notice of election and voter information document (all applicable languages) at three public places within the City | Not later than 21 days prior to election until after election day | April 9, 2021 (Fri.) | |
| City staff publishes second notice of election (all applicable languages) | Exactly one week after first publication | <i>Submit by April 7 (Weds.)</i> April 8, 2021 (Thurs.) | |
| Early voting begins | 12 days prior to election ⁵ | April 19, 2021 (Mon.) | |
| Early voting ends | 4 days prior to election | April 27, 2021 (Tues.) | |
| Election day | First Saturday in May | May 1, 2021 (Sat.) | |
| City Council canvasses election returns | Not later than 11 days after election and not earlier than the later of: (1) the 3rd day after election; (2) the date the provisional ballots have been counted; or (3) the date that all timely cast overseas ballot have been counted ⁶ | May 4, 2021 (Tues.) through May 12, 2021 (Wed.) ⁷ | |
| End of election contest period | Later of 30 days after canvassing or 15 days after electronic records publicly available | <i>Generally no later than</i> June 11, 2021 (Fri.) | |

¹ This window is January 31, 2021 to February 12, 2021. Notice of the meeting to call the election should be posted at least 72 hours prior to the meeting. In home-rule cities, charter requirements for election notices must be followed. Ordinance reading requirements need not be followed but may be. Gov't Code § 1201.028. If so, all readings should occur within the "call window."

² Bond Counsel will provide the election official with appropriate Notices of Election for each polling location.

³ The first day to publish the notice is April 1, 2021, and the last day is April 21, 2021. The second publication must occur one week after the first publication on the same day of the week as the first publication. The *Allen American* publishes legal notices on Thursdays. Notice must be submitted by 1:00 pm the Wednesday before publication. Payment may also be required at that time. The entire notice must be published in both languages.

⁴ Because this deadline falls on Saturday, April 10, the Secretary of State typically rolls the deadline forward to Monday, April 13. We recommend early compliance.

⁵ This early voting period applies only to the May election date.

⁶ This canvassing time applies only to the May election date. Notice of the meeting to canvass the election should be posted at least 72 hours prior to the meeting.

⁷ Due to recent changes in state and federal law, final results including mailed and provisional ballots may not be available until the last two days of the canvassing period. An election with close results may be affected.

Notes:

1. 90/10 split between 1GB and 10GB products for subscribers taking service
2. 45% uptake model was not supported by the financial model.
3. 50% uptake was the lowest uptake supported by the model. Approx. 9.5M needed in interfund loans

| Take Rate Assumption | 50% | 55% | 65% |
|----------------------|--------|--------|--------|
| Residential 1G Price | 115.00 | 115.00 | 115.00 |

| Uses of Funds: | | | |
|-------------------------------|-------------------|-------------------|-------------------|
| Fiber Plant & Facilities | 11,321,124 | 11,321,124 | 11,321,124 |
| Network Equipment & Buildings | 3,465,273 | 3,465,273 | 3,465,273 |
| Home Equipment | 2,366,432 | 2,593,970 | 3,050,342 |
| Working Capital | 1,800,000 | 1,800,000 | 1,800,000 |
| | 18,952,829 | 19,180,367 | 19,636,739 |

| Sources of Funds: | | | |
|-----------------------------------|-------------------|-------------------|-------------------|
| General Obligation Bonds | | | |
| 20 year | 11,321,124 | 11,321,124 | 11,321,124 |
| 10 year | 3,465,273 | 3,465,273 | 3,465,273 |
| 15 year | 1,800,000 | 1,800,000 | 1,800,000 |
| 7 year | 2,366,432 | 2,593,970 | 3,050,342 |
| | 18,952,829 | 19,180,367 | 19,636,739 |
| Loan from Reserves ⁽¹⁾ | 9,510,000 | 4,730,000 | 1,710,000 |
| | 28,462,829 | 23,910,367 | 21,346,739 |

(1) Loans as required from General or Utility Funds and repaid from cash flow with interest

| Supporting Schedule | | | |
|-----------------------------------|-------------------|------------------|------------------|
| Working Capital | | | |
| Operating Funds | | | |
| Working Capital ⁽¹⁾ | 1,800,000 | 1,800,000 | 1,800,000 |
| Operating Deficits ⁽²⁾ | 9,510,000 | 4,730,000 | 1,710,000 |
| | 11,310,000 | 6,530,000 | 3,510,000 |

(1) Included in Bond
(2) Loan from reserves

| | Take Rate Assumption | | |
|-------------------------------------|----------------------|--------|--------|
| | 50% | 55% | 65% |
| Residential rate | 115.00 | 115.00 | 115.00 |
| # residents | 2,458 | 2,458 | 2,458 |
| # of customers | 1,229 | 1,352 | 1,598 |
| Operating profitability (year) | 7 | 7 | 6 |
| Cash flow positive (year) | 8 | 6 | 6 |
| Repay reserve loans (year) | 29 | 27 | 20 |
| Repay reserve loans using free cash | 28 | 22 | 18 |

City of Lucas, Texas
Fiber Project Analysis: Scenario 4 Final Magellan Recommendation
July 10, 2020

| A | B | C | D | E | F | G | H | I | J | L | M | N | O | P |
|---------------|--------------------------------------|--------------------------------|----------------------------------|-------------------------------|--------------------------------------|-------------------------|---------------------------|--|--|-------------------------------|---|---------------------------|------------------------------|--|
| FYE (9/30) | \$11,325,000 Plant and Facilities | \$1,900,000 Working Capital | \$3,470,000 Network Equipment | \$2,595,000 Home Equipment | \$19,290,000 Total ⁽¹⁾ | Revenues ⁽²⁾ | Operating Expenses (2) | Operating Income (G-H) ⁽²⁾ | Capital Expenditures ⁽³⁾ | Use of Working Capital (4) | Available for Debt Service (I+J+K+L) | Less: Debt Service (F) | Surplus / (Deficit) (M+N) | Cumulative Surplus / (Deficit) ⁽⁵⁾ |
| 2021 | | | | | | | \$ - | \$ - | \$ 711,839 | | \$ (711,839) | \$ - | \$ (711,839) | \$ (711,839) |
| 2022 | | | | | | | 345,501 | (345,501) | - | | (345,501) | - | (345,501) | (1,057,340) |
| 2023 | \$ 368,063 | \$ 160,125 | \$ 407,900 | \$ 413,894 | \$ 1,349,981 | \$ 315,016 | 1,119,364 | (804,348) | - | \$ 1,119,364 | 315,016 | (1,349,981) | (1,034,965) | (2,092,305) |
| 2024 | 368,063 | 161,794 | 407,988 | 412,844 | 1,350,688 | 1,390,812 | 1,141,788 | 249,024 | - | 780,636 | 1,029,660 | (1,350,688) | (321,027) | (2,413,332) |
| 2025 | 368,063 | 158,381 | 407,750 | 416,388 | 1,350,581 | 2,347,108 | 1,204,754 | 1,142,353 | - | - | 1,142,353 | (1,350,581) | (208,228) | (2,621,560) |
| 2026 | 864,856 | 159,888 | 407,188 | 414,525 | 1,846,456 | 2,880,591 | 1,252,760 | 1,627,831 | - | - | 1,627,831 | (1,846,456) | (218,626) | (2,840,186) |
| 2027 | 868,119 | 161,231 | 406,300 | 412,338 | 1,847,988 | 3,178,478 | 1,291,074 | 1,887,405 | - | - | 1,887,405 | (1,847,988) | 39,417 | (2,800,769) |
| 2028 | 865,813 | 157,494 | 405,088 | 414,744 | 1,843,138 | 3,278,498 | 1,324,190 | 1,954,309 | - | - | 1,954,309 | (1,843,138) | 111,171 | (2,689,597) |
| 2029 | 867,938 | 158,675 | 403,550 | 416,663 | 1,846,825 | 3,342,938 | 1,356,559 | 1,986,379 | - | - | 1,986,379 | (1,846,825) | 139,554 | (2,550,043) |
| 2030 | 869,413 | 159,694 | 406,606 | - | 1,435,713 | 3,409,166 | 1,389,845 | 2,019,321 | - | - | 2,019,321 | (1,435,713) | 583,609 | (1,966,435) |
| 2031 | 865,319 | 160,550 | 404,256 | - | 1,430,125 | 3,440,654 | 1,423,019 | 2,017,634 | - | - | 2,017,634 | (1,430,125) | 587,509 | (1,378,925) |
| 2032 | 865,656 | 161,244 | 406,500 | - | 1,433,400 | 3,448,874 | 1,456,057 | 1,992,817 | - | - | 1,992,817 | (1,433,400) | 559,417 | (819,509) |
| 2033 | 865,344 | 161,775 | - | - | 1,027,119 | 3,456,794 | 1,493,933 | 1,962,861 | - | - | 1,962,861 | (1,027,119) | 935,742 | 116,233 |
| 2034 | 869,300 | 162,144 | - | - | 1,031,444 | 3,469,142 | 1,529,017 | 1,940,124 | - | - | 1,940,124 | (1,031,444) | 908,680 | 1,024,914 |
| 2035 | 867,525 | 162,350 | - | - | 1,029,875 | 3,481,309 | 1,565,145 | 1,916,165 | - | - | 1,916,165 | (1,029,875) | 886,290 | 1,911,204 |
| 2036 | 865,100 | 157,475 | - | - | 1,022,575 | 3,490,879 | 1,602,203 | 1,888,676 | - | - | 1,888,676 | (1,022,575) | 866,101 | 2,777,304 |
| 2037 | 866,944 | 157,519 | - | - | 1,024,463 | 3,500,149 | 1,640,328 | 1,859,821 | - | - | 1,859,821 | (1,024,463) | 835,358 | 3,612,663 |
| 2038 | 867,975 | - | - | - | 867,975 | 3,510,547 | 1,679,577 | 1,830,970 | - | - | 1,830,970 | (867,975) | 962,995 | 4,575,658 |
| 2039 | 868,194 | - | - | - | 868,194 | 3,520,645 | 1,701,332 | 1,819,313 | - | - | 1,819,313 | (868,194) | 951,119 | 5,526,777 |
| 2040 | 867,600 | - | - | - | 867,600 | 3,530,292 | 1,742,296 | 1,787,997 | - | - | 1,787,997 | (867,600) | 920,397 | 6,447,174 |
| 2041 | 866,194 | - | - | - | 866,194 | 3,539,640 | 1,804,200 | 1,735,440 | - | - | 1,735,440 | (866,194) | 869,246 | 7,316,420 |
| 2042 | 868,894 | - | - | - | 868,894 | 3,547,560 | 1,848,107 | 1,699,453 | - | - | 1,699,453 | (868,894) | 830,559 | 8,146,979 |
| | 15,844,369 | 2,400,338 | 4,063,125 | 2,901,394 | 25,209,225 | | | | 711,839 | \$1,900,000 | | | | |

⁽¹⁾ Interest calculated at an assumed rate of 3.25% for illustrative purposes only.

⁽²⁾ Revenue and expense projections from Magellan Advisors proforma contained within their Broadband and Feasibility Study as of July 2020v.5.

⁽³⁾ Capital Expenditure represents unfinanced portion of capital expenditures made prior to debt financings contemplated for February 1, 2022.

⁽⁴⁾ Working capital from financings (assuming it represents less than 10% of debt proceeds) to be used for operating expenditures and NOT debt service.

⁽⁵⁾ Total shortfall of \$2,840,186 recognized over first 6 years and recovered subsequently over the following 6 years shown above. **This analysis does not consider the funding 'Reserve Fund Requirements' as outlined in Magellan's proforma analysis.**



City of Lucas Council Agenda Request July 30, 2020

Item No. 02

Requester: Lucas Farmers Market Committee Chair Debra Guillemaud
City Manager Joni Clarke

Agenda Item Request

Consider the Lucas Farmers Markets remaining 2020 season, receive a report from the July 25, 2020 market, and provide guidance to the Lucas Farmers Market Committee and City Staff regarding upcoming markets.

Background Information

The Lucas Farmers Market schedule for the remaining 2020 season includes:

- August 8 (Second Saturday) and August 22 (Fourth Saturday)
- September 12 (Second Saturday) and September 26 (Fourth Saturday)
- October 10 (Second Saturday)
- November (no market scheduled)
- December 4 (First Friday indoor Holiday Farmers Market at Country Christmas)

The Lucas Farmers Market Committee developed multiple market scenarios to meet changing safety requirements during these uncertain COVID-19 times. The scenarios are described in phases and the described details will be adjusted as needed to stay in line with evolving state and local requirements. Below is a summary of the stages:

- Stage I - normal operations
- Stage II - minor adjustments needed for public safety - vendors required to wear masks, max of 2 people running each vendor booth, no samples, increased space between booths, wash stations provided, pedestrian flow in one direction, a pre-order pre-paid pick-up station will be available for vendors wanting to use this service. Control access to the park to 2 families per vendor booth. Estimate the max would be 120 families in the park at a time.
- Stage III - significant adjustments needed - drive through market. Customers browse and purchase as they drive by the vendor booths. Vendors wear masks and sampling will not be available. A pre-order pre-paid pick-up station will be available for vendors wanting to use this service. The number of booth locations will be limited along the perimeter of the gravel parking lot and along the paved parking lot adjacent to the park. Food suppliers will be prioritized if demand exceeds availability.
- Stage IV - significant concern for public safety - a drive through pre-order pre-paid pick-up market only. During this stage, vendor participation will be limited to agricultural producers and value-added vendors that provide primarily food items.
- Stage V - extreme concern for public safety - market operations closed

Attachments/Supporting Documentation

1. Report from the July 25, 2020 Lucas Farmers Market (*will be sent under separate cover*)



City of Lucas Council Agenda Request July 30, 2020

Budget/Financial Impact

N/A

Recommendation

The Lucas Farmers Market Committee is seeking City Council direction regarding upcoming markets. A decision is needed on which stage the Lucas Farmers Market Committee needs to implement to provide enough notice so that vendors can plan. Participation in the Lucas Farmers Market is conditional on following established guidelines and vendors who do not comply, will be asked to vacate the Market.

Motion

I make a motion to approve/deny authorizing the Lucas Farmers Market Committee to proceed with the August markets at a Stage ___ and further authorize the Mayor to make future determinations regarding future market staging levels.



City of Lucas Council Agenda Request July 30, 2020

Item No. 03

Requester: Finance Director Liz Exum

Agenda Item Request

Discuss the proposed City of Lucas budget for Fiscal Year 20/21.

Background Information

NA

Attachments/Supporting Documentation

1. Budget workshop binder has been sent under separate attachment.

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA