

**Special Citizens Bond Advisory Committee**  
**Thursday, July 11, 2019, 6:00 p.m.**  
**Meeting Minutes**

The Special Citizens Bond Advisory Committee of the City of Denton, Texas convened in a meeting on Thursday, July 11, 2019, at 6:00 p.m. in the City Council Work Session Room, Main City Hall, 215 E. McKinney St., Denton, Texas.

**PRESENT:** Committee members: Tammy Bradley, Peggy Capps, Jennifer Collins, John Crew, Tim Crouch, Karen DeVinney, Pati Haworth, Nanci Kimmey, Diana Leggett, Cody Lewis, Kate Lyness, Queen Janata Montgomery, Susan Parker, Eric Pruett, Randy Robinson, Suzanne Rumohr, Janet Shelton, Patrick Smith and Nathan Tune.

**STAFF:** Todd Hileman, City Manager, Mario Canizares, Deputy City Manager, Sara Hensley, Assistant City Manager, Antonio Puente, Jr., Chief Financial Officer, David Gaines, Director of Finance, Todd Estes, Director of Capital Projects, Pritam Deshmukh, Deputy City Engineer, Daniel Kremer, Deputy Director of Operations, Nick Vincent, Budget Manager, Brian Hogan, Assistant Controller, Nancy Towle, Treasury Manager, Ryan Adams, Deputy Director of Public Affairs and IGR, Randee Klingele, Senior Treasury Analyst, and Theresa Jaworski, Executive Assistant and Recording Secretary.

**1. CITIZENS COMMENTS**

The following addressed the Committee:

- Richard Shanhouse, 8001 Woodcreek Circle, Argyle, Texas – concerns about the plan to widen Hickory Creek Road and Brush Creek Road.
- John T. Davis, 806 Woodcreek, Argyle, Texas – on the roadway projects, the 2015 Mobility Plan, the widening of Hobson Lane and the widening of Hickory Creek.

**2. ITEMS FOR CONSIDERATION**

**A. CBAC19-021** - Consider approval of the Special Citizens Bond Advisory Committee meeting minutes of June 20, 2019, June 27, 2019 (3:00 p.m.), and June 27, 2019 (6:00 p.m.).

The Committee briefly discussed how the minutes applied to the Committee Task Force.

Tim Crouch made a motion to approve the minutes of June 20, 2019, June 27, 2019 (3:00 p.m.), and June 27, 2019 (6:00 p.m.). Pati Haworth seconded the motion. On a vote of 17 affirmative and 2 negative, the motion carried.

**B. CBAC19-022** - Receive a report and hold a discussion regarding potential projects and financial considerations of the proposed 2019 bond program.

Gaines briefly reviewed the proposed 2019 bond program projects that have been presented, gave an update on the cost increase for Public Safety Facility Project after receiving the results from a review by a cost estimating firm, explained the reasons for the increase, provided a current project cost comparison of the previous cost estimates and the July 11 revisions.

The Committee discussed the possibility of additional increases, the inclusion of Fire Station 8 in the firm's review and if there are any increases in that project, the drawbacks of using fire stations to include police substations, any changes in the scope for the project, any future increases, options in coordinating the police department renovation and building the new substation to allow swing space for personnel to work, and working with a general construction manager to coordinate the renovation and the substation, to make the most of those efficiencies.

The Committee also discussed the effect to the tax rate of 5% assessed value growth at the \$210 million amount, calculation of tax rates with the Appraisal District, the assessed value history in property value growth, comparison of old versus new growth, forecast scenarios on the assessed value assumptions, the changes in the cost for projects, the amount of funds for street rehab and all that will go towards the SE Denton area, a breakdown of what is included in repairing streets, the reasoning behind the Hickory Creek project including the area growth, significant traffic, safety concerns and efforts to avoid additional fatalities, opportunities for funding potentials.

Todd Estes, City Engineer, responded to questions on the cost in extending McKinney St. from the June 27 meeting. The current work area is east of Loop 288 with available funding, and the problem is going from Loop 288 to Woodrow, the cost to rebuild that with dollars today would be roughly \$22 million, just in construction. He also explained higher figures for construction that could begin next year, considering all the right-of-way acquisitions, inflationary cost, design cost, staff time, survey, Geotech, etc., needed to go to construction, that brings the price tag to around \$53 million. Staff is still working on additional funding with Council of Governments or others, but in going to the North Central Council of Governments, that govern a lot of funding sources, there must be a plan to completion and ready to go that the City funds, or they will not consider funding.

The Committee discussed the conditions of the intersections on McKinney, the street's level of service today and in the future, funding constraints on that roadway, option of pushing this project into the priorities for the current bond program, how long the construction east of McKinney will take, what the City can do in this bond package to provide some funding to put us in a better position with COG for a future funding, federal and other funding options, future year's bond funding possibilities, and the Committee's options in including funding programs that will increase in the bond program,

**C. CBAC19-023** - Receive a report, hold a discussion, and give staff direction regarding SCBAC 2019 bond program project prioritization.

Gaines noted the intent of the item is to allow the Committee an opportunity to discuss the priority of the projects, where the line is and if it is above or below the line set. The survey was sent out for the Committee members completion to provide a baseline and enhance the discussion, but not all members participated.

The Committee discussed the additional advantage in leveraging funding for Hickory Creek, using the survey chart, assigning a dollar piece for each piece to the survey with a running total in the next column showing where the lines fall to help make the decisions, include a below the line series in the survey for projects to factor in, the line that has been established to move above or below, factoring in the ongoing road maintenance along with the roads being rebuilt, and new developments that adds new roadways connecting to those new streets.

Patrick Smith asked the Committee to consider the additional cost added to the police station and substation, and the option to look at a higher number or something lower, realizing that number will need to be sold to the citizens.

The Committee discussed the new legislation that limits the City's capabilities, when interest rates are low the options to free up some debt service, the effects of the 3.5% rollback rate on debt service and the maintenance and operations rate, the amount of the current debt the City has, the amount that will be paid off at the end of this current package, the outstanding debt service, the amount that will be paid off over the next six years, the request to add a third color to the graph phasing in the new debt, the interest rate on bonds, growth that is expected and the timing of current low interest.

Smith asked the Committee for feedback on the \$230 million or \$180 million option to provide a number for staff to work with, in bringing back a variance of options for the members to consider.

The Committee discussed the Council resolution setting a not to exceed \$210 million, the mechanism in going back to Council to amend the resolution, if the Committee wanted to consider a higher number, running different scenarios with different numbers, a request for some historical data on previous bonds or what tax rate increase was requested, and what actually happened.

The Committee gave direction to request an amended resolution from Council allowing the Committee to consider options above the not to exceed amount of \$210 million.

**D. CBAC19-024** - Receive a report and hold a discussion regarding the SCBAC meeting schedule.

The Committee decided that the Finance Task Force did not need to meet next week, agreed on a 5:30 p.m. start time, and requested another survey that includes McKinney St. and an opportunity for feedback regarding Ryan Rd. ranges.

Susan Parker made a motion to adjourn and Nanci Kimmey seconded the motion.

Meeting adjourned at 8:35 p.m.

The Special Citizens Bond Advisory Committee approved the July 11, 2019, Meeting Minutes on July 25, 2019.



PAT SMITH  
COMMITTEE CHAIR  
CITY OF DENTON, TEXAS



THERESA JAWORSKI  
RECORDING SECRETARY  
CITY OF DENTON, TEXAS