

**Special Citizens Bond Advisory Committee**  
**Thursday, July 18, 2019, 5:30 p.m.**  
**Meeting Minutes**

The Special Citizens Bond Advisory Committee of the City of Denton, Texas convened in a meeting on Thursday, July 18, 2019, at 5:30 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, Diana Leggett, Cody Lewis, Kate Lyness, Queen Janata Montgomery, Eric Pruett, Randy Robinson, Suzanne Rumohr, Janet Shelton, and Nathan Tune.

**ABSENT:** Committee members: Nanci Kimmey, Susan Parker, and Patrick Smith

**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, , Randee Klingele, Senior Treasury Analyst, Jenny Wang, Accountant, and Theresa Jaworski, Executive Assistant and Recording Secretary.

In accordance with Robert's Rules of Order, and in the absence of the Committee and Vice Chair, the meeting was called to order at 5:31 p.m. by City Secretary Rosa Rios. The Committee was informed of the next step to appointment of a Temporary Chair to preside over the remainder of the meeting, with that appointment to end at the time the meeting was adjourned.

City Secretary Rios called for nominations. Committee member Randy Robinson nominated Committee member Tim Crouch. A second call was made for nominations. With no other nominations submitted, City Secretary Rios called for a second on the nomination of Committee member Tim Crouch to serve as Temporary Chair of the meeting. Committee member Janet Shelton seconded the motion. Motion carried by a majority vote in favor by: Committee members Peggy Capps, John Crew, Karen Devinney, Pati Haworth, Cody Lewis, Randy Robinson, Suzanne Rumohr, Janet Shelton and Nathan Tune. Committee members Tammy Bradley and Queen Janata Montgomery abstained from voting.

Committee members Tammy Bradley and Queen Janata Montgomery abstained from voting.

The City Secretary announced the next item was for Citizen Comments, with individuals being allowed three minutes to speak.

## **1. CITIZENS COMMENTS**

The following addressed the Committee:

- Rick Wood, 8011 Woodcreek Circle, Argyle, TX – express concerns in the widening of Brush Creek road and better use of funds to fix roads.
- Richard Shanhouse, 8001 Woodcreek Circle, Argyle, TX – concerns about the destruction of properties and loss of homes, if Brush Creek road is widened and better use of funds to fix roads.
- Dennis Cox, 8008 Woodcreek Circle, Argyle, TX – concerns about the widening of Brush Creek Road, the traffic noise and if there will be a sound barrier, how the road widening would affect the drainage, and better use of funds to fix roads.
- David Yoder, 940 and 950, Brush Creek Road, Argyle, TX – clarification on the exact road widening location and what is in the proposal, taking one-third of his property.
- Troy Fulkerson, 1804 Wickwun Ct., Argyle, TX, - questions and concerns on widening Brush Creek Road.
- Gary Davis, 970 Brush Creek Road, Argyle, TX, - questions and concerns on widening Brush Creek Road.
- Sam Slovak, 4905 Argyle Lane, Argyle, TX – neighborhood esthetics, drainage and flooding concerns on widening Brush Creek Road.
- Colleen Mitchell, 1300 Brush Creek Road, Argyle, TX – concerns on widening Brush Creek Road.
- Perri Dyer, 4800 Snowhill Ct., Argyle, TX – concerns on widening Brush Creek Road.
- Jesse Calvert, 990 Brush Creek Road, Argyle, TX – concerns on widening Brush Creek Road and the effects on personal lives of those who live in the area.

## **2. ITEMS FOR CONSIDERATION**

- A. CBAC19-026** Receive a report and hold a discussion regarding potential projects, financial, considerations, and other requirements related to the proposed 2019 bond program.

Tim Crouch, Temporary Chair, expressed the need for the Committee to determine the priorities, assumptions on the growth rate, and the impact on the tax rate, taking ownership to be able to make the case for this bond package and work towards the passage of this bond.

David Gaines, Director of Finance, explained the purpose of this item is to take a look at the projects in total, go over the financial considerations discussed, and some updated scenarios based on feedback from the Committee, go into more detail on the street rehab program and Ryan Road.

Gaines presented information on the Current Project Costs with the updates, Financial Assumptions, Assessed Value History.

The Committee discussed the , the assessed value growth and what should be assumed in property growth in coming years, the impact on the numbers from the 2008 and 2009 recessions and the effect on the property values, the lower increase because of the nonfrozen values, the Task Force discussion on the 4%, 5%, 6% assumption, and what the Committee would recommend, the effects of a greying population and properties freeze, percentage of commercial and residential growth, the percentage of growth on the tax rolls is from new properties versus the increased property values, the new developments, how that gives credence to a 5% tax increase, keeping a conservative growth estimate to know that the five cents would be the maximum, the risks of assuming a higher assumed value growth, how a 4% growth would compare, previous bond programs and debt service tax rate projections from 2005 through 2020, and the City's comfort level with a 5% assessed value growth rate.

Randy Robinson made a motion to assume the 5% assessed value growth rate followed by a second from Peggy Capps. Motion carried with a unanimous vote.

Crouch advised the Committee that going forward they will work with at 5% growth rate and what the impact would be with the various aspects. Staff ran numbers of what 5% might mean at different levels.

Gaines shared other variables that plays a part of the total tax rate and the whole plan itself. such as when do we issue the debt and when do we need dollars for the program. Staff met with financial advisors to determine how can we time the issuances to get the projects done but also at the issuance rate with the least impact on the tax rate. The forecast scenario gave the total program cost, at the 5% assessed value assumptions and maximum debt service tax rate increase for the \$235 million, \$210 million, \$180 million and \$100 million.

Following last Thursday's meeting, one of the Committee's action items was to go to City Council and request that they revise the resolution that formed a Committee which had a not to exceed amount of \$210 million. That amount has now been increased to \$235 million to give the Committee all the capacity needed to have a full discussion of the projects as presented.

Gaines then presented the breakdown of 5% assessed value growth on \$235 million program from FY 2021-2026 that anticipates a five cent increase in the debt service tax rate, with the maintenance and operation rate, debt service rate, total tax rate, effective rate, 3.5% rollback, effective difference, 3.5% rollback difference, and average residential tax bill.

Gaines advised that as the Committee considers all the scenarios, one of the emphasis from City Council was to not have a program that exceeds our current total tax rate, then followed with the scenarios for the \$210 million program at a little under four cent tax increase, the \$180 million dollar program for a three cent tax increase, and the \$100 million would be no tax increase and the final years go below the current tax rate.

Gaines went over the previous bond programs debt service tax rate increase projections followed by the impact to debt service payments and the existing debt service, and followed with the debt service forecast for the \$235 million, \$210 million, \$180 million, and \$100 million, with the City's current outstanding debt at \$260 million, with about \$98 million retired over the six years of the current bond proposal.

Crouch asked the Committee to keep this information in mind as we consider what the prioritization list is and what the running total is.

Gaines reviewed the the street rehab program and the neighborhood streets program that has already been presented and explained the plan is for spending the \$70 million, to make sure everyone understands how it breaks down per district and in different areas of the City. In conversations with the Committee staff recommended hybrid approach, focusing on neighborhoods that would gain efficiency by having the roads near each other, connector streets, working with water/wastewater improvements projects along with the street improvements and then focus the other half of street rehab funding on streets with the low OCI and lowest quality

Todd Estes, City Engineer explained the neighborhood streets program and reviewed the three neighborhoods nominated to go forward in this program and the plan for reconstruction on the worst roads with 20 OCI and less broken out by district with OCI, lane miles and estimated cost.

The Committee discussed the streets with an OCI of 20 or less that will be reconstructed with previous bond funds, and streets that fall 20 OCI or less not in the neighborhoods identified, if there is a map showing 40 OCI and below, going to 30 OCI pros and cons, working with water/wastewater projects, leveraging with departments, using contractors to coordinate projects.

Estes shared with the Committee what \$4 million and \$19 million Ryan Road would look like with options for consideration.

The Committee discussed the necessity of sidewalks around schools, the part of Teasley involved, and sidewalks on one or both sides of Ryan.

Estes turned the Committees focus on the SE Denton spending history with completed 2014 bond segments, street fund, and the 2012/2014 bond program segments remaining.

The Committee discussed the streets on remaining on the 2014 Bond Program that are left to be fixed and the plan for completion, and using funds for the Brush Creek widening for SE or Central Denton streets that need to be repaired,.

Estes addressed concerns about Hickory Creek Road, the reasoning for a six lane facility, the Hickory Creek Road as it is included in the 2015 Mobility Plan, alternatives that have been considered, Hickory Creek Road currently in planning stage, challenges being considered and staff working to reach a point for conversations with property owners, the fatalities, increased

flood planning, future development of the area, leveraging funding, opportunity for the road to be a prime connection to 35W.

The Committee discussed Vintage Road, options that have been considered, cost differences, public safety, options for fewer lanes on Hickory Creek Road, working with partners to leverage funding, flooding issues, and working with the 2030 Mobility Plan to adjust for future growth.

Crouch suggested moving toward prioritization and where the projects fall and address the order of the list and the dollar figures involved.

**B. CBAC19-025** Receive a report, hold a discussion, and give staff direction regarding SCABC 2019 bond program project prioritization.

Gaines gave the presentation of the results from the most recent prioritization survey, emphasizing that the survey results is only intended to contribute to the Committee's conversation on the proposed bond program and not any staff recommendation. The survey results were tied to aggregate dollar amounts to help facilitate conversation, adjusting and options for moving funds to and from projects within the program.

The Committee discussed public art being tied to projects and the two percent the Committee agreed on, unused funds from the 2014 bond program currently in public art that has not been used, a recent project that will go into the Police Department on Hickory, Committee's options to consider in moving funds from public art to other projects in the proposed bond program.

Committee Member Janet Shelton made a motion to spread the two percent for public art in the bond program over the public safety proposition and street proposition, followed by a second by Queen Janata Montgomery.

The Committee discussed the procedural method to seek a revision, the structure of the program for public art, the large amount in funding for public art in the current bond proposal and allowing the voter's to decide on funding, consideration of a standalone art proposition, options to amend the public art policy, and the limited time in requesting a change in policy from the City Council.

Following the Committee's discussion, the motion by Janet Shelton and second by Queen Janata Montgomery to spread the two percent for public art in the bond program over the public safety proposition and street proposition, was withdrawn.

The Committee discussed requesting a change in the public art policy from the City Council or making a recommendation on the fund allocations for the proposition.

Committee Member Cody Lewis suggested that the Committee table the public art issue to determine the wording on the recommendation and concentrate on the higher dollar projects.

Gaines suggested that at next week's meeting there will be three or four action items and decisions regarding public art, the total dollar amount, and projects that can be included in the ultimate recommendation.

- C. **CBAC19-027** – Hold a discussion and make a recommendation to City Council for the 2019 bond program in accordance with the direction given to the Special Citizens Bond Advisory Committee by City Council as set forth in resolutions passed on April 23, 2019 (Resolution No. 19-920) and July 16, 2019 (Resolution No. \_\_\_\_\_).

John Crew made a motion that the Committee make a recommendation to the City Council on items one through ten, as presented.

Crouch asked for a second on the motion. With no second, the motion dies.


Committee member Kate Lyness made a motion that the Committee recommend to the City Council items one through five, including the Police Station Renovation, Fire Station 8, Police Substation, Street Rehab Program and Bonnie Brae (V, VI, VII), as presented, be included in the final recommendation. Peggy Capps seconded the motion. Motion carried.


Motion carried by a majority vote in favor by: Committee members Jennifer Collins, Tammy Bradley, John Crew, Tim Crouch, Karen DeVinney, Pati Haworth, Queen Janata Montgomery, Eric Pruett, Randy Robinson, Suzanne Rumohr, Janet Shelton, and Nathan Tune. Committee members Diana Leggett and Cody Lewis opposed.

Committee Member Karen Devinney made a motion to adjourn followed by a second from Peggy Capps.

The meeting adjourned at 8:52 p.m.

The Special Citizens Bond Advisory Committee approved the July 18, 2019, Meeting Minutes on July 25, 2019.

  
TIM CROUCH  
ACTING, COMMITTEE CHAIR  
CITY OF DENTON, TEXAS

  
THERESA JAWORSKI  
RECORDING SECRETARY  
CITY OF DENTON, TEXAS