

STATE OF TEXAS

COUNTIES OF POTTER

AND RANDALL

CITY OF AMARILLO

On the 20th of July 2022 The Colonies Public Improvement District (PID) Advisory Board met at 2 PM in room 275, second floor of the Jim Simms Bldg., 808 S. Buchanan St., Amarillo, Texas, with the following people present:

VOTING MEMBERS	MEMBERS PRESENT	TOTAL NO. MEETINGS HELD SINCE APPOINTMENT	TOTAL NO. MEETINGS ATTENDED SINCE APPOINTMENT
Clark Damon	Yes	5	5
Tracy Byars	Yes	46	44
Allyson Flaming	No	5	2
Jason Burr	Yes	11	11
Josh J Langham	Yes	5	5

CITY OF AMARILLO STAFF:

Justin Oppel, Development Services
Devin Jones, Development Services
Leslie Schmidt, Legal
Blair Snow-McCurdy, Finance
Trae Kepley, Purchasing
Lupe Quinonez, Purchasing

OTHERS IN ATTENDANCE:

Calandra Randolph, FIMC
Andrea Vance, FIMC

ITEM 1: Approval of Minutes from the June 7, 2022 Meeting
Josh Langham motioned to approve the minutes as presented. Tracy Byars Seconded, motion passed unanimously.

ITEM 2: Discuss ongoing PID improvement maintenance items.

Calandra stated that the minute hand had fallen off of the North facing clock tower. She said that they have already ordered a new minute hand to replace it. Jason stated that he saw that they were still having issues with the lighting around the fountain. The lights were previously on during the day, and now they're not on at all.

Jason also mentioned that Brittany shared an e-mail with him the day prior from a homeowner that everything was looking better.

ITEM 3: Discuss and Consider approval of Landscape Maintenance Specifications for Bid #7319

Jason stated that Cleve had put some specs together and they were hoping he was going to get the specs to the city so that they could vote on them today. He verified with Leslie that a vote was not necessary, but more than anything else, they just wanted verification that the board had seen the bid Specs and agreed with them. Jason stated that they had a few changes like removing repetitive language and clarification in a few places. However, it was Cleve's stamp on the document, and Cleve needed to be the one to make those changes.

Calandra asked about doing an addendum, and just getting the process going. Jason stated that he didn't want to rush anything, especially when it was just a clarification. Jason also mentioned having in the contract a way for the bidders to include the

separate cost of tree removal and replacement, despite wanting to separate out a tree maintenance contract in case they came across something in their general maintenance of the lawn care and could simply take care of it in the moment rather than having to go out and get bids for a single tree replacement. Jason also asked that once the city got the specs, and they were happy with it, if it could simply be sent out to the board to review and make sure everyone was good with it, and only reconvening to vote on awarding the bid when it was time. Leslie stated that they really needed to have the board to vote on the specs, just to make sure that everyone was on the same page, so there weren't any discrepancies later. That way everyone was in the same room, and any questions that there were could be answered and recorded. Jason asked if it would be possible to do that via zoom, and Leslie stated that no, it would have to be a physical meeting.

There was some discussion on when Cleve would be returning, and whether or not they could get him to make the adjustments while he was out of town. Justin asked if they knew what questions Cleve might have, as he'd told the city that he had some that he would discuss when he returned. Calandra said it might be what they had already discussed prior in the meeting about the tweaking of the language Jason had asked him about. Jason also stated that he felt like the HOA Lawyer Todd Boykin should probably look over the specs as well to make sure everything was good. The board decided it would probably be better to set a date for the next meeting to approve the Bid specs after Jason had the chance to speak with Cleve. Justin stated that he did feel like setting a deadline would be a good idea. He explained that Cleve had mentioned at the last meeting of the board on June 7th that he would be able to have the technical portion of the specs for the trees and lawncare done by the following Thursday, which would have been June 16th. Jason asked to confirm that they still didn't have that. Justin explained that the city received the first submittal on Thursday, July 7th. Which Lupe Quinonez from the purchasing department had turned back to him on Monday, July 11th with comments. He corrected it back on Thursday July 14th and purchasing responded again with comments on the following Monday July 18th. Now Cleve has responded stating that he would be out until the 29th of July. Justin stated that he felt a deadline was important to set, since the specs had taken so long to be received the first time, and now with Cleve out of town, the process was being pushed further and further back. He expressed that in respect for Rockrose currently handling the cost of the Colonies Landscape maintenance that giving Cleve a deadline for those specs to be completed for the board to look at would be beneficial for all involved parties. Jason stated that he believed Justin was correct, but he also didn't want to set themselves up for failure and end up wasting a bunch of people's time.

Jason asked the Purchasing Department staff that was in the meeting if they had any further questions on the document. Trae stated that Lupe had been working hard on it, and they were just trying to work it out with Cleve.

ITEM 4: Discuss and Consider for recommendation 2022/23 Budget and 5-Year Service Plan

There was some discussion on the revised estimate for Contract Labor to show what they actually spent over the past year, since they would not have any contract cost for the rest of this fiscal year. The board then went on to discuss a realistic number to budget for the future lawn care maintenance contract. Jason stated that he felt like \$200,000 a year was a good estimation given inflation, but as he didn't expect them to have a new maintenance contractor until January, he felt like \$150,000 was a good number to cover from January to October. He stated that he came up with \$50,000 for each Seasonal planting and tree care, but he wasn't sure what those items would actually cost. He stated that if they go over the \$50,000 for seasonal planting however, they should probably reevaluate what's being done with those funds.

Clark Damon asked about the Seasonal planting line item, and Jason explained that previously they only had two lines, the Contract Labor line (previously Custom Gardens) and Agriculture and Botany. He was proposing they break that out into three lines for better clarity: Turf Maintenance, Tree Care, and Seasonal Planting.

Josh asked about the trees, and Jason clarified that the goal was to do one third of trees every year for pruning and fertilizing so that they were completing the cycle of trees every three years. Josh asked why they weren't doing it annually. There were multiple reasons, including the fact that they were between landscape contractors at the time.

They then went on to discuss a rate increase from \$0.10/ square foot to \$0.13/ square foot. Jason explained that this kept it from going up a cent at a time as they needed to increase assessments and if they started with this increase now, they would build that cash reserve, and the budget didn't come anywhere close to breaking over the next ten years. He also discussed utilizing some of that cash reserve to pay off some of their debt to Rockrose, because until the bond is issued, which they have been considering, they were still accruing interest on that cost. Jason's proposal was to pay off the \$700,000 to Rockrose and issue the \$3 million bond.

Jason asked the board if they felt comfortable being able to explain to any of the residents that asked, why the increase needed to happen, as well as believing that it needed to happen. The board did agree that they were comfortable with it. Jason then asked what the process was for the rate increase and notifying the residents. Justin said that a notification went out when the budget was going to go before council, but he would have to check and see if that was on that mailer.

Josh stated that his only concern is that they didn't ask for more of an increase. Jason stated that he played with the numbers and that he started with a \$0.15 raise in assessments and there was no reason to go that high. Jason stated that he felt like people who lived there in the future should still have to put money towards that debt, because if they paid it all off now, they would be penalizing the people who currently live in the Colonies, and people who lived there in the future would be enjoying those amenities without having to help pay for it. Josh made the argument that the bond was for the expected life of the improvements and hardscapes, and they would need to be replaced or rebuilt eventually. Jason stated that he felt like it was best to go with a three cent raise now, and if they needed to raise it again in ten years, then they could talk about that raise then, but currently, ten years out, the budget doesn't even come close to breaking.

Jason asked for Blair's opinion on the rate increase, and she asked if they had any large projects they were looking at in the future. Jason stated that there would be nothing further built, and unless something unexpected happened like the clock tower falling over. Clark mentioned fixing the channel at Continental, and Jason agreed that was going to be an expensive repair. There was some discussion on the collections, and how they factor into the tax rate.

Clark Damon asked if since this was an assessment and not a tax if it did not follow the same rule of being frozen for people over a certain age. It was stated that no, it does not follow the same rule, and will go up for everyone.

On request, Blair put in a 6% inflation rate for the future, and the budget did not break until much further than the 5-year projection. This included the raise in assessments. Josh stated that he thought a 6% inflation for this year was an accurate raise, but that they could go back to the usual 2% in following years. However, they decided to leave it at 6% across the board for now. Justin found the letters that were sent out for the

approving of the PID Budgets, and it did show that the assessment cost and whether it had decreased, increased, or stayed the same.

Jason stated that the board would like to increase the tree care budget to \$100,000, the Landscape Maintenance to be at \$200,000, Seasonal planting, R&M Improvements and R&M Irrigation would all be at \$60,000. However, they wanted irrigation to go back down to \$20,000 after this next year. He reiterated that they would like to pay the \$700,000 to Rockrose and issue a \$3 million dollar bond to pay off the rest of what they owe Rockrose. Blair mentioned it was showing about \$110,000 still, and it was figured that was likely interest calculated for the rest of the year.

Clark asked when the rate increase would go into effect with their decision to up the assessment cost. Blair stated that it would go into effect on the next tax bill, which would be January 1st.

It was asked for Blair to put in an \$0.11 rate and a \$0.14 rate to see how these two rates compared with the \$0.13 rate that Jason had proposed. At \$0.11 with the \$700,000 coming out to Rockrose, the budget broke in the span of the 5-year plan. At the \$0.14 rate, they would have 1.5 million in surplus in year 5, with the same parameters. With \$0.13 they had a million-dollar surplus with the same parameters. It was decided on to stay with the \$0.13 rate change.

Tracy made a motion to accept the budget as they had changed it today. Clark Damon Seconded. The motion passed unanimously.

ITEM 5: Discuss future agenda items

Jason asked about information on how to change out board members, as Tracy was ready to resign from the board. Justin and Leslie both stated that council did not approve new board members until the spring or fall. Jason asked how they needed to go about the process. Justin explained he would simply need an e-mail from Tracy stating his desire to resign, and then if the board had a list of names of potential board members, they could send that to Justin and he would make contact with them and get them set up with the City Secretary's office. He also explained that if it became necessary to do this outside of the normal time new board members were appointed, they could request a special meeting. There was also a request on figuring out how to re-stagger the board, as they had all ended up with the same term date end.

Justin stated that on the next agenda, the contract with FIMC would be discussed as well since it will be up at the end of November. Jason stated that in his talks it was his understanding that they could draw up a contract to be renewed in perpetuity with a rate increase built in, that so long as both parties agreed, they could just renew the contract. Leslie stated that they can't have a contract with perpetuity, that it would have to be for a set amount of time. Jason stated that he'd be happy to do a three-year contract with the option to renew for 20 years. Leslie stated that she'd have to take a look at that, as they didn't have any contracts that went on that long, and that was not normal. Jason asked that she talk to Trae, because he was the one Jason had spoken with before.

ITEM 5: Adjourn meeting

There being no further business, the meeting was adjourned.