



CITY OF FAIR OAKS RANCH
BOND ADVISORY COMMITTEE

Wednesday, January 03, 2024 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

AGENDA

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

CITIZENS and GUEST FORUM

To address the Committee, please sign the Attendance Roster located on the table at the entrance of the Public Safety Training Room. In accordance with the Open Meetings Act, the Bond Advisory Committee may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.

2. Citizens to be heard.

CONSENT AGENDA

The following items are considered routine by the Bond Advisory Committee, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Committee Member by making such request prior to a motion and vote.

3. Approval of the December 13, 2023 Regular Bond Advisory Committee meeting minutes.

Amanda Valdez, TRMC, Deputy City Secretary

PRESENTATIONS

4. Meeting recap with updated schedules.

Summer Fleming, Director of Finance

CONSIDERATION / DISCUSSION ITEMS

5. Discussion, consideration, and appropriate action related to final approval for submission to city council the committee's report, "**Bond Advisory Committee Recommendations Related to Capital Improvement Projects Funded Through the General Fund**". In this item, the committee will review all subsections of the report to consider and adopt agreed upon additions, deletions and other edits.

Seth Mitchell, Committee Chairman

FUTURE MEETINGS

6. Consideration and possible action to schedule and select topics for future committee meetings related to Water/Wastewater Utility capital improvement projects.

Seth Mitchell, Committee Chairman

ADJOURNMENT

Requests for Committee topic needing additional information/research; or, potential consideration for a future agenda

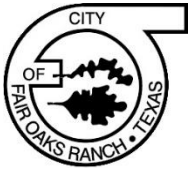
Signature of Agenda Approval: s/Seth Mitchell

Seth Mitchell, Committee Chairman

I, Amanda Valdez, TRMC, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City’s website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, December 31, 2023 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary’s office at (210) 698-0900. Braille is not available.



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:

 Seth Mitchell
 Committee Chairman

 Amanda Valdez, TRMC
 Deputy City Secretary

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	Parade	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



Bond Advisory Committee December 13, 2023 Meeting Recap



Reviewed Financial Model

- Reviewed the updated financial model after committee recommendations were made
- Reviewed updated bond proposal from SAMCO
 - GO Bond Proposition issuances
 - Tax Rate Impact Analysis
 - Homeowner Impact Analysis
 - Cost of Issuance Analysis
- Recommended debt proposal with lower interest rates comparable to current rate activity

Final Project and Funding Recommendations



- Updated project recommendation worksheet
- Motion passed for projects to include in bond package
- Motion passed to recommend GO Bond for Roadway projects and Certificate of Obligation for Drainage projects



Questions?

Recommended for bond package

	2023	2024	2025	2026	2027	2028	2029	Total
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE PROJECTS								
3.3.22 Drainage 28907 Chartwell Lane (CIP #35)	-	64,829	270,400	-	-	-	-	335,229
3.3.14 Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	67,600	162,240	-	-	-	229,840
3.3.17 Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	67,600	162,240	-	-	-	229,840
3.3.18 Drainage 7740 Pimlico Lane (CIP# 42)	-	-	113,844	-	-	-	-	113,844
3.3.13 Drainage 7420 Rolling Acres Trail (CIP#6)	-	-	-	-	-	-	-	-
3.3.12 Drainage 8426 Triple Crown (CIP# 41)	-	-	-	-	253,094	-	-	253,094
3.3.20 Drainage 8312 Triple Crown (CIP #43)	-	-	-	-	269,967	-	-	269,967
3.3.19 Drainage 32030 Scarteen (CIP# 53)	-	-	-	-	-	72,331	193,853	266,184
Drainage 31988 Scarteen (CIP# 44)	-	-	-	-	-	100,000	-	100,000
Drainage 7644 Pimlico Lane (CIP# 46)	-	-	-	-	-	100,000	-	100,000
Drainage 8045 Flagstone Hill (CIP# 63)	-	-	-	-	-	-	100,000	100,000
Drainage 8402 Battle Intense LWC (CIP# 23)	-	-	-	-	-	-	200,000	200,000
Total Drainage	-	64,829	519,444	324,480	523,062	272,331	493,853	2,197,999
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY PROJECTS								
3.4.10 Dietz Elkhorn Roadway Reconstruction	100,721	509,429	263,253	1,994,211	2,073,979	-	-	4,941,593
3.4.16 Reconstruct Battle Intense near Trailside	-	-	312,000	-	-	-	-	312,000
3.4.12 Rolling Acres Roadway Reconstruction	-	-	-	404,411	420,588	2,916,075	3,032,718	6,773,793
3.4.11 Ammann Road Maintenance	-	-	500,000	500,000	500,000	500,000	-	2,000,000
Total Roadway	100,721	509,429	1,075,253	2,898,622	2,994,568	3,416,075	3,032,718	14,027,386
Total Needed to Fund All Projects	100,721	574,258	1,594,697	3,223,102	3,517,629	3,688,406	3,526,571	16,225,384
Potential City Cash Funding	100,721	574,258	249,044	324,480	367,405	272,331	393,854	2,282,093
Debt Funding Needed		-	1,345,653	2,898,622	3,150,224	3,416,075	3,132,717	13,943,291

Not recommended for bond package

	2023	2024	2025	2026	2027	2028	2029	Total
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE								
3.3.11 Drainage Ammann Road Low Water Cross (CIP# 1)	-	-	-	-	-	-	-	-
Drainage 8402 Battle Intense LWC (CIP# 23)	-	-	-	-	-	-	3,768,171	3,768,171
3.3.6 Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-	-	-	72,331	193,853	266,184
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY								
3.4.11 Ammann Road Reconstruction	-	418,761	414,773	2,875,760	2,990,791	-	-	6,700,085
Arbors Preserve Access Road	-	-	500,000	-	-	-	-	500,000
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - BUILDINGS								
3.5.5 Plan and construct a civic/community center	299,441	800,000	1,450,000	-	-	-	-	2,549,441
PUBLIC HEALTH, SAFETY, AND WELFARE								
4.2.4 Fire Station #3 Phase 2 Upgrades	-	150,000	342,720	-	-	-	-	492,720
OPERATIONAL EXCELLENCE								
5.2.6 Design and Construct a City Gateway Feature	-	500,000	-	-	-	-	-	500,000
Total Needed to Fund Projects	299,441	1,868,761	2,707,493	2,875,760	2,990,791	72,331	3,962,024	14,776,601
City Cash Funding	299,441	150,000	250,000	-	-	-	-	699,441
Potential Grant Funding	-	1,300,000	1,200,000	-	-	-	-	2,500,000
Debt Funding Needed	-	418,761	1,257,493	2,875,760	2,990,791	72,331	3,962,024	11,577,160

Projects Reviewed by Bond Advisory Committee

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE PROJECTS					Nov 30 Preliminary	Dec 13	Nov 30 Preliminary	Dec 13	Alternative	Project
SAP #	Description/Location	Criticality Score	Category	Estimated Total Cost	Finance Through	Finance Through	Funding Allocation	Funding Allocation	Recommended Funding	Priority
3.3.22	Drainage 28907 Chartwell Lane (CIP# 35)	29.5	Must Do	335,229	Yes	CO Bond	335,229	335,229		Must Do
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	29	Must Do	229,840	Yes	CO Bond	229,840	229,840		Must Do
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	28	Must Do	229,840	Yes	CO Bond	229,840	229,840		Must Do
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	27.5	Must Do	113,844	Yes	CO Bond	113,844	113,844		Must Do
	Drainage 8402 Battle Intense LWC HALT system	17	Should Do	200,000	Yes	CO Bond	200,000**	200,000	unallocated reserves	Must Do
3.3.12	Drainage 8426 Triple Crown (CIP# 41)	22	Should Do	253,094	Yes	CO Bond	253,094	253,094		Should Do
3.3.20	Drainage 8312 Triple Crown (CIP# 43)	22	Should Do	269,967	Yes	CO Bond	269,967	269,967		Should Do
3.3.19	Drainage 32030 Scarteen (CIP# 53)	24.5	Should Do	266,184	Yes	CO Bond	266,184	266,184		Should Do
	Drainage 31988 Scarteen (CIP# 44)	28.5	Should Do	100,000	Yes	CO Bond	100,000	100,000		Should Do
	Drainage 7644 Pimlico Lane (CIP# 46) Vestal Park/Rockinghorse culvert	28.5	Should Do	100,000	Yes	CO Bond	100,000	100,000		Should Do
	Drainage 8045 Flagstone Hill (CIP# 63)	21	Should Do	100,000	Yes	CO Bond	100,000	100,000		Should Do
				2,197,998						

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

Not recommended to be included in bond package

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

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

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

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

OPERATIONAL EXCELLENCE					Finance Through	Finance Through	Nov 30 Preliminary	Dec 13 Funding	Alternative	Project
SAP #	Description/Location			Estimated Total Cost	Bond Package	GF Bond	Funding Allocation	Allocation	Recommended Funding	Priority
5.2.6	Design and Construct a City Gateway Feature			500,000	No	No	-			

* Delta Dawn split 50/50 with Water/Wasterwater Utility
 ** Halt System funding as substitute for Battle Instense Bridge CIP 23
 ***CIP #7 Engineers asked to review
 ****Maintenance Substituted for CIP 6 Ammon Road Reconstruction

Combined Debt Proposal (Adjusted for Inflation by City) (CIP as of 12-29-23)							
	2024	2025	2026	2027	2028	2029	Total
Roadways	\$ 509,429	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 13,926,665
Less: Cash/Grant Funding	509,429	-	-	-	-	-	509,429
General Obligation Bond Funding	\$ -	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 13,417,236
Drainage	\$ 64,829	\$ 519,444	\$ 324,480	\$ 523,062	\$ 272,331	\$ 493,853	\$ 2,197,999
Less: Cash/Grant Funding	64,829	249,044	324,480	367,405	272,331	393,854	1,671,943
Certificate of Obligation Funding	\$ -	\$ 270,400	\$ -	\$ 155,656	\$ -	\$ 99,999	\$ 526,056
Total General Fund Projects	\$ 574,258	\$ 1,594,697	\$ 3,223,102	\$ 3,517,629	\$ 3,688,406	\$ 3,526,571	\$ 16,124,663
Less: Cash/Grant Funding	574,258	249,044	324,480	367,405	272,331	393,854	2,181,372
Total General Fund Debt Funding	\$ -	\$ 1,345,653	\$ 2,898,622	\$ 3,150,224	\$ 3,416,075	\$ 3,132,717	\$ 13,943,291
Water System Improvements	\$ 3,051,547	\$ 1,701,332	\$ 4,596,257	\$ 5,100,985	\$ 300,408	\$ -	\$ 14,750,530
Less: Cash Funding	240,000	264,767	193,240	91,743	300,408	-	1,090,157
Debt Funding	\$ 2,811,547	\$ 1,436,566	\$ 4,403,017	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Improvements	\$ -	\$ 2,632,240	\$ 3,154,521	\$ 1,170,736	\$ -	\$ -	\$ 6,957,497
Less: Cash Funding	-	107,626	113,521	179,487	-	-	400,634
Debt Funding	\$ -	\$ 2,524,614	\$ 3,041,000	\$ 991,249	\$ -	\$ -	\$ 6,556,863
Combined Utility Debt Funding	\$ 2,811,547	\$ 3,961,180	\$ 7,444,017	\$ 6,000,491	\$ -	\$ -	\$ 20,217,235
General Obligation Bonds							
Proposition A: Streets	\$ -	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 13,417,236
Street Projects	\$ 3,973,875	\$ -	\$ 2,994,568	\$ -	\$ 6,448,793	\$ -	\$ 13,417,236
Bond Par Amount (Rounded to \$5,000 Increment)	\$ 3,975,000	\$ -	\$ 2,995,000	\$ -	\$ 6,450,000	\$ -	\$ 13,420,000
Certificates of Obligation							
Drainage Projects (General Fund)	\$ -	\$ 270,400	\$ -	\$ 255,656	\$ -	\$ -	\$ 526,056
Water System Projects (Utility Fund)	\$ 4,248,113	\$ 4,403,017	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Projects (Utility Fund)	2,524,614	4,032,249	-	-	-	-	6,556,863
Total Utility Fund Projects	\$ 6,772,727	\$ 8,435,266	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 20,217,235
Total Certificate of Obligation Projects	\$ 6,772,727	\$ 8,705,666	\$ -	\$ 5,264,898	\$ -	\$ -	\$ 20,743,291
CO Par Amount (Rounded to \$5,000 Increment)	\$ 6,775,000	\$ 8,710,000	\$ -	\$ 5,265,000	\$ -	\$ -	\$ 20,750,000
Total Debt (Bonds and COs)							
All Projects	\$ 10,746,602	\$ 8,705,666	\$ 2,994,568	\$ 5,264,898	\$ 6,448,793	\$ -	\$ 34,160,527
Bonds and COs Par Amount (Rounded to \$5,000 Increment)	\$ 10,750,000	\$ 8,710,000	\$ 2,995,000	\$ 5,265,000	\$ 6,450,000	\$ -	\$ 34,170,000

Costs of Issuance Analysis

Costs of Issuance (Assuming General Obligation Bonds and Certificates of Obligation - as contemplated above) ⁽¹⁾

City Cost of Conducting an Election ⁽²⁾	\$	30,000
General Obligation Bonds, Series 2024		79,775
General Obligation Bonds, Series 2026		93,850
General Obligation Bonds, Series 2028		95,850
Certificates of Obligation, Series 2024		105,700
Certificates of Obligation, Series 2025		113,195
Certificates of Obligation, Series 2027		97,760
Total	\$	616,130

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ Pertains to the cost to the City to conduct a bond election (ballot machines, etc.) as provided by City Staff.

Costs of Issuance (Assuming All Certificates of Obligation) ⁽¹⁾⁽²⁾

Certificates of Obligation, Series 2024	\$	111,800
Certificates of Obligation, Series 2025		113,195
Certificates of Obligation, Series 2026		93,850
Certificates of Obligation, Series 2027		97,760
Certificates of Obligation, Series 2028		104,690
Total	\$	521,295

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ It may be feasible, depending upon timing of projects to further reduce the number of financings by one series to achieve greater efficiency.

Comparison of Costs of Issuance Based Between General Obligation Bonds & Certificates of Obligation versus Certificates of Obligation

Total Cost of GO and CO Issuance Program	\$	616,130
Total Cost of All CO Issuance Program		521,295
Potential Economic Benefit to City	\$	94,835

Fair Oaks Ranch, City of Tax Rate Impact Analysis January 3, 2024										
FYE (9/30)	TAV ⁽¹⁾	Existing Debt		\$3,975,000 GO's, Series 2024 ⁽²⁾	\$275,000 CO's, Series 2025 ⁽²⁾	\$2,995,000 GO's, Series 2026 ⁽²⁾	\$255,000 CO's, Series 2027 ⁽²⁾	\$6,450,000 GO's, Series 2028 ⁽²⁾	Projected Debt	
		Service	I&S ⁽³⁾						Service	I&S ⁽³⁾
2023	\$ 2,046,397,330	\$ 552,130	\$ 0.0268						\$ 552,130	\$ 0.0268
2024	2,388,156,944	553,163	0.0229						553,163	0.0229
2025	2,626,972,638	552,475	0.0210	\$ 462,800					1,015,275	0.0394
2026	2,758,321,270	550,950	0.0200	489,600	\$ 22,150				1,062,700	0.0393
2027	2,896,237,334	548,575	0.0189	132,600	21,700	\$ 417,875			1,120,750	0.0395
2028	3,041,049,201	550,888	0.0181	132,600	21,250	452,875	\$ 18,256		1,175,869	0.0395
2029	3,193,101,661	552,825	0.0173	132,600	20,800	119,750	22,863	\$ 354,750	1,203,588	0.0385
2030	3,193,101,661	548,100	0.0172	132,600	20,350	119,750	22,338	354,750	1,197,888	0.0383
2031	3,193,101,661	-	-	309,000	19,900	217,250	21,813	563,838	1,131,800	0.0362
2032	3,193,101,661	-	-	306,700	19,450	217,125	21,288	566,600	1,131,163	0.0361
2033	3,193,101,661	-	-	309,100	19,000	216,750	20,763	563,675	1,129,288	0.0361
2034	3,193,101,661	-	-	311,100	18,550	216,125	20,238	565,063	1,131,075	0.0361
2035	3,193,101,661	-	-	307,800	22,988	220,125	19,713	565,625	1,136,250	0.0363
2036	3,193,101,661	-	-	309,200	22,313	218,750	19,188	565,363	1,134,813	0.0363
2037	3,193,101,661	-	-	310,200	21,638	217,125	18,663	564,275	1,131,900	0.0362
2038	3,193,101,661	-	-	310,800	20,963	220,125	18,138	562,363	1,132,388	0.0362
2039	3,193,101,661	-	-	311,000	20,288	217,750	22,481	564,488	1,136,006	0.0363
2040	3,193,101,661	-	-	310,800	19,613	215,125	21,694	565,513	1,132,744	0.0362
2041	3,193,101,661	-	-	310,200	18,938	217,125	20,906	565,438	1,132,606	0.0362
2042	3,193,101,661	-	-	309,200	23,150	218,625	20,119	564,263	1,135,356	0.0363
2043	3,193,101,661	-	-	307,800	22,250	219,625	19,331	561,988	1,130,994	0.0361
2044	3,193,101,661	-	-	306,000	21,350	215,250	18,544	563,475	1,124,619	0.0359
2045	3,193,101,661	-	-	-	20,450	215,500	22,625	563,588	822,163	0.0263
2046	3,193,101,661	-	-	-	-	215,250	21,575	562,325	799,150	0.0255
2047	3,193,101,661	-	-	-	-	-	20,525	564,550	585,075	0.0187
2048	3,193,101,661	-	-	-	-	-	-	565,125	565,125	0.0181
Total		\$ 4,409,105		\$ 5,811,700	\$ 417,088	\$ 4,587,875	\$ 411,056	\$ 10,867,050	\$ 26,503,874	

⁽¹⁾ Assumes 10% growth for 1 year and 5% for 4 years and no growth thereafter.
⁽²⁾ Preliminary, subject to change. Interest calculated to be 4.00% for Series 2024, 4.50% for Series 2025, 5.00% for Series 2026, 5.25% for Series 2027 and 5.50% for Series 2028 for illustrative purposes only.
⁽³⁾ FYE 2025 and beyond assume 98% tax collections.

Homeowner Impact Analysis (I&S Rate Only)				
Taxable Home Value (Net of Exemptions)		I&S Tax Rate Increase from Current (FYE 2024)		
			Monthly Tax Increase	Annual Tax Increase
\$	400,000	\$ 0.0166	\$ 5.53	\$ 66.35
	500,000	0.0166	6.91	82.93
	650,000	0.0166	8.98	107.81
	800,000	0.0166	11.06	132.69
	1,000,000	0.0166	13.82	165.86
	1,250,000	0.0166	17.28	207.33
	1,500,000	0.0166	20.73	248.80

City of Fair Oaks Ranch, Texas
Water and Sewer Fund Proforma
January 3, 2024

FYE (9/30)	# of Water Connections (1)	# of Wastewater Connections (1)	Revenues (2)	Expenditures (2)	Available for Debt Service	Existing Debt				Rate Increase Calculations (4)						
						Service	Series 2024 (3)	Series 2025 (3)	Series 2027 (3)	Total	Total Water Debt Service	Revenue Surplus/ (Deficit)	Monthly Water Increase Required	Total Wastewater Debt Service	Monthly Wastewater Increase Required	
2023	3197	1977	\$ 6,552,783	\$ 5,121,832	\$ 1,430,951	\$ 339,746					\$ 339,746	\$ 285,386	\$ 1,091,206	\$ -	\$ 45,662	\$ -
2024	3213	1989	6,552,783	5,121,832	1,430,951	336,514					336,514	282,671	1,094,438	(0.07)	45,227	(0.02)
2025	3229	1999	6,552,783	5,121,832	1,430,951	338,256	\$ 614,000				952,256	552,135	478,695	6.88	391,462	14.42
2026	3245	2009	6,552,783	5,121,832	1,430,951	334,974	404,000	\$ 599,738			1,338,711	841,353	92,240	14.28	488,783	18.38
2027	3261	2019	6,552,783	5,121,832	1,430,951	336,666	398,000	599,388			1,334,054	834,274	96,898	14.03	491,160	18.39
2028	3278	2029	6,552,783	5,121,832	1,430,951	338,308	392,000	593,700	\$ 263,025		1,587,033	1,090,179	(156,082)	20.46	488,194	18.18
2029	3294	2039	6,552,783	5,121,832	1,430,951	160,808	537,900	587,788	263,025		1,549,521	1,084,479	(118,570)	20.22	460,925	16.97
2030	3294	2039	6,552,783	5,121,832	1,430,951	-	506,100	654,963	428,563		1,589,625	1,100,050	(158,674)	20.61	489,575	18.14
2031	3294	2039	6,552,783	5,121,832	1,430,951	-	504,500	655,000	429,375		1,588,875	1,095,575	(157,924)	20.50	493,300	18.29
2032	3294	2039	6,552,783	5,121,832	1,430,951	-	502,500	654,363	429,663		1,586,525	1,099,938	(155,574)	20.61	486,588	18.02
2033	3294	2039	6,552,783	5,121,832	1,430,951	-	500,100	657,938	429,425		1,587,463	1,098,025	(156,512)	20.56	489,438	18.14
2034	3294	2039	6,552,783	5,121,832	1,430,951	-	502,200	655,725	428,663		1,586,588	1,099,838	(155,637)	20.60	486,750	18.03
2035	3294	2039	6,552,783	5,121,832	1,430,951	-	503,700	657,725	432,244		1,593,669	1,105,144	(162,718)	20.74	488,525	18.10
2036	3294	2039	6,552,783	5,121,832	1,430,951	-	499,700	658,825	430,169		1,588,694	1,099,044	(157,743)	20.58	489,650	18.15
2037	3294	2039	6,552,783	5,121,832	1,430,951	-	500,200	659,025	432,438		1,591,663	1,101,538	(160,712)	20.65	490,125	18.17
2038	3294	2039	6,552,783	5,121,832	1,430,951	-	500,100	658,325	429,050		1,587,475	1,097,525	(156,524)	20.55	489,950	18.16
2039	3294	2039	6,552,783	5,121,832	1,430,951	-	504,300	656,725	430,006		1,591,031	1,097,006	(160,080)	20.53	494,025	18.32
2040	3294	2039	6,552,783	5,121,832	1,430,951	-	502,800	659,113	430,175		1,592,088	1,099,738	(161,137)	20.60	492,350	18.26
2041	3294	2039	6,552,783	5,121,832	1,430,951	-	500,700	655,488	429,556		1,585,744	1,095,719	(154,793)	20.50	490,025	18.16
2042	3294	2039	6,552,783	5,121,832	1,430,951	-	502,900	655,850	433,019		1,591,769	1,104,719	(160,818)	20.73	487,050	18.04
2043	3294	2039	6,552,783	5,121,832	1,430,951	-	504,300	659,975	430,563		1,594,838	1,101,625	(163,887)	20.65	493,213	18.29
2044	3294	2039	6,552,783	5,121,832	1,430,951	-	504,900	657,863	432,188		1,594,950	1,106,438	(163,999)	20.77	488,513	18.10
2045	3294	2039	6,552,783	5,121,832	1,430,951	-	-	659,513	427,894		1,087,406	780,656	343,545	12.53	306,750	10.67
2046	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	432,550		432,550	432,550	998,401	3.72	-	(1.87)
2047	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	431,025		431,025	431,025	999,926	3.68	-	(1.87)
Total						\$ 2,185,271	\$ 9,884,900	\$ 12,897,025	\$ 8,272,613	\$ 33,239,808	\$ 23,116,627			\$ 10,067,238		

(1) Provided by the City.

(2) Based on FYE 2022 audited results. Revenues include Interest Income and exclude Grant Income. Expenditures exclude depreciation and debt service.

(3) Preliminary, subject to change. Interest calculated to be 4.00% for Series 2024, 4.50% for Series 2025 and 5.25% for Series 2027 for illustrative purposes only.

(4) Maximum projected shortfall would require a \$20.77 and \$18.39 per connection per month increase for water and wastewater services, respectively, to support financed projects. Calculated by subtracting FYE2023 debt service payment from total debt service payment in future years and dividing by the number of customers in that year and then by 12 months.

**BOND ADVISORY COMMITTEE RECOMMENDATIONS
RELATED TO CAPITAL IMPROVEMENT PROJECTS
FUNDED THROUGH THE GENERAL FUND**

January 18, 2024

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DRAFT

Date: January 8, 2024

To: The Honorable Mayor, Members of Council and Citizens of Fair Oaks Ranch

From: Bond Advisory Committee, Seth Mitchell Chair

Subject: Bond Advisory Committee Recommendations for Financing Capital Improvements

On behalf of the Bond Advisory Committee, I am writing to formally convey the recommendations made by our committee regarding the method of financing of certain road, drainage and other capital improvements for our city. A second report providing the Committee’s recommendations concerning water/wastewater utility projects will be forthcoming.

Over the past few months, the Bond Advisory Committee has diligently assessed various capital projects that are essential to maintaining and enhancing the quality of life for our residents. After careful consideration and thorough analysis, we have reached a consensus on the project recommendations outlined in the following pages.

We trust that the City Council will give due consideration to these recommendations, as they are intended to serve the best interests of our community. We are available to provide any additional information or clarification required.

Thank you for your dedication to the well-being of our city and for allowing this committee to make these recommendations.

Bond Advisory Committee Membership

Joe DeCola
Marcus Garcia, Vice Chair
Dana Green
John Guidry
Jamin Kazarian

Ben Koerner
Paul Mebane, CIAC Chair
Seth Mitchell, Chair
Chris Weigand, CIAC Vice Chair
Emily Stroup, Council Liaison

Executive Summary

The Bond Advisory Committee (BAC) has completed a review of project details totaling **\$26, 803,947** from the **General Fund** related to **roadway (\$19.2m), drainage (\$4m), and other capital improvement projects (\$3.54m)** prepared by the City Engineering and Finance departments. In addition to project recommendations, this report provides: estimates from SAMCO as to household impact of financing projects; BAC reasoning behind debt instrument decisions; and BAC recommendations related to both follow-on- work related to these projects, and related issues. **Note: BAC is to deliver its recommendations concerning water/wastewater utility capital projects at a later date which this report will not address.**

Project Recommendations

Upon consideration of available information, on site visits and study, BAC recommends implementation and General Fund debt funding **using General Obligation Bonds and Certificates of Obligation** for a subset of these projects totaling **\$16,225,384 for roadway and drainage capital projects**. Additionally, BAC identified and recommends city apply to **use Municipal Development District grants** for certain other projects totaling **\$3,049,441**. **SEE Individual Project pages 13– 43 for details on all projects.**

Road Projects Recommended

BAC recommends asking voters to approve issuance of **General Obligation Bonds** necessary to implement **\$14,027,386 in road projects**, including:

Dietz Elkhorn Reconstruction - \$4,941,593

Rolling Acres Reconstruction - \$6,773,793

Battle Intense Reconstruction - \$ 312,000

Ammann Road Maintenance - \$2,000,000

Two road projects, Ammann Road reconstruction and paving Arbors Preserve Road, are not recommended.

Drainage Projects Recommended

BAC recommends city council, after receiving appropriate public input, approve issuance of **Certificates of Obligation** necessary to implement **\$2,197,998 in drainage projects**, including the eleven shown in the Drainage Project pages 22 – 32.

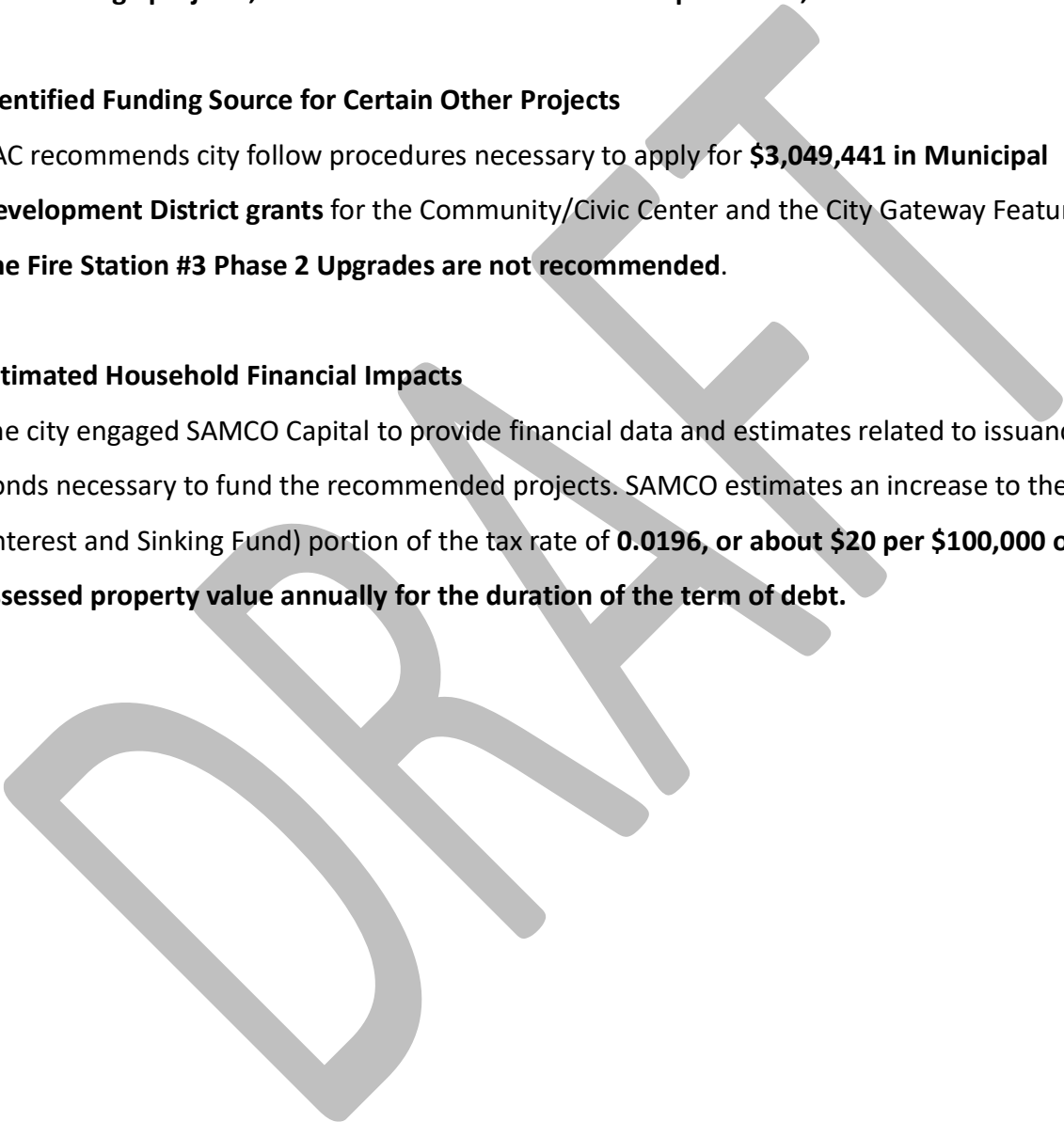
Two drainage projects, 8622 Delta Dawn and 29314 Sumpter Drive, are not recommended.

Identified Funding Source for Certain Other Projects

BAC recommends city follow procedures necessary to apply for **\$3,049,441 in Municipal Development District grants** for the Community/Civic Center and the City Gateway Feature. **The Fire Station #3 Phase 2 Upgrades are not recommended.**

Estimated Household Financial Impacts

The city engaged SAMCO Capital to provide financial data and estimates related to issuance of bonds necessary to fund the recommended projects. SAMCO estimates an increase to the I&S (Interest and Sinking Fund) portion of the tax rate of **0.0196, or about \$20 per \$100,000 of assessed property value annually for the duration of the term of debt.**



**DOCUMENTS PREPARED BY SAMCO CAPITAL
RELATED TO THE COMMITTEE’S AFFORDABILITY CHARGE**

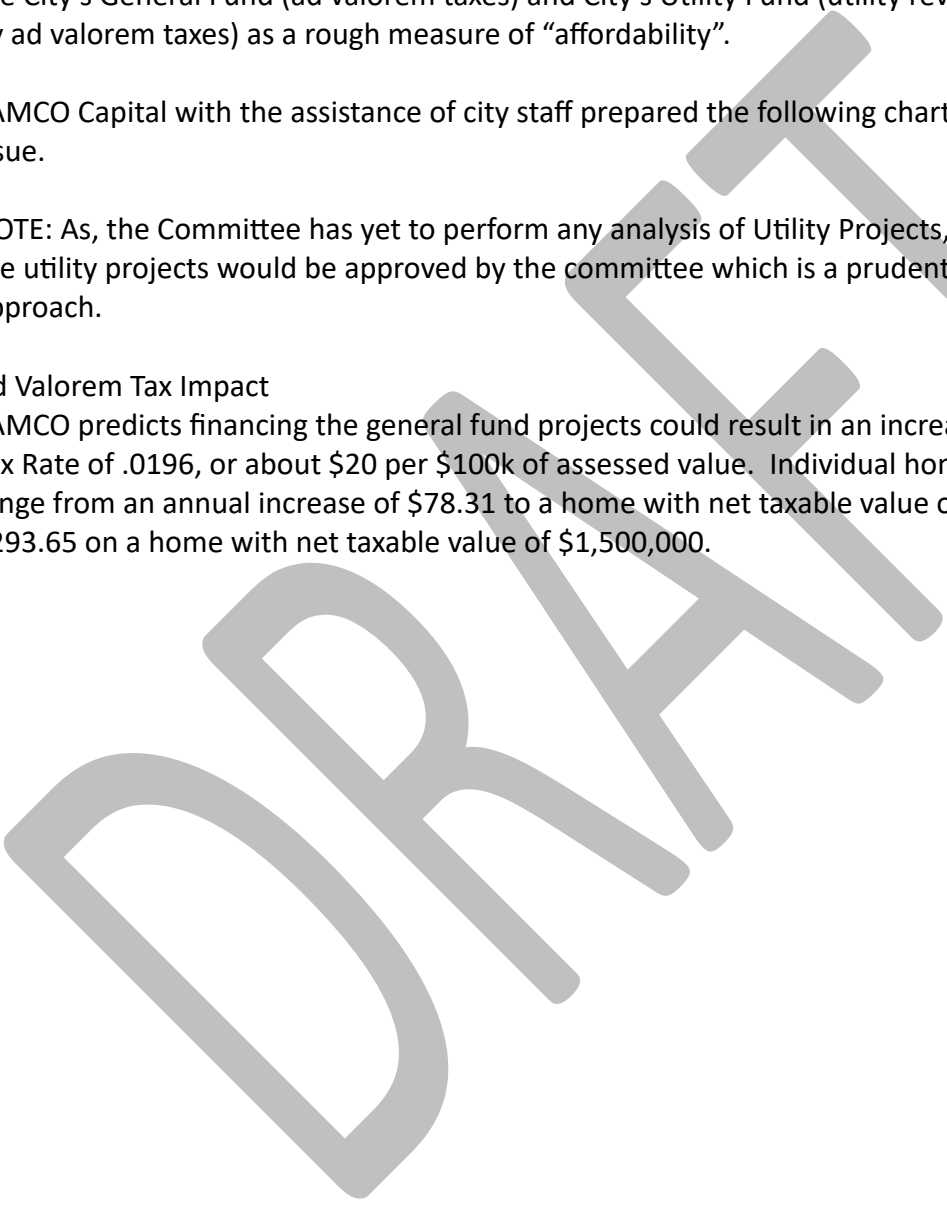
Council charged the committee to assess the potential financial impact to taxpayers and utility customers of financing the implementation of recommended certain capital projects funded by the City’s General Fund (ad valorem taxes) and City’s Utility Fund (utility revenue backstopped by ad valorem taxes) as a rough measure of “affordability”.

SAMCO Capital with the assistance of city staff prepared the following charts addressing this issue.

NOTE: As, the Committee has yet to perform any analysis of Utility Projects, SAMCO assumed all the utility projects would be approved by the committee which is a prudent and conservative approach.

Ad Valorem Tax Impact

SAMCO predicts financing the general fund projects could result in an increase to the city’s I&S Tax Rate of .0196, or about \$20 per \$100k of assessed value. Individual homeowner impacts range from an annual increase of \$78.31 to a home with net taxable value of \$400,000 to \$293.65 on a home with net taxable value of \$1,500,000.



Fair Oaks Ranch, City of Tax Rate Impact Analysis December 7, 2023								
		\$1,350,000			\$6,050,000		\$6,550,000	
FYE (9/30)	TAV ⁽¹⁾	Existing Debt		GO's, Series 2024 ⁽²⁾	GO's, Series 2026 ⁽²⁾	GO's, Series 2028 ⁽²⁾	Projected Debt	
		Service	I&S ⁽³⁾				Service	I&S ⁽³⁾
2023	\$ 2,046,397,330	\$ 552,130	\$ 0.0268				\$ 552,130	\$ 0.0268
2024	2,388,156,944	553,163	0.0229				553,163	0.0229
2025	2,626,972,638	552,475	0.0210	\$ 541,050			1,093,525	0.0425
2026	2,758,321,270	550,950	0.0200	592,450			1,143,400	0.0423
2027	2,896,237,334	548,575	0.0189	17,050	\$ 639,450		1,205,075	0.0425
2028	3,041,049,201	550,888	0.0181	17,050	695,100		1,263,038	0.0424
2029	3,193,101,661	552,825	0.0173	17,050	324,300	\$ 425,750	1,319,925	0.0422
2030	3,193,101,661	548,100	0.0172	17,050	324,300	425,750	1,315,200	0.0420
2031	3,193,101,661	-	-	31,638	523,150	619,250	1,174,038	0.0375
2032	3,193,101,661	-	-	30,813	525,400	615,925	1,172,138	0.0375
2033	3,193,101,661	-	-	29,988	526,750	616,788	1,173,525	0.0375
2034	3,193,101,661	-	-	34,025	527,200	616,675	1,177,900	0.0376
2035	3,193,101,661	-	-	32,925	526,750	615,588	1,175,263	0.0376
2036	3,193,101,661	-	-	31,825	525,400	618,363	1,175,588	0.0376
2037	3,193,101,661	-	-	30,725	528,000	619,838	1,178,563	0.0377
2038	3,193,101,661	-	-	29,625	524,550	615,175	1,169,350	0.0374
2039	3,193,101,661	-	-	33,388	525,050	619,213	1,177,650	0.0376
2040	3,193,101,661	-	-	32,013	524,350	616,788	1,173,150	0.0375
2041	3,193,101,661	-	-	30,638	527,300	617,900	1,175,838	0.0376
2042	3,193,101,661	-	-	34,125	523,900	617,388	1,175,413	0.0376
2043	3,193,101,661	-	-	32,475	524,150	615,250	1,171,875	0.0374
2044	3,193,101,661	-	-	30,825	522,900	616,325	1,170,050	0.0374
2045	3,193,101,661	-	-	-	525,000	615,450	1,140,450	0.0364
2046	3,193,101,661	-	-	-	525,300	617,463	1,142,763	0.0365
2047	3,193,101,661	-	-	-	-	617,200	617,200	0.0197
2048	3,193,101,661	-	-	-	-	619,500	619,500	0.0198
Total		\$ 4,409,105		\$ 1,646,725	\$ 10,388,300	\$ 11,961,575	\$ 28,405,705	

⁽¹⁾ Assumes 10% growth for 1 year and 5% for 4 years and no growth thereafter.
⁽²⁾ Preliminary, subject to change. Interest calculated to be 5.50% for Series 2024, 6.00% for Series 2026 and 6.5% for Series 2028 for illustrative purposes only.
⁽³⁾ FYE 2025 and beyond assume 100% tax collections.



Homeowner Impact Analysis (I&S Rate Only)				
Taxable Home Value (Net of Exemptions)		I&S Tax Rate Increase from		
		Current (FYE 2024)	Monthly Tax Increase	Annual Tax Increase
\$ 400,000	\$	0.0196	\$ 6.53	\$ 78.31
500,000		0.0196	8.16	97.88
650,000		0.0196	10.60	127.25
800,000		0.0196	13.05	156.61
1,000,000		0.0196	16.31	195.76
1,250,000		0.0196	20.39	244.70
1,500,000		0.0196	24.47	293.65

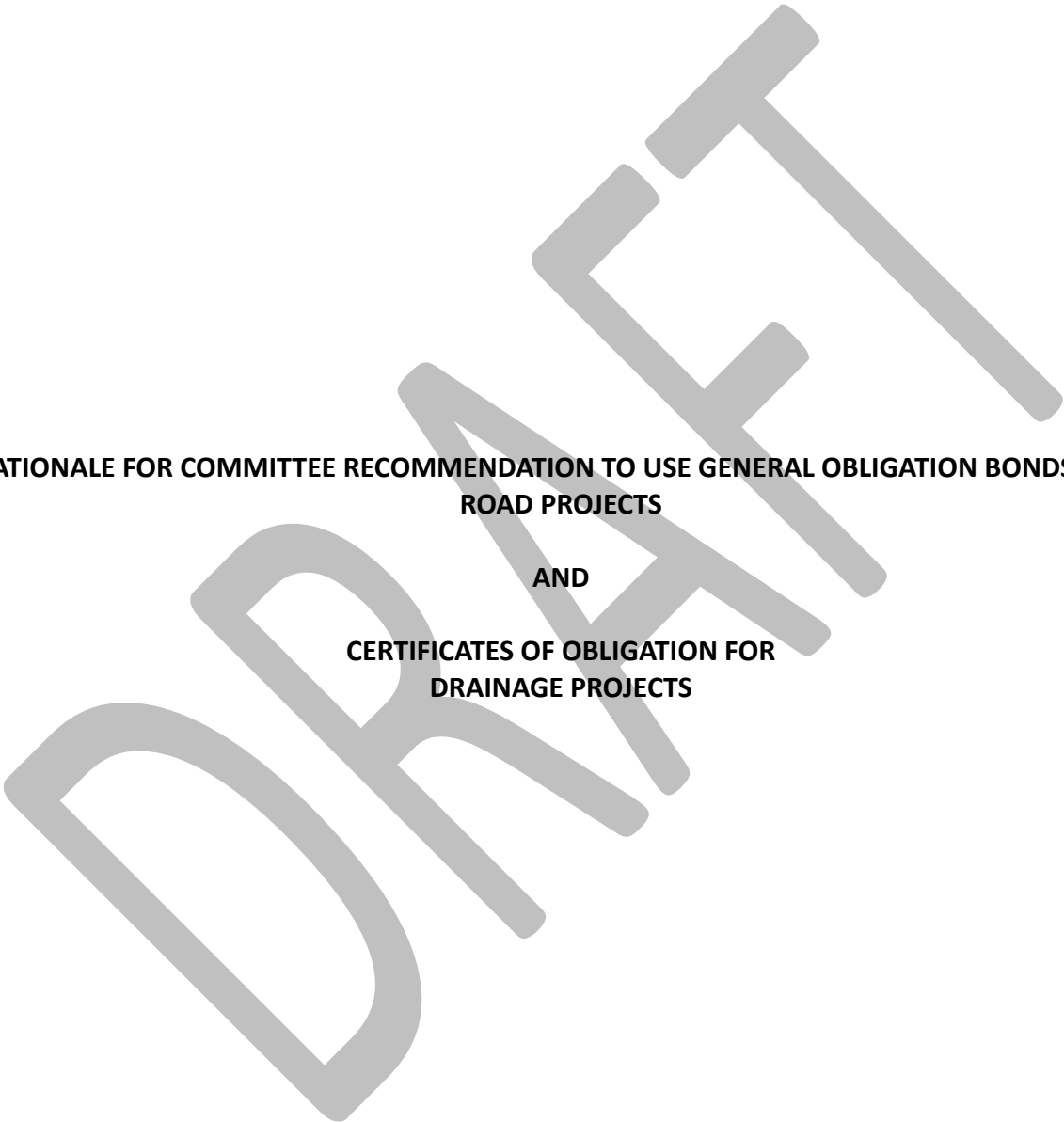


City of Fair Oaks Ranch, Texas Water and Sewer Fund Proforma December 7, 2023																
FYE (9/30)	# of Water Connections (1)	# of Wastewater Connections (1)	Revenues (2)	Expenditures (2)	Available for Debt Service	Existing Debt Service				Rate Increase Calculations (4)						
						Total Debt Service	Series 2024 (3)	Series 2025 (3)	Series 2027 (3)	Total	Total Water Debt Service	Revenue Surplus/ (Deficit)	Monthly Water Increase	Total Wastewater Debt Service	Monthly Wastewater Increase	
2023	3197	1977	\$ 6,552,783	\$ 5,121,832	\$ 1,430,951	\$ 339,746				\$ 20,225,000	\$ 285,386	\$ 1,091,206	\$ -	\$ 45,662	\$ -	
2024	3213	1989	6,552,783	5,121,832	1,430,951	336,514				336,514	282,671	1,094,438	(0.07)	45,227	(0.02)	
2025	3229	1999	6,552,783	5,121,832	1,430,951	338,256	\$ 603,238			941,494	662,509	489,457	9.73	270,326	9.37	
2026	3245	2009	6,552,783	5,121,832	1,430,951	334,974	600,300	\$ 438,125		1,373,399	886,600	57,552	15.44	478,223	17.94	
2027	3261	2019	6,552,783	5,121,832	1,430,951	336,666	383,113	440,106		1,159,885	752,828	271,066	11.95	398,438	14.56	
2028	3278	2029	6,552,783	5,121,832	1,430,951	338,308	372,250	383,525	\$ 313,125	1,407,208	1,030,984	23,743	18.95	367,563	13.22	
2029	3294	2039	6,552,783	5,121,832	1,430,951	160,808	599,919	383,525		342,188	1,486,439	1,053,750	(55,488)	19.44	428,573	15.65
2030	3294	2039	6,552,783	5,121,832	1,430,951	-	600,400	636,050		480,781	1,717,231	1,189,379	(286,280)	22.87	527,853	19.71
2031	3294	2039	6,552,783	5,121,832	1,430,951	-	600,019	635,669		460,156	1,695,844	1,168,316	(264,893)	22.34	527,528	19.69
2032	3294	2039	6,552,783	5,121,832	1,430,951	-	603,631	639,281		459,531	1,702,444	1,171,842	(271,493)	22.43	530,602	19.82
2033	3294	2039	6,552,783	5,121,832	1,430,951	-	601,238	636,888		458,281	1,696,406	1,167,841	(265,455)	22.32	528,565	19.74
2034	3294	2039	6,552,783	5,121,832	1,430,951	-	602,838	638,488		456,406	1,697,731	1,167,805	(266,780)	22.32	529,926	19.79
2035	3294	2039	6,552,783	5,121,832	1,430,951	-	603,288	638,938		458,750	1,700,975	1,170,666	(270,024)	22.40	530,309	19.81
2036	3294	2039	6,552,783	5,121,832	1,430,951	-	600,588	638,238		460,156	1,700,981	1,171,268	(270,030)	22.41	529,714	19.78
2037	3294	2039	6,552,783	5,121,832	1,430,951	-	600,738	636,388		460,625	1,697,750	1,169,610	(266,799)	22.37	528,140	19.72
2038	3294	2039	6,552,783	5,121,832	1,430,951	-	602,594	638,244		460,156	1,700,994	1,171,275	(270,043)	22.41	529,719	19.78
2039	3294	2039	6,552,783	5,121,832	1,430,951	-	603,013	638,663		458,750	1,700,425	1,170,350	(269,474)	22.39	530,075	19.80
2040	3294	2039	6,552,783	5,121,832	1,430,951	-	601,994	637,644		456,406	1,696,044	1,166,835	(265,093)	22.30	529,208	19.76
2041	3294	2039	6,552,783	5,121,832	1,430,951	-	604,394	640,044		457,969	1,702,406	1,171,156	(271,455)	22.41	531,250	19.85
2042	3294	2039	6,552,783	5,121,832	1,430,951	-	600,213	635,863		458,281	1,694,356	1,166,663	(263,405)	22.30	527,693	19.70
2043	3294	2039	6,552,783	5,121,832	1,430,951	-	599,450	635,100		457,344	1,691,894	1,164,849	(260,943)	22.25	527,044	19.67
2044	3294	2039	6,552,783	5,121,832	1,430,951	-	601,819	637,469		460,000	1,699,288	1,170,228	(268,337)	22.39	529,060	19.76
2045	3294	2039	6,552,783	5,121,832	1,430,951	-	-	637,825		456,250	1,094,075	789,180	336,876	12.75	304,895	10.59
2046	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-		460,938	460,938	460,938	970,014	4.44	-	(1.87)
2047	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-		458,906	458,906	458,906	972,045	4.39	-	(1.87)
Total						\$ 2,185,271	\$ 11,587,031	\$ 11,846,069	\$ 8,935,000	\$ 34,553,371	\$ 24,221,835			\$ 10,275,593		

(1) Provided by the City.
 (2) Based on FYE 2022 audited results. Revenues include Interest Income and exclude Grant Income. Expenditures exclude depreciation and debt service.
 (3) Preliminary, subject to change. Interest calculated to be 5.50% for Series 2024, 5.75% for Series 2025 and 6.25% for Series 2027 for illustrative purposes only.
 (4) Maximum projected shortfall would require a \$22.87 and \$19.85 per connection per month increase for water and wastewater services, respectively, to support financed projects. Calculated by subtracting FYE2023 debt service payment from total debt service payment in future years and dividing by the number of customers in that year and then by 12 months.

This chart indicates the maximum monthly increase for water utility customers to be \$22.87 (\$274.20 annually) and the maximum monthly increase for wastewater customers to be \$19.85 (\$238.20) or \$512.40 for a user of both water and wastewater services.

RATIONALE FOR COMMITTEE RECOMMENDATION TO USE GENERAL OBLIGATION BONDS FOR ROAD PROJECTS
AND
CERTIFICATES OF OBLIGATION FOR DRAINAGE PROJECTS



The Debt Instrument Recommendations

The city of Fair Oaks Ranch has used both General Obligation Bonds and Certificates of Obligation to finance infrastructure projects. (SEE APPENDIX for specific historic use examples.). Generally, the city has sought voter approval to issue General Obligation Bonds (GO's) for road projects and has used Certificates of Obligation (COO's) for utility-related projects.

The General Obligation Bond Recommendation

While the issuance of both GOs and COOs involves the public in some way, only the issuance of GO bonds require an election. The committee and citizens, who shared comments with the committee, strongly supported seeking voter approval to issue GO debt for the road projects. The reasons included:

1. The \$14,027,386 total dollars related to the four recommended road projects;
2. The fact that historically the city had asked voters for approval to issue debt for road projects (November 2014 \$7 million proposition); and
3. The fact that elections have intrinsic value in themselves in terms of community input, public awareness, building public trust, and can act as an indirect voter assessment of the city and council's overall performance.

The Certificate of Obligation Recommendation

One could use similar reasoning to recommend going to the voters for the drainage projects. However, the committee saw that the drainage projects were dissimilar in their nature, their total costs and the importance of implementing them as soon as practicable because of their ability to protect against property damage, potential home flooding and general public safety.

Dissimilarity Between Road and Drainage Projects

1. Scale and Costs Different
 - a. The Road Projects are large-scale high-dollar capital projects; e.g. \$4.9m for Dietz Elkhorn, \$6.8m for Rolling Acres Trail
 - b. The Drainage Projects are small-scale maintenance projects involving culvert repairs/replacements, bar ditch regrading, silt removal
2. Nature of Projects Different
 - a. Road projects are primarily capital projects in nature
 - b. Drainage projects are primarily maintenance projects
3. Public Safety
 - a. Road projects certainly have a public safety component, but not doing them does not present the same risk to property owners
 - b. Drainage projects can have an immediate impact to lower risk of property damage, home flooding and improve personal safety

DRAFT

**ROAD PROJECTS RECOMMENDED FOR FULL OR PARTIAL FUNDING
FINANCED THROUGH ISSUANCE OF GENERAL OBLIGATION BONDS**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM - ROADWAY

Project – Dietz Elkhorn Roadway Reconstruction (CIP #5; SAP#3.4.10)



Project Description: Roadway reconstruction; potential addition of pedestrian/bike amenities; drainage improvements; and utility adjustments.

Project Limits: From Fair Oaks Parkway to FM 3351

Project Need Benefits Dietz Elkhorn Road has an Overall Condition Index (OCI) score below 40 in many segments between Fair Oaks Parkway and FM 3351. In less than 3 years, the average OCI for this segment of roadway will be below 20. Reconstruction of this segment of roadway will require close attention to traffic flow as this is one of the major routes for the city. Project stakeholders have voiced concerns about speeding issues, heavy truck traffic, "cut-through" traffic between I-10 and FM 3351, and overall corridor safety for the citizens of Fair Oaks Ranch. There are numerous pedestrians, bicyclists, and golf-cart drivers that "share" this segment of roadway with vehicles. This has led project stakeholders to request the incorporation of various pedestrian/bicycle amenities along the corridor. Fair Oaks Ranch elementary school is located at the eastern end of the project where safety is a concern for children crossing Dietz Elkhorn Road. Finally, there is a traffic signal at the End Project Limits that is maintained by TxDOT.

Total Estimated Project Cost \$4,941,593

Funding Sources

Cash \$610,150

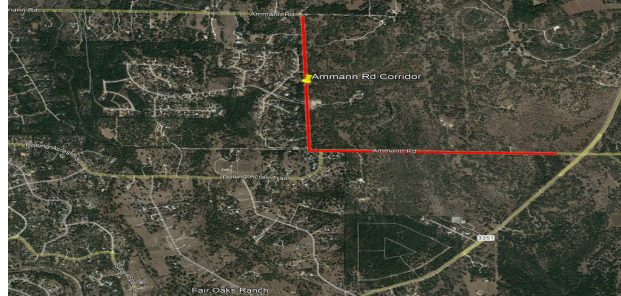
Debt \$4,331,443

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance debt using General Obligation Bonds
3. Prioritize as **MUST DO**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM - ROADWAY

Project – Ammann Road Reconstruction (CIP #6; SAP 3.3.11)
Includes Ammann Road Low Water Crossing drainage improvements



Project Location: Ammann Road

Project Limits: West to East City limits

Project Need/Benefits: This project has drainage and road improvement components. The drainage component will replace an undersized culvert with an elevated concrete bridge. The road component provides improvements to a road categorized as being in poor condition (Overall Condition Index (OCI) below 40). Improvements include full depth reconstruction and addition of 4-foot-wide shoulders in both directions.

Total Estimated Project Cost - \$6,700,085

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Declined funding entire project because of the degree of uncertainty as to property development in the area and what the future alignment of Ammann Road might be.
2. BAC recommends council allocate **up to \$2,000,000** for interim road repairs as identified by city engineers.
3. **Use General Obligation Bond to finance the \$2,000,000** interim maintenance.
4. Prioritize as **MUST DO**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – ROADWAY

Project – Rolling Acres Trail reconstruction (CIP #7, SAP 3.4.12, Drainage CIP #6)



Project Location: Rolling Acres Trail
Project Limits: Rolling Acres Trail from Ammann Road intersection to Flagstone Hill
Project Needs/Benefits: Project has road and drainage components. The estimated \$6,421,006 road component is needed to keep the road from further deterioration. In three years, the condition is expected to measure at an Overall Condition Index (OCI) of 33 (poor). Pavement reconstruction will increase the lifespan and lower maintenance cost. The estimated \$1,299,620 drainage component will address unnamed tributary flooding in certain storm events. The existing culverts are undersized and the roadway is barely higher than the top of the culverts. Addition of culverts or construction of a 75- foot span bridge are alternatives under consideration.

Estimated Project Cost - \$6,773,793

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using General Obligation Bonds
3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM - ROADWAY

Project- Reconstruct Battle Intense near Trailside



Project Location: Battle Intense near Trailside intersection

Project Limits: Cibolo Valley to Cibolo View

Project Need/Benefit: Battle Intense is classified as a collector street and experiences heavy truck and school bus traffic. Extensive cracking pothole patching and loss of base material in some locations have led to poor to very poor pavement condition. The current Overall Condition Index (OCI) is less than 40 which indicates maintenance is no longer economical.

Estimated Total Project Cost - \$312,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

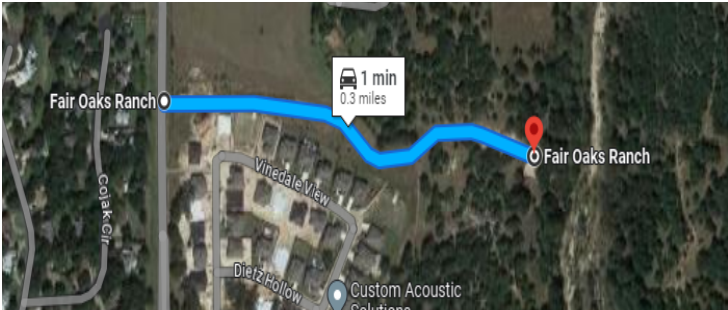
1. Agree to project
2. Finance using General Obligation Bond
3. Prioritize as **Should Do**

DRAFT

**ROAD PROJECTS NOT RECOMMENDED FOR FULL OR PARTIAL FUNDING
FINANCED THROUGH ISSUANCE OF GENERAL OBLIGATION BONDS**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – ROADWAY

Project – Arbors Preserve Access Road



Project Location: Just north of the Arbors subdivision

Project Needs/Benefits: Project constructs a paved road, parking area, and drainage infrastructure to access the Arbors Preserve and City 5-acre parcel. The city owns an access easement and is responsible for maintenance of the access road and parking area. The unimproved road becomes unpassable to most vehicles after storm events.

Estimated Project Cost - \$500,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Committee **declined the project** for several reasons. First, the city has no plans for the 5- acre parcel it acquired in the Arbors Preserve Agreement which necessitates building an all-weather road. Second, while the city is responsible for maintenance of the road, there is no requirement that the road be maintained to allow all-weather access and there is no requirement that the road be paved. (SEE terms on following page). Thirdly, the committee traveled the length of this road on its tour and found the road to be fit for purpose. Lastly, as not all Fair Oaks Ranch residents are FORHA members there is concern about the use of public funds to access a private facility.
2. The committee did not prioritize this project.

Document – ACCESS AND ROADWAY EASEMENT PAGE 2 of 18

Doc# 20180249857 12/21/2018 12:45PM Page 2 of 18 Gerard C. Rickhoff, Bexar County Clerk

TO HAVE AND TO HOLD the same unto Grantee, and Grantee's successors and assigns, subject to the terms hereof.

Grantor and Grantee hereby acknowledge and agree that this conveyance is subject to the following conditions, restrictions and limitations: (a) Easement Tract 1 was improved by Grantor by the installation of base material suitable for ingress and egress by vehicular traffic; (b) Grantee, at Grantee's sole cost and expense, shall maintain the Easement Area, including all improvements, facilities, public utilities, and appurtenances within the Easement Area, or which Grantee shall place within the Easement Area, in an attractive manner and in good condition and repair, as determined by Grantee, in its sole discretion; (c) subject to Grantee's approval, Grantor reserves and retains the right to improve the Easement Area for vehicular and pedestrian access purposes, roadway purposes, utility and drainage purposes and any and all other purposes which Grantee determines are not inconsistent with the rights granted to Grantee under this agreement; (d) Grantor reserves and retains the right to use the Easement in a reasonable manner that does not cause damage to the Easement Improvements; and (e) the Easement is nonexclusive and Grantor has the right to grant additional easements over and across the Easement Area.

**DRAINAGE PROJECTS RECOMMENDED FOR
FULL OR PARTIAL FUNDING
FINANCED THROUGH ISSUANCE OF CERTIFICATES OF OBLIGATION
APPROVED BY CITY COUNCIL**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 28907 Chartwell Lane (CIP #35, SAP 3.3.22)



Project Location – 28907 Chartwell Lane

Project Needs/Benefits – Drainage channel through the Chartwell subdivision experiences erosive stormwater velocities during storm events. Plat notes indicate property owners and the city share maintenance responsibilities. Past city efforts to stabilize the channel have failed and washed away. Erosion damage will grow unless condition addressed.

Estimated Project Cost - \$337,829

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Must Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8472 Rolling Acres Trail (CIP #2, SAP 3.3.14)



Project Location – 8472 Rolling Acres Trail near Sunland

Project Needs/Benefits: Undersized driveway culverts and silted-in bar ditches cause stormwater to back up and flow over driveways and across adjacent property towards Cibolo Creek. Bar ditches need to be restored to original profile and erosion mat installed to stabilize the channel. Existing single culverts will likely need to be replaced with multiple culverts due to large amounts of runoff in this area.

Estimated Project Cost - \$229,840

Funding Source –Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Must Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8040 Rolling Acres Trail (CIP #4, SAP 3.3.17)



Project Location – 8040 Rolling Acres Trail near Deer Summit

Project Needs/Benefits: Drainage does not have positive flow and backs up onto private property. Channel construction and improvements within the ROW are needed to convey stormwater towards the Rolling Acres Trail low water crossing. This involves regrading and significant earthwork to ensure adequate slope to convey stormwater.

Estimated Project Cost - \$229,840

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Must Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 7740 PIMLICO (CIP #42, SAP 3.3.18)



Project Location – 7740 Pimlico southside of road between Aqueduct and Steeplechase

Project Needs/Benefits: Large amount of runoff flows over the road and through private property towards Salado Creek. This project is considered a "Should Do" project as water overtops a roadway and impacts private property. The property owner has constructed a berm to direct runoff away from his house.

Estimated Project Cost - \$113,844

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Must Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8426 Triple Crown (CIP #41, SAP 3.3.12)



Project Location – 8426 Triple Crown at Damascus Drive intersection

Project Needs/Benefits: Large amount of runoff flows down right-of-way and through a platted easement. Culvert is undersized and becomes obstructed and eventually backs up. The Drainage Master Plan proposes to replace the existing undersized culvert with a box culvert (2.417 feet x 3.75 feet) in order to increase the capacity. Increased maintenance is also needed to ensure clogging of the culvert does not become an issue. The box culvert would be capable of conveying the 10-year storm under the roadway.

Estimated Project Cost - \$253,094

Funding Source – Debt

Bond Advisory Committee Recommendations:

- 1. Agree to project
- 2. Finance using Certificates of Obligation
- 3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8312 Triple Crown (CIP #43, SAP 3.3.20)



Project Location – 8312 Triple Crown at Rocking Horse intersection

Project Needs/Benefits: Large amount of runoff moves down Triple Crown to Rocking Horse Lane and then to the south of the city. The Drainage Master Plan proposes to construct a culvert and channel along the south side of Triple Crown and the west side of Rocking Horse Lane in the right of way to catch stormwater running down the street before it enters and causes flooding on private property.

Estimated Project Cost - \$269,967

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 32030 SCARTEEN (CIP #53, SAP 3.3.19)



Project Location – 32030 Scarteen

Project Needs/Benefits: City installed berms and swales which have eroded and silted over time. Flooding occurs in driveway and has come close to entering the home. Undersized driveway culverts and silted-in bar ditches cause stormwater to back up and flow over driveways and across adjacent property towards the resident’s home. Bar ditches need to be restored to original profile and erosion mat installed to stabilize the channel. The existing driveway culvert will need to be replaced with a larger culvert to increase conveyance.

Estimated Project Cost - \$266,184

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 31988 SCARTEEN (CIP #44)



Project Location – 31988 Scarteen near Sky Blue Ridge

Project Needs/Benefits: Runoff from Sky Blue Ridge runs down road and heads in direction of home. Channel improvements and regrading needed. This project is considered a "Should Do" project as water overtops a roadway and impacts private property.

Estimated Project Cost - \$100,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 7644 Pimlico Lane (CIP #46) Vestal Culvert



Project Location – 7644 Pimlico Lane at Rocking Horse intersection adjacent to Vestal Park

Project Needs/Benefits: Channel and culvert improvements are needed to convey large amounts of stormwater under Rocking Horse towards Vestal Park. Channel and culvert improvements needed to convey large amounts of stormwater under Rocking Horse towards Vestal Park. The existing culvert is showing signs of degradation and requires repair or replacement.

Estimated Project Cost - \$100,000 (Headwall on Vestal Park side is cut limestone block installed by FORHA as part of Vestal Park improvements. Cost estimates assume culvert work can be accomplished without disturbing limestone block.)

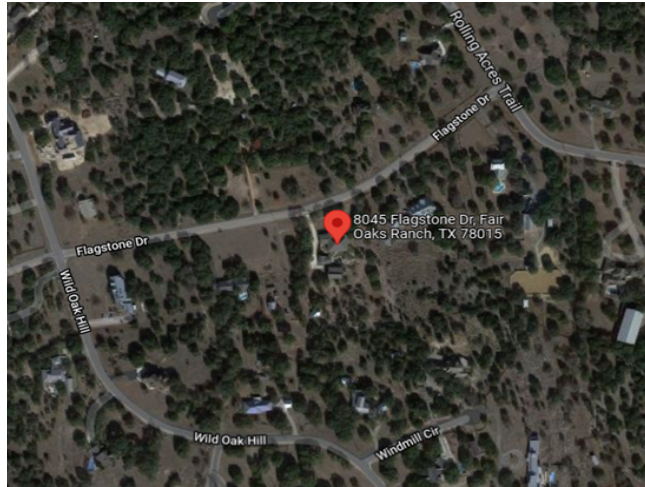
Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8045 Flagstone Hill (CIP #63)



Project Location – 8045 Flagstone Hill at Rolling Acres Trail

Project Needs/Benefits: Water does not have a clear flow path along the street and makes its way through nearby yard. Regrading and culvert installation needed. This project is considered a "Should Do" project as water overtops a roadway and impacts private property.

Estimated Project Cost - \$100,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Agree to project
2. Finance using Certificates of Obligation
3. Prioritize as **Should Do**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8402 Battle Intense Low Water Crossing (CIP #23)



Project Location – 8402 Battle Intense

Project Needs/Benefits: Battle Intense is often overtopped and shut down during large rain events. Debris collects and blocks the culverts which contributes to flooding. An elevated bridge structure is necessary to raise the road elevation and convey stormwater under the road.

Estimated Project Cost - \$3,768,171

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. As once completed, the TxDOT project to raise the FM 3351 bridge will provide all-weather access to the northern portion of Fair Oaks Ranch, the committee recommends not funding this improvement.

However, as the Cibolo will continue to overtop this low water crossing in certain rain events, the committee recommends installing a High-water Alert Live-saving Technology (HALT) device to substitute for the mechanical gates currently used to protect this crossing at an estimated cost of \$200,000.

2. Finance using Certificates of Obligation
3. Prioritize as **Must Do**



There are 52 HALT locations in Bexar County.

Drivers will be alerted to dangerous high water with either flashing lights or a combination of flashing lights and gates.



The Bexar County HALT system is a tool to warn drivers when there is too much water over the road to drive through safely.



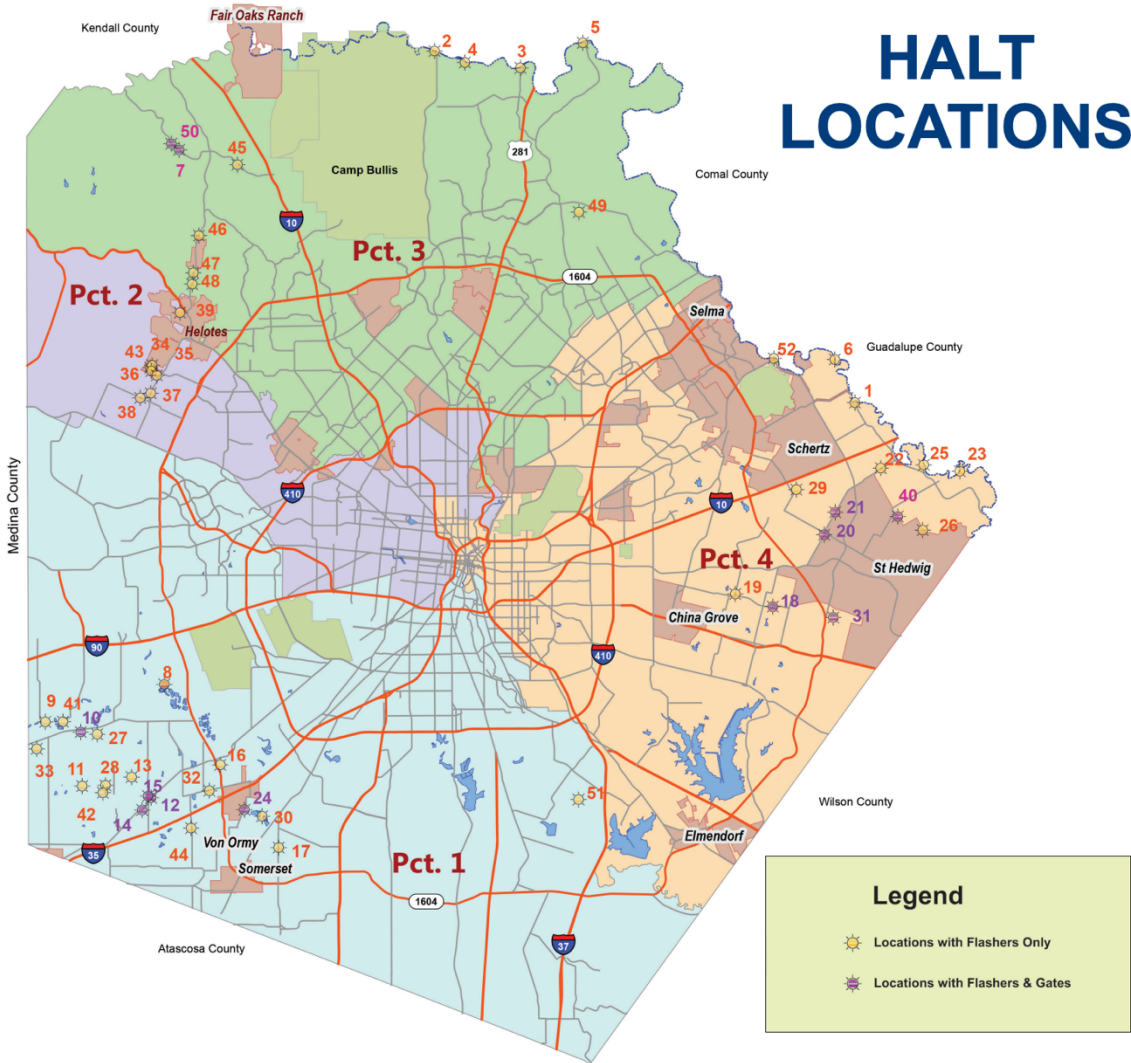
HALT uses a sensor to detect rising water and, once the water reaches a certain depth, the system will warn drivers to turn around with either flashing lights or a combination of flashing lights and gates.



HALT will send real time information to the website www.bexar.org so drivers can see which roads are safe to travel.



HALT LOCATIONS



Legend

- Locations with Flashers Only
- Locations with Flashers & Gates

PRECINCT 1 LOCATIONS:

- | | |
|---|-----------------------------------|
| 24 Benton City Rd @ Post Oak Creek | 10 O'Brien @ Pole Cat Creek |
| 8 Cagnon Rd @ Medina River | 14 Pearsall Rd @ Elm Creek |
| 9 Gross Ln @ Medina River | 12 Pearsall Rd @ Live Oak Creek |
| 51 Henze Rd @ San Antonio River Tributary | 32 Quintana Rd @ Post Oak Creek |
| 27 Hollowell Rd @ Pole Cat Creek | 16 Robert Glenn @ Live Oak Slough |
| 11 Jarratt Rd @ Elm Creek | 30 S Evans Rd @ Post Oak Creek |
| 13 Jarratt Rd @ Live Oak Creek | 33 S Keller Rd @ Pole Cat Creek |
| 42 Jarratt Rd @ Wheeler Rd | 17 Senior Rd @ Elm Creek |
| 41 Jungman Rd @ Medina River | 15 Shepherd Rd @ Live Oak Creek |
| 44 Kinney Rd @ Elm Creek | 28 Wheeler Rd @ Elm Creek |

PRECINCT 2 LOCATIONS:

- | | |
|----------------------------------|------------------------------|
| 39 Antonio Dr @ Los Reyes Creek | 37 FM 1560 @ Culebra Creek |
| 43 Baxtershire @ Culebra Creek | 38 Galm Rd @ Culebra Creek |
| 34 Beverly Hills @ Culebra Creek | 35 Wickwilde @ Culebra Creek |
| 36 Doheny @ Culebra Creek | |

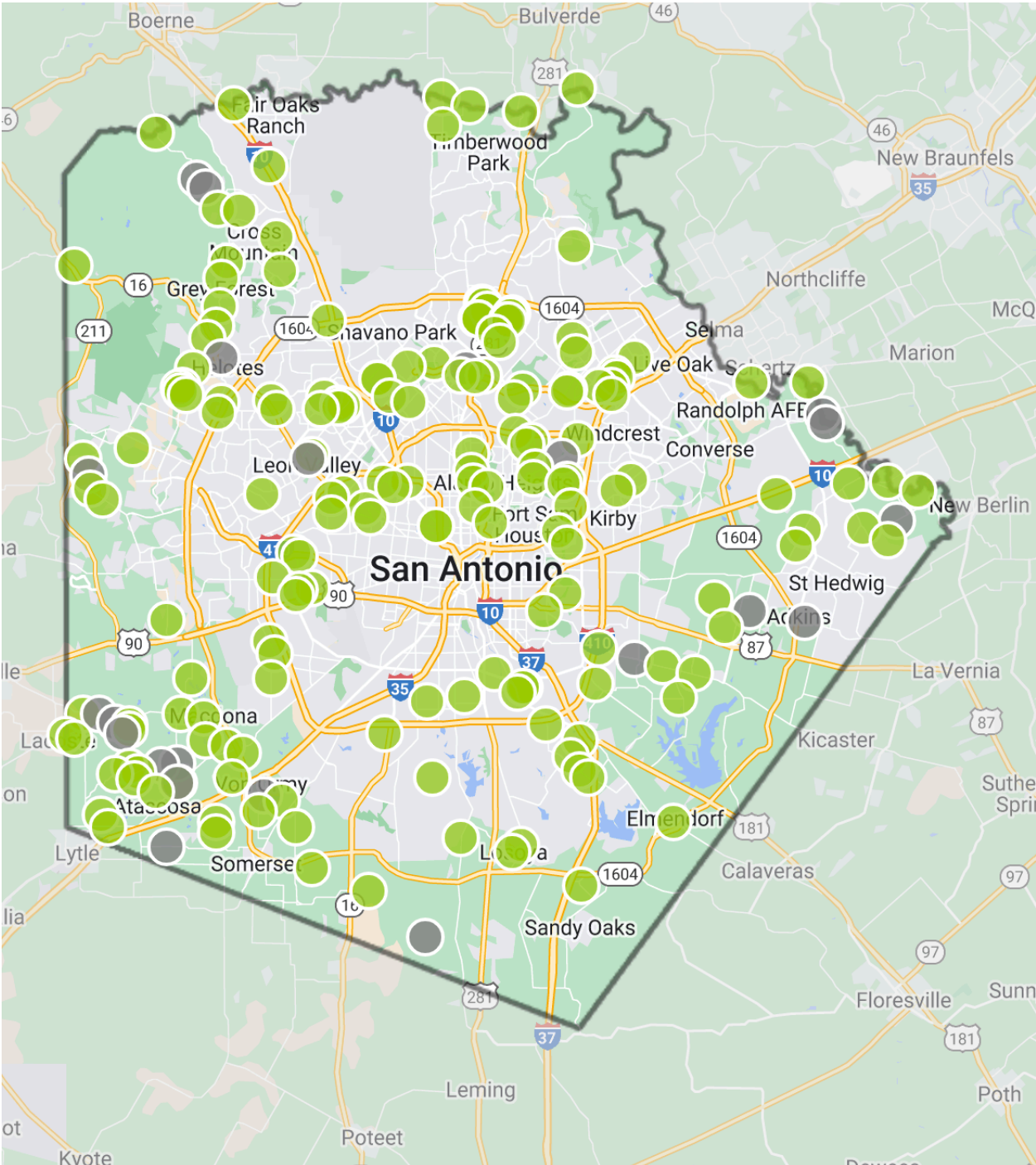
PRECINCT 3 LOCATIONS:

- | | |
|---|---|
| 2 Blanco Rd @ Cibolo Creek | 46 Scenic Loop Rd @ Helotes Creek South |
| 45 Boerne Stage Rd @ Leon Creek Tributary | 5 Smithson Valley Rd @ Cibolo Creek |
| 3 Bulverde Rd @ Cibolo Creek | 4 Specht Rd @ Cibolo Creek |
| 49 Menger Rd @ Elm Waterhole Creek | 7 Toutant Beauregard Rd @ Pecan Creek |
| 47 Scenic Loop Rd @ Helotes Creek North | 50 Toutant Beauregard Rd @ Pecan Creek |
| 48 Scenic Loop Rd @ Helotes Creek North 2 | |

PRECINCT 4 LOCATIONS:

- | | |
|---|--|
| 21 Abbott Rd @ Salitrillo Creek | 18 Macaway Rd @ Macaway Creek Upper |
| 22 Abbott Rd @ Woman Hollering Creek | 40 New Berlin Rd @ Woman Hollering Creek |
| 20 Abbott Rd @ Martinez Creek | 29 Pfeil Rd @ Salitrillo Creek Tributary |
| 25 Bexar Bowling @ Cibolo Creek | 6 Schaefer Rd @ Cibolo Creek |
| 52 E Aviation Rd/Aztec Way @ Cibolo Creek | 23 Ullrich Rd @ Cibolo Creek |
| 26 Gable Rd @ Martinez Creek | 1 Weir Rd @ Cibolo Creek |
| 31 La Vernia Rd @ Dry Hollow Creek | 19 Zigmont @ Chupaderas Creek Tributary |

The HALT AP gives smartphone and computer users the ability to monitor the status of low water crossings in real time.



**DRAINAGE PROJECTS NOT RECOMMENDED FOR
FULL OR PARTIAL FUNDING
FINANCED THROUGH ISSUANCE OF CERTIFICATES OF OBLIGATION
APPROVED BY CITY COUNCIL**

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CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 8622 Delta Dawn (CIP #15, SAP 3.3.23)



Project Location – 8622 Delta Dawn

Project Need/Benefits: Erosion has caused a large ravine to open up near the city’s Deer Meadow Estates sewer lift station which gets larger and closer each year. If not addressed, the cost of remediation will increase as erosion grows. The lift station is approximately 14 feet from the edge of the ravine. If nothing is done, the erosion will eventually damage the lift station which serves over half of Deer Meadow Estates.

Estimated Project Cost - \$245,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. Committee after initial discussions and before touring this project, split the total cost 50/50 between the General Fund and Water Utility fund to recognize the infrastructure described as threatened belongs to the utility. However, after seeing the conditions on the tour, the committee found the existing conditions did not represent a near-term threat to the lift station and decided to **not recommend** any funding be directed to this project as the drainage easement itself is privately owned. Note: Staff disagreed
2. Committee **did not assign a priority**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM – DRAINAGE

Project – 29314 Sumpter Drive (CIP #32, SAP 3.3.6)



Project Location – Across from commercial center at Dietz Elkhorn and FM 3351

Project Needs/Benefits: Runoff from commercial parking lot crosses FM3351 and floods the backyard of homes along Sumpter Drive. Severe slope accelerates runoff towards homes. The Drainage Master Plan proposes to construct a swale along the west side of FM3351 and redefine the existing outfall and channel on the east side. This project will require coordination with TxDOT since needed improvements are located within the FM3351 right of way. In past discussion with TxDOT, the eventual widening project will address this drainage issue but the City may undertake proposed drainage improvements if a Municipal Maintenance Agreement is executed with TxDOT.

Estimated Project Cost - \$266,184

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. The committee **declined the project** as planned future widening of FM 3351 will resolve this issue which involves utility relocation and right of way acquisition.
2. The committee did not assign a priority.

**OTHER PROJECTS CONSIDERED AND RECOMMENDED
TO BE FUNDED BY THE MUNICIPAL DEVELOPMENT DISTRICT AFTER CONSIDERATION AND
APPROVAL OF GRANT APPLICATION TO BE SUBMITTED BY THE CITY**

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CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM-OTHER

Project – Civic Center (SAP 3.5.5)



Project Location – City Hall Campus

Project Needs/Benefits: This project constructs a new Civic/Community Center to provide flexible, highly functional meeting and event space. Intended uses include City Council meetings, Commission/Board/Committee meetings, FORHA/HOA meetings, Townhall meetings, Elections/Voting location, and local business, civic organization, private events.

Estimated Project Cost - \$800,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. After consultation with the MDD President, the committee continued its work planning as if the full cost of the civic center would eventually be covered by a MDD grant. The process to update the MDD grant with the anticipated full amount of the civic center involves the city requesting an amendment to the MDD Grant contract to include amending costs and/or payment methodology. The MDD and city council would both need to vote to agree with the amendment.
2. The committee **did not assign a priority.**

CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM-OTHER

Project – Design and Construct a Gateway Feature (SAP 5.2.6)

Project Location – Fair Oaks Parkway and Leslie Pfeiffer Drive

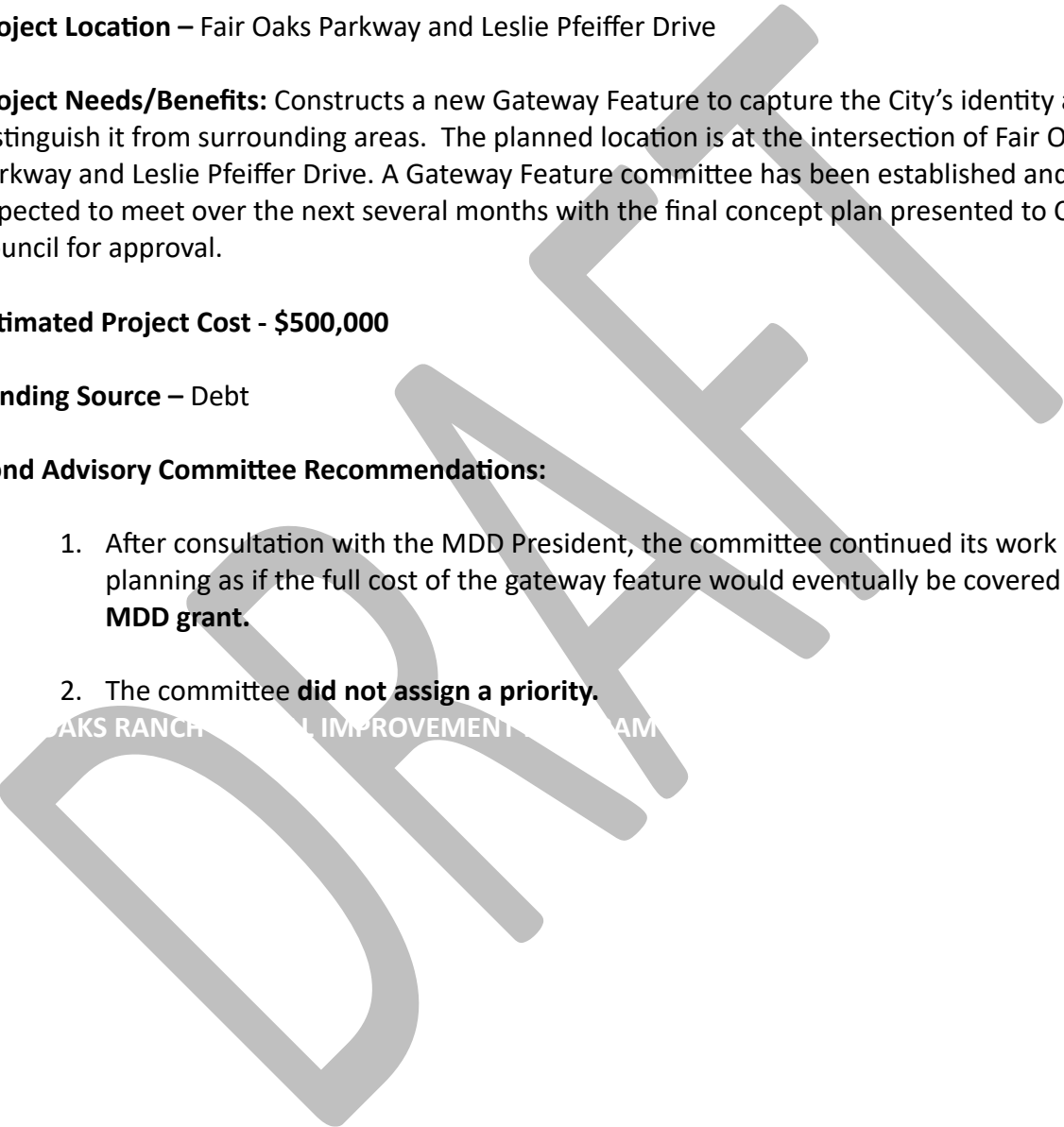
Project Needs/Benefits: Constructs a new Gateway Feature to capture the City’s identity and distinguish it from surrounding areas. The planned location is at the intersection of Fair Oaks Parkway and Leslie Pfeiffer Drive. A Gateway Feature committee has been established and is expected to meet over the next several months with the final concept plan presented to City Council for approval.

Estimated Project Cost - \$500,000

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. After consultation with the MDD President, the committee continued its work planning as if the full cost of the gateway feature would eventually be covered by a **MDD grant.**
2. The committee **did not assign a priority.**



**OTHER PROJECTS CONSIDERED AND NOT RECOMMENDED
TO BE FUNDED PENDING FURTHER ASSESSMENT FOLLOWING COMPLETION
OF ONGOING FIRE RESPONSE STUDY**

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CITY OF FAIR OAKS RANCH CAPITAL IMPROVEMENT PROGRAM-OTHER

Project – Fire Station #3 Phase 2 Upgrades (SAP 4.2.4)



Project Location – Fire Station #3 (Meadow Creek Trail)

Project Needs/Benefits: This project consists of various improvements to Fire Station #3 to allow housing of first responders in preparation for and during severe weather event. Bexar County Emergency Services District No. 4 has requested upgrades to Fire Station #3 to allow housing of first responders in preparation for and during severe weather events. These improvements include build-out of 2nd Floor to create six bunk rooms w/restroom facilities, renovation of 1st Floor men’s restroom to isolate shower, installation of bay door openers, building access control system, and backup emergency generator.

Estimated Project Cost - \$492,720

Funding Source – Debt

Bond Advisory Committee Recommendations:

1. The committee **declined the project** as the current fire response study has yet to be completed. Therefore, how this facility will fit into the city’s fire response plans remains to be determined. Additionally, the FY 2023-'24 budget allocated \$150,000 to install Open Path building access control and a back-up generator.
2. The committee **did not assign a priority.**

ADDITIONAL COMMITTEE RECOMMENDATIONS AND SUGGESTED ACTIONS

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Additional Committee Recommendations and Suggested Actions

The committee recommends to council the following recommendations for consideration and potential adoption.

1. Opportunity to Achieve Cost Savings on Drainage Projects

Given many of the drainage projects involve similar implementation elements, the committee recommends bundling and bidding the drainage projects out as a package.

The thought is that in doing so the successful bidder may be able to achieve economies of scale and do the work more quickly and at an overall lower price.

2. Opportunity to Achieve Cost Savings on Road Projects

Reconstructing roads within the current foot print, i.e. not adding improved shoulders where non currently exist, can reduce cost between 20 and 50% according to the city's engineering consultants.

3. Opportunity to Better Analyze City-wide Traffic Movements

The city, if it already does not have access, should secure the ability to use digital traffic analysis tools such as STREETLIGHT or similar product which uses real-time cell phone data to analyze traffic flows.

4. Opportunity to Fund Ongoing Maintenance Needs

Although previous councils moved away from this model, the committee recommends revisiting the idea of creating maintenance reserve accounts within the general and utility funds so as to be able to address ongoing maintenance needs. These accounts should be based on analysis of past needs and be sufficient to fund reasonable and foreseeable maintenance requirements.

5. Opportunity for Additional Public Involvement

The committee recommends for council look to engage and involve the public in all these capital projects no matter what the source of financing ultimately decided upon or minimum legal requirements required in their issuance.

6. Opportunity for BAC to Serve in A Project Follow-up Role

If council desires, BAC could serve in a project follow-up capacity to help the city identify project management opportunities and review project delivery reports. This could not only serve as an educational tool for the city but also a means of providing additional transparency.

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APPENDIX

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

Record of Use and Attempted Use of Bonds by City of Fair Oaks Ranch

General Obligation Bonds

In May 1991, Fair Oaks Ranch voters by a 2-1 margin voted **against** issuing bonds to purchase 3 acres and construct a 3,000 sq.ft. administrative building near the intersection of Fair Oaks Parkway and Dietz Elkhorn.

Source: Vision to Reality, City of Fair Oaks Ranch, Texas, A Brief History of Fair Oaks Ranch. Gary D. Youngblood Piper Plus Publications 2013; pages 144-146

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; pages 165-169

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

REFERENCES

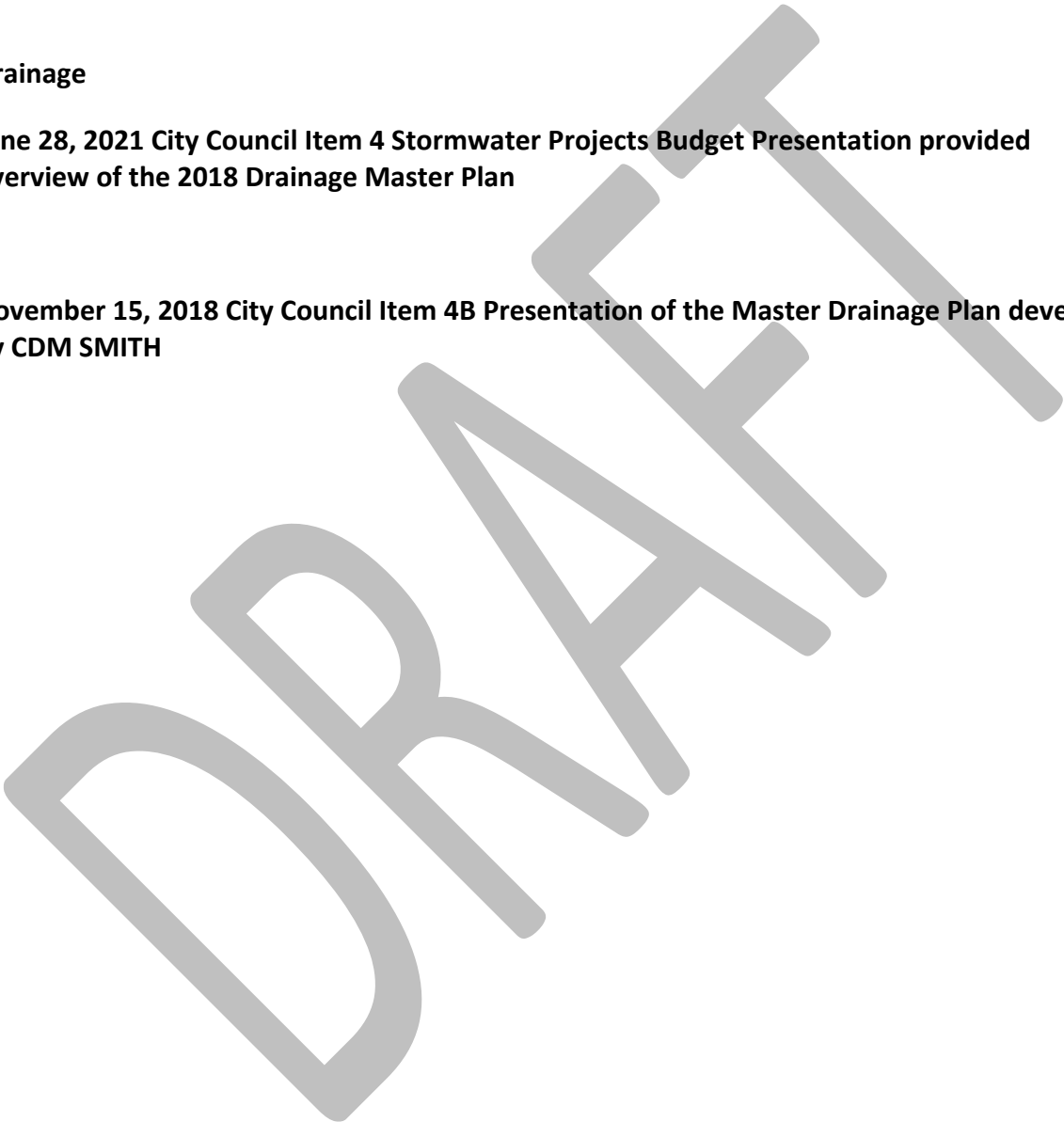
Roads

June 28, 2021 City Council Item 4 Legacy Engineering Group presentation on Pavement Preservation Plan and Pavement Condition Survey

Drainage

June 28, 2021 City Council Item 4 Stormwater Projects Budget Presentation provided overview of the 2018 Drainage Master Plan

November 15, 2018 City Council Item 4B Presentation of the Master Drainage Plan developed by CDM SMITH



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