

STATE OF TEXAS

**COUNTIES OF POTTER
AND RANDALL**

CITY OF AMARILLO

At 1:30 PM on July 28, 2010, the Board of The Greenways Public Improvement District held a meeting at The Greenways Sales Office, 6003 Tuscany, Amarillo, TX. The following members and City staff were present:

VOTING MEMBERS	PRESENT TODAY	NO. MEETINGS HELD SINCE APPOINTMENT	NO. MEETINGS ATTENDED SINCE APPOINTMENT
Bob Balliett, Chairman	Yes	3	2
Linda Littlejohn, Vice Chairman	Yes	3	3
Boyd Johnston	Yes	5	4
Don Woolsey	Yes	1	1
Grant Smith	Yes	1	1

STAFF MEMBERS PRESENT:

Kelley Shaw, Planning Director
Carolyn Back, PID Administrator
Michelle Bonner, Director of Finance
Larry Offerdahl, Director of Parks & Recreation
Clint Stoddard, Park Superintendent
Cary Younger, Park Horticultural Supervisor

ALSO PRESENT:

Muff London, The Greenways Development
Eddie Scott, The Greenways Development

ITEM 1: Open meeting and establish quorum

Mr Balliett requested Mr. Shaw to run the meeting. Mr. Shaw opened the meeting by briefly explaining the purpose of the meeting and establishing a quorum. Mr. Shaw explained the last fiscal year's expenditures through June 30th, in the more detailed report handed out via email and also at the board meeting.

Ms London introduced Mr Shaw and Ms Back as the City PID Administrators and Mr Balliett, Ms Littlejohn, Mr Johnston, and Mr Scott as the existing members of the PID Board, and that Mr Woolsey and Mr Smith are the new members to the Board. Ms London and Mr Shaw also introduced Mr Offerdahl, Mr Stoddard and Mr Younger with the City Parks and Recreation Department, and Ms Bonner as the Director of Finance for the City.

Mr Shaw explained that he and Ms Back basically prepare the assessment rolls and then distribute them to the County for the preparation of the PID assessments, Mr Stoddard and the Parks Department oversees the maintenance contracts, Ms Bonner works in Finance and she prepares the annual budget and 5-year service plan with the input from the Board, Parks Department, and Planning Department. She keeps track of all the numbers and where things are being spent.

Mr Shaw explained that a Public Improvement District (PID) is a special district allowed by state law that is responsible for creating improvements within a specified boundary that are over and above what is normal and customary for the jurisdiction. Mr Shaw explained that the PID may be created to cover a really broad range of improvements, but they have to be public improvements. The City currently has six PID's in Amarillo and most of them are residential consisting of parkways, common areas, and entry features.

According to the State statutes a PID is able to assess property owners for the maintenance and operation for PID improvements. These are special assessments over and above what is considered a normal city service. The statutes also say that a PID may have a board, but it is not required by state law. However, the City Commission has determined that every PID in Amarillo has a board so the Commission would not be determining and deciding on the assessments by themselves. So, the Board is a recommendation body to the City Commission and they seriously look to the Board for input and they value your recommendations. State law does require every year that a budget and a 5-year service plan, as best as you can estimate

the future, be prepared. So, this explains why a Board and why you are here. This board does not meet a lot throughout the year; maybe three times a year is the average.

ITEM 2: Approval of minutes from August 5, 2009 meeting

Mr Shaw briefly asked for approval of the minutes discussing the content of the minutes. The main point s last year was the expenses associated with the PID being quite large, the budget, and the five-year service plan, and Developer reimbursement. With the expenses being high for larger PIDs, the board and the developer requested to see a more detailed report showing what is being spent and where the expenditures are going. Water rate cost increase was also discussed. Last year's service plan showed no increase in assessments and a 75,000 reimbursement to the developer. Due to the projected number of lots not coming online the budget this next year will show some modifications and increases. Minutes were approved the Board.

ITEM 3: Discuss and consider for recommendation Coulter Fence Bid and other future projects for PID

Ms London pointed out the development proposed: a small portion of the brick fence and all of the landscaping down through Ledgestone. The proposed development is on the Southern end of the project. ACME has all of the brick for Greenways Fence. Ms London discussed adding some lots and extending the Parkway.

Mr Offerdahl went over bids received for proposed work. Brown Construction Services out of Canyon. The specs and plans have been reviewed and approved by staff. City Commission was to authorize the Contractor and the 3-party agreement for a reimbursement at a later date for the fence. References were checked by Parks and Ms London.

Ms London explained how the developer reimbursement mechanism came to be and how Mr Scott is paid interest on the funds until they are able to be reimbursed. Mr. Shaw stated that it was allowed by language in the original petition that established the PID. However, Mr. Shaw iterated that reimbursements are done only when assessments are adequate to cover both maintenance/operation and debt service expenses. Mr Scott explained how they researched in different states and how they established the PID based on their research and findings and how due to the economy and the water rate increase the initial numbers were off.

The Board made recommendation to accept Brown Construction Services Bid and approved it unanimously.

Ms London mentioned the upcoming bid for Parkway, additional lots, and extending the drainage ditch to include a walkway on one side. They are still in the design stage with the engineers, but wanted to let the board know what was coming in the future. The original design was to encourage the neighborhood cohesiveness. Due to the high cost of watering, the focus of the landscaping is shifting to a more Zeriscape design to help reduce the usage of water. It will still be beautiful landscaping, but it will be changed from what was originally designed to accommodate for more green friendly design.

ITEM 4: Review current year budget status Mr. Shaw went over expenses and revenue for the year and said that it looks like the PID budget is going to come very close to what was projected for the current year Mr Shaw noted that last year's \$75K reimbursement was not dispersed due to the revenue not being there. Ms Bonner explained the operating reserve and how it is targeted as a three-month reserve, based on three-months operating expenditures set aside in case of emergencies.

Ms London and Mr Scott asked the balance of the debts (principle), the issue date, and the interest rate be added to the budget numbers.

ITEM 5: Consider for recommendation 2010/11 Budget and 5-Year Service Plan

Mr Shaw began by explaining the line items contained in the proposed FY 2010/11 Budget. Mr. Shaw stated that although the PIDs received water at a discounted rate equal to what AISD was charged, water rates would increase by 6% for the upcoming year. He also stated that the increase was City wide, not just to PIDs. This help pays for the new well field development. Ms London asked about the water rate increase and what it included. Mr Stoddard and Ms Bonner explained that inflation rate was taken into consideration and also the water increase that is being implemented City side.

Minimal costs increases were discussed. Other topics included that, as discussed last year, an administrative fee was to be included this year, but time calculated from the last year's time sheets was substantially more than originally expected. So, Mr Shaw made a decision to cut the fee in half for this year and to track the administrative services on time sheets for another

year to get a better comparison/estimate. Mr Shaw mentioned that most of the cities in Texas charge a flat rate of 10% of the expenses. This PID has not been charged any administrative fees since 1996.

Mr Shaw mentioned that there is always an option to dissolve the PID, but a HOA would still need to be in place with the City still reviewing and approving the budget and 5-year service plan. Another option would be to hire another management company to administer the PID. Mr Shaw just wanted everyone to know that you are not locked in. As Mr Scott mentioned it is the focus to keep the expenditures low. Mr Scott mentioned, if the PID is terminated, the public common areas revert back to the HOA for maintenance. So, it is an option, but it is not a very viable option.

Mr Stoddard spoke about the mowing contract and that it was to be rebid to include some of the additional services that the City was currently doing. It was believed that the contractor would be able to provide a better rate going directly through a private entity as opposed to a public bid that requires insurance and other expenses required by a public bid process.

Mr Stoddard discussed the new line item for maintenance of improvements to cover light poles that might blow down, for repair and maintenance of the walking path along existing parkway, and for the repair of 19 brick fence panels along the Coulter corridor and 10 brick fence panels along the Hillside corridor. Ms London mentioned that they are looking for a way to retrofit the remaining fence. They are looking for a couple more opinions on how to fix the fence support to keep the bricks from dropping from the bottom where the dirt has settled away from the fence.

Mr Shaw mentioned that with no new lots coming on this year and with a proposed \$20 increase in assessments, we should be okay. The \$20 increase is based off of the B lots and then averaged throughout the other lots.

Mr Shaw pointed out that currently the lack of development has seriously eaten into the surplus, but in the future proposed projects and additions of A and B lots, if everything is platted then the fund balance will increase, but this year is awfully tight due to the proposed development not fully taking place. Mr Shaw mentioned if the Developer reimbursement had been made, then the PID would not be operating in red. If the proposed lots do not come on line, then we will have a serious challenge next budget year.

Mr Shaw in hearing no other discussion, Mr. Shaw asked for a motion to recommend the proposed budget or with an amendment for a \$20 increase in assessments for the FY 2010/11. Mr. Johnston motioned to accept the proposed budget and 5-year Service Plan with a \$20 increase in assessments for the FY 2010/11 with a \$10 increase per year thereafter, as presented. Motion was seconded and passed unanimously.

ITEM 6: Adjourn Meeting

Being no further business, meeting was adjourned.