

**Community Bond Advisory Committee Meeting**

**Meeting Notes**

January 30, 2019

The kick-off meeting of the Community Bond Advisory Committee was held on January 30, 2019 at the Addison Conference Center in the Acacia Room.

**The committee members present were**: Nancy Craig, Mary Jo Cater, Susan M. Halpern, Virginia Wallace, Nancy Williams, Bob Catalani, Colleen Campbell, Eileen Resnik, Suzie Oliver, Edwin Keith, Ralph Doherty, Kent Domingue, Craig Reynolds, Taylor Bowen, Liz Oliphant, Jimmy Niemann, Bruce Arfsten, Denise Quintanilla, Lary Brown, Jason Rivera, Darren Gardner, Brooks Haley, Margie Gunther, Chris DeFrancisco, Jerry Dougan, JT McPherson, Rob Wright, Juli R Branson.

**Staff members present were**: Olivia Riley, Amanda Turner, Janna Tidwell, Rob Bourestom, Hamid Khaleghipour, Charles Goff, Jason Shroyer, Ashley Mitchell, Shawn Cheairs, Bill Hawley, Miesha Johnson, and Lisa Pyles.

**Council Members present were:**  Ivan Hughes and Marlin Wileson.

Mayor Joe Chow opened the meeting by thanking the Committee for their service.

Lisa Pyles, Infrastructure and Development Services Director, presented information to the Committee about the purpose and role of the Committee, the bond program development process, the bond election schedule, the Asset Management Plan, project selection and scoring methodology, basics of municipal debt and debt capacity, the written report that will be submitted to Council, and the structure and schedule of upcoming meetings.

The Committee elected Ralph Doherty as Chair, and Bruce Arfsten as Vice-Chair. The Committee tabled the election of a Secretary to a future meeting.

During and after the presentation, the Committee discussed several questions. Staff members provided answers to those questions.

**Is there a fixed dollar amount that we use to determine assets to be placed in bond consideration?**

No, there is no fixed amount. The considerations are whether the project warrants being included in a bond program and the expected life of the improvement.

**What is the timeframe of the assets moving from the green zone to the yellow zone and eventually into the red zone?**

Generally, it is based on industry standards of the life expectancy of that asset. Once an asset is installed, routine maintenance inspections will be conducted that will enable staff to gauge the remaining life of the asset and whether its life expectancy can be lengthened.

**Will the committee be able to view the staff’s ranking of all proposed projects? If so, when?**

Yes, the committee will be shown that information. The staff will present their rankings to the committee after the committee has ranked all the projects. Also, the committee and staff will discuss the reasons for any discrepancies between the committee’s and staff’s rankings.

**Will the committee be able scale a project up or down, or to recommend an alteration to the scope of a project, or are we limited to only what is presented?**

To a certain extent, yes, the committee will be able to make recommendations for adjusting the scope of the project. Staff will explain the consequences of scaling the project up or down in scope. Some projects could be far enough along in the design phase that making any significant changes might not be cost effective.

**Can we Skype in to the committee meetings?**

Since all future meetings will be held at the Addison Service Center, IT will check what options are available at that location.

**With 38 Million dollars already approved for Midway Road improvements, how much, if any, of a gap remains to be able to complete the project?**

At this time, the approved amount is in line with the expected total costs associated with the project and we do not anticipate having any remaining gap. As with any project this could change as we finish design and bid the project.

**What is the 4.1% growth rate for bonds based on?**

Financial department personnel conducted a trend analysis and have based this assumption off that research. This assumption is reevaluated on an annual basis.

**What is the maximum amount the Town could issue without affecting the tax rate? What are the consequences of issuing more debt than that?**

Our limit for issuance is currently at $3.69 million dollars. The committee can recommend a higher amount for issuance but there would be an equivalent increase to the portion of the Town’s Interest and Sinking (I&S) tax rate. This would then need to be compensated for an equivalent increase in the Towns tax rate or a corresponding decrease in the portion of the tax rate that funds the Town’s Maintenance & Operations (M&O) portions of the annual budget.

**How much would the tax rate need to increase to issue more than the $3.69 mil? How much funding can the committee recommend without affecting the AAA bond rating?**

The actual increase in the tax rate and effect on the bond rating for going over the allotted $3.69 Mil is unknown at this time; further financial analysis would need to be conducted for us to arrive at a fair estimate in the event of these scenarios.

**Is it important to have a date as to when the associated project costs were generated?**

Yes, it is important and those dates and how the costs associated with each project will be explained as the projects are presented.

**What is Jacobs Engineering Group doing in order to provide us with a fair and accurate cost projection?**

Jacobs is utilizing many different avenues to arrive at a fair and accurate cost evaluation for each project. They are evaluating the entire scope of the project from beginning to end including but not limited to design, construction, and inspection. They are also using current market values; past, present and future projects from other municipalities and entities; and they are factoring in inflation and other increases in costs. This information will be explained in more detail when projects are presented to the committee.

**Is the 100% design cost the final cost for the project?**

Not necessarily but it should be close, we do add in a contingency amount to try to limit any unforeseen overages on our estimates. Contingencies will be explained in more detail when we present the projects to the committee.

The next Committee meeting will be on February 11, 2019 at the Addison Service Center, 16801 Westgrove Drive at 5:30 to 7:30.

The meeting was adjourned at 7:25.