

STATE OF TEXAS

**COUNTIES OF POTTER
AND RANDALL**

CITY OF AMARILLO

On the 12th day of February, 2014, The Greenways Public Improvement District (PID) Advisory Board met at 4:00 PM in Room 305, on the Third Floor of City Hall, 509 East 7th Avenue, Amarillo, Texas, with the following people present:

VOTING MEMBERS	MEMBERS PRESENT	TOTAL NO. MEETINGS HELD SINCE APPOINTMENT	TOTAL NO. MEETINGS ATTENDED SINCE APPOINTMENT
Shane Brooks	Yes	4	4
Jim Schooler (No longer resides in The Greenways)	No	3	3
Boyd Johnston	Yes	12	11
Stephen Carter	No	1	0
Grant Smith	Yes	8	7

CITY OF AMARILLO STAFF:

Kathleen Collins, Comprehensive Planner
Laura Hastings, City Auditor
Stephanie Coggins, Accounting Department
Michelle Bonner, Assistant City Manager
Clint Stoddard, Parks Superintendent

OTHERS IN ATTENDANCE:

Eddie Scott, Developer
Muff London, Developer
Michael Price, Greenways HOA Board

MEETING MINUTES

**for
February 12, 2014**

ITEM 1: Approval of Minutes from the July 3, 2013 meeting

Ms. Collins opened the meeting and requested approval of the July 3, 2013 meeting minutes. Mr. Brooks moved to approve the minutes as presented with Mr. Smith seconding the motion, and minutes were approved.

ITEM 2: Review 5-year Service Plan

Ms. Collins invited Ms. Bonner to speak on this item. Ms. Bonner noted that numbers in the 2012/13 column were reviewed in July 2013 as budgeted numbers. Since the fiscal year (FY) ended on September 30, 2013, these numbers have been updated and now include actual expenditures and revenue. With that, Ms. Bonner provided a detailed explanation of each line item in the FY 2012/13 and FY 2013/14 columns. She pointed out expenditures for 2012/13 totaled \$426,957 while revenue from assessments totaled \$395,558. Available funds were used to offset the difference. This left an ending fund balance of \$12,654. The City normally targets a three-month operating reserve for unexpected expenses, which would be approximately \$70,000 for the Greenways PID. Ms. Bonner noted that water rates increased from \$115,149 in FY 2011/12 to \$131,172 in FY 2012/13. This was due to a slight increase in common area improvements, watering of new sod, and a 2% increase in water rates.

Ms. Bonner then went over proposed numbers for FY 2013/14. Total expenditures are anticipated to be near \$470,000 while revenue from assessments is projected at \$472,598.

Water expenses are budgeted at \$117,500. However, this amount needs to be increased due to previous years' totals. Ms. Bonner also identified a proposed \$700,000 bond issue near the middle row of column 2013/14. This is being requested for developer reimbursement. If the PID Advisory Board recommends issuing the bond, debt service payments would begin in FY 2014/15.

Ms. Bonner also noted the Advisory Board recommended approval of a \$35 rate increase for FY 2012/13 and a \$40 rate increase for FY 2013/14. These increases are based on Class B lots. She also identified an increase in lots platted.

Mr. Smith requested the total water costs for the three prior years. Ms. Collins stated that water expenses for FY 2010/11 were \$94,516; FY 2011/12 totaled \$115,149; and FY 2012/13 totaled \$131,172. Ms. London stated that there were increases in water rates as well as increased square footage of common area which also affected these values. Mr. Price asked what percentage is due to usage and what portion is due to rate increases. Ms. Bonner identified a 5% rate increase in FY 2010/11, 5% increase in FY 2011/12, and 2% rate increase in FY 2012/13, on top of some really dry years. Also, from FY 2010/11 to FY 2011/12, five acres of common area was added. Mr. Stoddard added that the majority of water costs are associated with the amount of water used and not in water rate increases. Ms. Hastings stated that water budgets are created in early spring, before the majority of water costs are used. Historic numbers are reviewed and taken into account, however this past year's water cost surpassed the budgeted amount.

Mr. Smith stated that assessment rates were increased in the past couple of years and a few people in the community are concerned about that. During the July 2013 Advisory Board meeting, it was discussed that the \$40 assessment increase would cover budgeted expenses. Ms. Bonner noted that the rate increase will cover budgeted expenses, however, the ending fund balance is anticipated to be at only \$15,801. The three-month operating reserve should be between \$70,000 and \$80,000. Ms. Bonner stated that it will take several years to reach the necessary operating reserve with a small assessment rate increase. Staff will review expenses and discuss adjustments with the PID Advisory Board.

Mr. Johnston asked if the increase in repair and maintenance of improvements was due to fence repair. Mr. Stoddard noted that \$10,000 has been spent for maintenance of the wall improvements, essential brickwork and rebar repairs. The remaining \$16,000 is budgeted for bridge repairs as well as repair for walking trails. Lighting improvements are also budgeted at \$10,500. A question was raised if several of these maintenance items could be put on hold? Staff stated that if funds are available from other areas of the budget, it may not be necessary to raise assessment rates. Mr. Johnston supported the idea of limiting spending for maintenance and repairs and leave assessment levels as they are. It was also noted that in FY 2016/17, the 2001 bond will be paid in full.

The overall review of the 5-year service plan indicates a possible shortage in budgeted water costs. In order to cover the anticipated increase in water expense, it may be necessary to under spend in another category or adjust assessment rates accordingly. Ms. Bonner again stated that the City's policy is to maintain a three-month operating reserve.

ITEM 3: Consider Bond Issuance and Developer Reimbursement

Ms. Collins asked Ms. Bonner to explain this item. Ms. Bonner stated that Ms. Coggins prepared a spreadsheet including all developer reimbursable expenses which were derived from invoices submitted by the developer. Each Advisory Board member was emailed copies of this spreadsheet prior to the meeting. Ms. Bonner noted unreimbursed principal expenditures total \$679,933.12. Interest on capital improvements equals \$52,748.42, for a total of \$732,681.54 owed to the developer. She reviewed the spreadsheet and the final

amount will be \$720,000 in bonds with issuance costs being paid from the proceeds, leaving a deposit of \$700,000 to pay for developer reimbursement. Mr. Smith asked if these are 15 year bonds. Ms. Bonner mentioned this will be a 20 year bond with an estimated 3% interest rate. Mr. Smith asked for the total cost with interest. Ms. Bonner identified this value to be \$975,420. Mr. Smith asked the developer if additional common areas will be added in the future or will this bond be close to catching up with capital improvement costs. Ms. London stated that there will be a small parkway near the intersection of Greenways Dr. and Bayswater Rd. and a fence to construct on Tuscany Village. She also mentioned that the last phase along Soncy Rd. has not been designed, so costs associated with entry features and a proposed small park are not available. In the beginning, three linear parks were included in the design of the Greenways. However, due largely to the cost of construction and maintenance, the western-most linear park near Landon Dr. has been eliminated.

Ms. Bonner stated that if the Advisory Board makes a recommendation to move forward with the bond process, City Council will consider issuing certificates of obligation. She noted that PID revenue bonds are really hard to sell and in the past, City Council members have been agreeable to use certificates of obligation to reimburse developers. These bonds are payable from PID assessments.

Mr. Johnston moved to recommend City Council issue a bond of \$720,000 for developer reimbursement at an amount of \$700,000. Mr. Smith seconded the motion and motion carried unanimously.

ITEM 4: Discuss future agenda items
None.

ITEM 5: Adjourn Meeting
Meeting adjourned at 4:50 PM