

CITY OF FAIR OAKS RANCH
BOND ADVISORY COMMITTEE

Wednesday, December 13, 2023 at 9:00 AM
Spring Creek United Methodist Church (Fellowship Building), 9200 Dietz Elkhorn,
Fair Oaks Ranch, TX

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

Present: Chairman Seth Mitchell, Vice Chairman Marcus Garcia, and Committee Members:
John Guidry, Paul Mebane, and Jamin Kazarian

Absent: Joe DeCola, Dana Green, Ben Koerner, and Chris Weigand.

Council Liaison, Emily Stroup, was also in attendance.

With a quorum present, the meeting was called to order at 9:00 AM

CITIZENS and GUEST FORUM

2. **Citizens to be heard**

Resident and former Council Member, Al Schmidt, spoke in opposition to a halt gate system being considered for the Battle Intense low water crossing due to the infrequency of events and the Police Department's history of monitoring and managing a manual road closure.

Dale Pearson, resident and business owner, attended the meeting after hearing the Chairman's presentation at the December 7, 2023 City Council meeting.

CONSENT AGENDA

3. **Approval of the November 30, 2023 Bond Advisory Committee meeting minutes.**

MOTION: Made by Jamin Kazarian, seconded by Marcus Garcia, to approve the Consent Agenda to include the project table originally drafted with markup notes included.

VOTE: 5-0, Motion Passed.

PRESENTATIONS

4. **Recap of previous Bond Advisory Committee meetings and site tour.**

Grant Watanabe, Director of Public Works & Engineering Services, provided a recap presentation summarizing the November 30, 2023 bond advisory meeting and the December 6, 2023 site tour.

5. Updated Financial Model.

Summer Fleming, Director of Finance, provided details on the changes to project totals and answered additional questions from the Committee with Andrew Friedman. Based on changes made at previous meetings and new financing figures provided to SAMCO, a new version of the debt proposal has been created and presented to the committee.

CONSIDERATION / DISCUSSION ITEMS

Committee Chairman, Seth Mitchell, moved this item out of order.

7. Consideration and possible action on the final funding recommendations related to Roadway, Drainage, and Other Projects.

Exhibit A contains handouts provided by Chairman Mitchell to the Committee.

MOTION: Made by Paul Mebane, seconded by Jamin Kazarian, to use Certificates of Obligation bonds to fund Drainage and Utility projects and to use General Obligation bonds to fund the Road projects.

MOTION TO AMEND: Made by Jamin Kazarian, seconded by Marcus Garcia, to amend the motion to only include Roadway and Drainage projects.

VOTE TO AMEND: 5-0, Motion Passed.

VOTE ON MOTION: Roll Call Vote: Seth Mitchell – For; Marcus Garcia – For; John Guidry – For; Paul Mebane – For; Jamin Kazarian – For. 5-0; Motion Passed.

The Committee recessed at 10:33 AM.

Chairman Mitchell reconvened the meeting at 10:47 AM.

6. Consideration and possible action on the final project recommendations related to Roadway, Drainage, and Other Projects.

MOTION: Made by Jamin Kazarian, seconded by John Guidry, to remove 3.3.23 from the list of Drainage projects.

VOTE: 5-0, Motion Passed.

Emily Stroup left the meeting at 11:30 AM.

MOTION: Made by Marcus Garcia, seconded by Paul Mebane, to approve the projects listed, to include changes discussed at this meeting, and to move forward as recommendations to Council for the recommended projects, their priority, and the cost. **(Exhibit B)**.

VOTE: 5-0, Motion Passed.

8. **Recommendations concerning development of the Bond Advisory Committee final report to Council to include:**

Elements

Timing

Committee Assignments

Public Engagement Process

Seth Mitchell, Committee Chairman, led a discussion with the Committee about the report to Council. The draft report outline was prepared by Committee Member, Jamin Kazarian. A target date of January 18, 2024 to provide the report to Council was agreed upon by those present in order to allow for extra time if necessary. The report would need to be provided in advance of deadlines for the City Council to order an election in February of 2024. The report will be drafted by Jamin Kazarian and Seth Mitchell and Paul Mebane will assist with the review/editing of the document for inclusion in the agenda packet for the next meeting.

9. **Consideration and possible action on scheduling future meetings.**

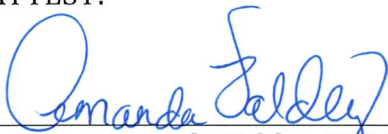
The committee, by consensus, agreed to hold a meeting on January 3, 2023 at 6:30 PM in the Public Safety Training Room of the Fair Oaks Ranch Police Station.

The Committee recessed at 12:43 PM for a meal break.

ADJOURNMENT

Committee Chairman, Seth Mitchell, adjourned the meeting at 1:04 PM.

ATTEST:



Amanda Valdez, TRMC
Deputy City Secretary



Seth Mitchell
Committee Chairman

Chat GPT-Generated Reasons to Take Issuances to Voters

Cities often seek voter approval before issuing debt for several reasons, as it is a significant decision that can have long-term implications for the community. Here are some key reasons:

Democratic Process: Seeking voter approval aligns with democratic principles by involving the community in important financial decisions. It allows residents to have a say in how their tax dollars are utilized and promotes transparency in governance.

Accountability: When voters approve or disapprove of issuing debt, it creates a level of accountability for local government officials. Elected officials are more likely to be cautious and responsible in their financial decisions when they know they are answerable to the electorate.

Public Trust: Engaging the public in decisions about debt issuance fosters trust between the government and the community. Trust is essential for a well-functioning democracy, and involving citizens in financial decisions helps build confidence in the government's ability to manage public funds responsibly.

Financial Responsibility: Voter approval acts as a check on the government's ability to accumulate excessive debt. It ensures that the community's financial health is not jeopardized by irresponsible borrowing and encourages fiscal responsibility on the part of local officials.

Community Input: Residents often have valuable insights into local priorities and needs. By involving them in decisions related to debt issuance, the city can benefit from the collective wisdom of its residents, ensuring that the borrowed funds are used for projects that align with community values and priorities.

Public Awareness: Holding a vote on debt issuance increases public awareness of the city's financial situation and the specific projects for which the debt is being proposed. This informed electorate is better equipped to understand the implications of borrowing and can make decisions that align with the city's overall well-being.

By seeking voter approval before issuing debt, cities aim to balance the need for funding with the responsibility of managing public finances in a manner that reflects the wishes and priorities of the community.

Recent "Peer City" General Obligation Bond Elections

Calendar Year 2023

City of Hill Country Village - redirected \$3 million in unspent funds from a 2019 road improvement bond toward building new municipal complex; 77.8% approved. Sources: City of Hill Country Village website; Bexar County Elections Department website

Calendar Year 2022

City of Boerne - \$23 million Streets and Mobility; 60.28% approved

\$13 million Parks and Open Space; 59.81% approved
Sources: City of Boerne Website

City of Kerrville - \$45 million roads; 54% approved

Sources: Texas Bond Review Board 2022 Local Annual Report Table A.3, City of Kerrville website

City of Live Oak - \$18 million Street and Bridge; 66.68% approved

Sources: Texas Bond Review Board 2022 Local Annual Report Table A.3; Bexar County Elections Department website

City of Shavano Park - \$10 million road; 82.12% approved

Sources: Texas Bond Review Board 2022 Local Annual Report Table A.3; Bexar County Elections Department website

City of Windcrest - \$5 million Aquatic Center; 58.82% disapproved

Sources: Texas Bond Review Board 2022 Local Annual Report Table A.4; City of Windcrest website

Calendar Year 2021

City of Schertz - \$15.5 million Public Safety facilities; 71.9% approved

Sources: Texas Bond Review Board 2022 Local Annual Report Table A.5; City of Schertz website

Calendar Year 2020

City of Alamo Heights - \$13.3 million Austin Highway/Lower Broadway; 78.7% approved

Sources: Texas Bond Review Board 2021 Local Annual Report Table A.5; Bexar County Elections Department website

Use of Bonds by Fair Oaks Ranch

General Obligation Bonds

General Obligation Bonds, Series 2015

\$7 million roads approved in November 2014 with 64% in favor (80% voter participation)

Source: The Fair Oaks Gazette, Volume 4, Issue 12 "From the Mayor's Desk"

Certificates of Obligation

1997/1998

City of Fair Oaks Ranch used certificates of obligation to purchase Glenpool (water/wastewater utility) for \$4.1 million

City held town hall meetings and sent postcards to residents soliciting their input. Out of 835 mail-in postcards returned, 821 were in favor of the purchase.

Sale of utility completed on December 2, 1997.

Source: Vision to Reality, City of Fair Oaks Ranch, Texas, A Brief History of Fair Oaks Ranch. Gary D. Youngblood Piper Plus Publications 2013

September 3, 2020

City of Fair Oaks Ranch approved \$2.7 million "City of Fair Oaks Ranch, Texas combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020" to refinance a capital lease for Supervisory Control and Data Acquisition (SCADA) system for the Water/Wastewater Utility acquired in 2014.

City followed required legal notifications and public meeting approvals.

Source: Fair Oaks Ranch City Council Meeting September 3, 2020 agenda backup

Exhibit B

Projects Reviewed by Bond Advisory Committee

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE PROJECTS					Nov 30 Preliminary Finance Through General Fund Bond	Dec 13 Finance Through General Fund Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation	Alternative Recommended Funding Source	Project Priority
SAP #	Description/Location	Criticality Score	Category	Estimated Total Cost						
3.3.22	Drainage 28907 Chartwell Lane (CIP# 35)	29.5	Must Do	335,229	Yes	Y	335,229			
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	29.5	Must Do	122,500	Yes	N - cash funded	122,500 *		Utility Fund	
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	29	Must Do	229,840	Yes	Y	229,840			
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	28	Must Do	229,840	Yes		229,840			
3.3.18	Drainage 7740 Pinnac Lane (CIP# 42)	27.5	Must Do	113,844	Yes		113,844			
3.3.13	Drainage 7420 Rolling Acres Trail (CIP# 6)	17	Must Do	Included in Rdwy CIP# 7	Yes	Reserve	Included in CIP 7			
3.3.12	Drainage 8426 Triple Crown (CIP# 41)	22	Should Do	253,094	Yes		253,094			
3.3.20	Drainage 8312 Triple Crown (CIP# 43)	22	Should Do	269,967	Yes		269,967			
3.3.19	Drainage 32030 Scarteen (CIP# 53)	24.5	Should Do	266,184	Yes		266,184			
	Drainage 31988 Scarteen (CIP# 44)	28.5	Should Do	100,000	Yes		100,000			
	Drainage 7742 Pinnac Lane (CIP# 46) - <i>Next Park</i>	28.5	Should Do	100,000	Yes		100,000			
	Drainage 8045 Flagstone Hill (CIP# 63)	21	Should Do	100,000	Yes		100,000			
	Drainage 8402 Battle Intense LWC HALT system	17	Should Do	200,000	Yes	Y	200,000**		unallocated GF	Bottom
				2,320,498						

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY PROJECTS					Finance Through GF Bond	Finance Through GF Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation		
SAP #	Description/Location	OCI Score	Category	Estimated Total Cost						
3.4.10	Dietz Elkhorn Roadway Reconstruction (CIP# 5)	< 40	Must Do	4,941,593	Yes	Y	4,941,593			
3.4.16	Reconstruct Battle Intense near Trailside (NEW)	< 40	Should Do	312,000	Yes	Y	312,000			
3.4.12	Rolling Acres Roadway Reconstruction (CIP# 7) (Includes drainage CIP# 6)	33	Should Do	6,773,793	Yes	Y	6,773,793***			
3.4.11	Ammann Road Maintenance	< 40	Must Do	2,000,000	Yes	Y	2,000,000****			
				14,027,386						

Policy Recommendations - maint. reserve account

Not recommended to be included in bond package

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE					Finance Through GF Bond	Finance Through GF Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation		
SAP #	Description/Location	Criticality Score	Category	Estimated Total Cost						
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)	26	Must Do	Included in Rdwy CIP# 6	No					
	Drainage 8402 Battle Intense LWC (CIP# 23)	17	Must Do	3,768,171	No		200,000			
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	40.5	Should Do	266,184	No		0.00			

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY					Finance Through GF Bond	Finance Through GF Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation		
SAP #	Description/Location	OCI Score	Category	Estimated Total Cost						
3.4.11	Ammann Road Reconstruction (CIP# 6) (Includes Drainage CIP# 1)	< 40	Must Do	6,700,085	No		2,000,000****			
	Arbors Preserve Access Road Paving	N/A	N/A	500,000	No		\$0.00			

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - BUILDINGS					Finance Through GF Bond	Finance Through GF Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation		
SAP #	Description/Location			Estimated Total Cost						
3.5.5	Plan and construct a civic/community center			2,549,441	No		\$0.00		MDD	

PUBLIC HEALTH, SAFETY, AND WELFARE					Finance Through GF Bond	Finance Through GF Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation		
SAP #	Description/Location			Estimated Total Cost						
4.2.4	Fire Station #3 Phase 2 Upgrades			492,720	No		\$0.00			

OPERATIONAL EXCELLENCE					Finance Through Bond Package	Finance Through GF Bond	Nov 30 Preliminary Funding Allocation	Dec 13 Funding Allocation		
SAP #	Description/Location			Estimated Total Cost						
5.2.6	Design and Construct a City Gateway Feature			500,000	No		\$0.00		MDD	

* Delta Dawn split 50/50 with Water/Wastewater Utility

** Halt System funding as substitute for Battle Intense Bridge CIP 23

*** CIP #7 Engineers asked to review

**** Maintenance Substituted for CIP 6 Ammon Road Reconstruction