

STATE OF TEXAS

**COUNTIES OF POTTER
AND RANDALL**

CITY OF AMARILLO

On the 26th day of July, 2016, The Colonies Public Improvement District (PID) Advisory Board met at 2:00 PM in Room 208, on the Second Floor of the Simms Municipal Building, 808 S. Buchanan Street, Amarillo, Texas, with the following people present:

VOTING MEMBERS	MEMBERS PRESENT	TOTAL NO. MEETINGS HELD SINCE APPOINTMENT	TOTAL NO. MEETINGS ATTENDED SINCE APPOINTMENT
Matt Brister	Yes	9	9
Tracy Byars	Yes	29	27
Vicki Bryan	Yes	4	4
Dean Crump	No	4	2
Wesley Lawhorn	No	4	3

CITY OF AMARILLO STAFF:

Laura Storrs, Finance staff
Stephanie Coggins, Accounting Staff
Kathleen Collins, Consultant for City of Amarillo

OTHERS IN ATTENDANCE:

Bill Chudej Matt Griffith
Cleve Turner Brooke Furrh

ITEM 1: Approval of Minutes from the June 24, 2016 meeting

Ms. Collins opened the meeting and asked if there were any corrections to the meeting minutes. Hearing none, Mr. Brister moved to approve the minutes as presented with Ms. Bryan seconding the motion. Motion carried unanimously.

ITEM 2: Discuss ongoing PID operations and maintenance contract

Ms. Collins invited Mr. Griffith to begin discussions. Mr. Griffith advised the Advisory Board that the fountain needs repairs. He mentioned that he and Mr. Furrh are working to find the location of leak(s) and determine the best way to go about repairing this feature. Ms. Bryan asked if the repairs could be completed with the current budget or if additional funds will be needed. Mr. Brister suggested turning the fountain off until the repairs are completed. Mr. Turner agreed with this suggestion.

ITEM 3: Review and consider for recommendation maintenance items within the Colonies PID

Ms. Storrs commented that the Colonies PID has only used approximately 50% of the water budget for FY 2015/16 and the remaining funds from this budgeted line item could be used for another expense. Mr. Brister commented that a decision from the previous meeting was made allowing Mr. Furrh to begin repairs noted on the punch list. He suggested providing Mr. Furrh and his staff a \$34,000 allowance for FY 2015/16 and an additional \$20,000 for FY 2016/17. City staff noted there are essentially two months left in FY 2015/16 and the money not spent will roll over to FY 2016/17. After some discussion, Mr. Brister moved to increase the maintenance and improvements for FY 2015/16 from \$17,596 to \$34,000 and from \$20,000 to

\$40,000 for FY 2016/17. Ms. Bryan seconded the motion. Motion carried unanimously.

ITEM 4: Discuss developer reimbursement.

Ms. Collins noted that this discussion item is strictly to notify the Advisory Board of the funds the Developer has been reimbursed to date, the amount remaining to be reimbursed, as well as the estimated cost of future projects to complete common area improvements. Ms. Collins asked Ms. Storrs to begin discussions. Ms. Storrs noted that City records show developer reimbursements to be at \$3.8M, which includes principal and interest. Approximately \$3M is left to reimburse. She noted that \$1.5M was plugged into FY 2018/19 for developer reimbursement by way of a debt issuance. The Advisory Board could recommend either a larger debt issuance or another debt issuance later in the future. Ms. Storrs noted that the projected fund balance and surplus could be sufficient to handle a \$3M issuance of debt. Ms. Storrs stated that the City's policy with issuing debt is the Public Improvement District has to show that there are sufficient assessments to cover debt service payments and based on this 5-year plan, it appears that there will be sufficient assessments to cover a debt service payment. When the Advisory Board is ready to discuss issuance of debt, City staff can ask City Council to issue debt to reimburse the developer. Debt service payments will be based on current interest rates. The PID has access to the City's interest rates, which the City has a good credit rating, with very favorable interest rates. Mr. Griffith stated that the \$3M remaining is a to-date figure. Mr. Griffith identified additional projects, including a park, entrance features, boulevard improvements, which will also require developer reimbursement. He believed additional projects should be around \$1.5M to \$2M. Mr. Griffith asked Ms. Storrs to provide the Advisory Board an estimate on a \$4.5M reimbursement in order to determine if a \$0.08 assessment will cover expenses projected in the future. Ms. Storrs stated City staff could provide this information. Mr. Brister noted that it would be better to propose a rate increase large enough to accept the full value of debt. He also suggested the rates be increased on a year that debt is issued. Ms. Bryan agreed with Mr. Brister's suggestion.

ITEM 5: Discuss and consider for recommendation 2016/17 Budget and 5-Year Service Plan.

Ms. Coggins continued to review the 2016/17 budget and 5-year service plan by line item, noting the amendments recommended in Agenda Item 3. Mr. Brister asked if the Advisory Board could review the 5-year service plan once actual costs are inserted for FY 2015/16. Ms. Storrs agreed to provide an updated 5-year service plan to the Advisory Board in November 2016. Ms. Bryan commented that a developer has not paid HOA fees and is concerned that this same individual will not pay PID assessments which total approximately \$75K. Ms. Collins stated that Randall County collects PID assessments in the same manner as tax collections. Randall County's collection rate in the past has been close to 99%. The budget was reviewed with two scenarios, one with all assessments being collected, and the other with \$75K deducted from proposed assessments. After some discussion, Ms. Bryan moved to approve the budget and 5-year service plan with the amended Maintenance of Improvement values. Mr. Byars seconded the motion. Motion carried unanimously.

ITEM 6: Discuss future agenda items:

Ms. Bryan asked to place the election of an Advisory Board Chairman on the agenda. The Advisory Board scheduled another meeting for the morning of Tuesday, August 9th to discuss a common area project available for bid.

ITEM 7: Adjourn meeting

Being no other business the meeting was adjourned.