

Bond Committee Meeting (Monday, March 29, 2021)
MEETING HELD VIRTUALLY VIA ZOOM

Members present

Tim Shivers, Lindsay Buhler, Brad Ford, Scott McMurdie, Josh Ackles, Charles Elk

Members absent

John McKinney

Staff members present:

Lauren Rose, Corey Nesbit, Leah Granger

Consultants present:

Chris Settle, Bond Counsel, McCall Parkhurst
Erick Macha, Financial Advisor, Hilltop Securities
Jason Hughes, Financial Advisor, Hilltop Securities

1. Call to Order: The Bond Committee of the City of Sachse will hold a Regular Meeting on Monday, March 29, 2021 at 6:30 p.m. to consider the following items of business:

Mrs. Rose called the meeting to order at 6:31 p.m.

2. Invocation and Pledge of Allegiance to the U.S. and Texas Flags.

Mrs. Buhler gave the invocation and Mr. Shivers lead the Pledge of Allegiance to the U.S. and Texas Flags.

3. Receive a welcome and overview of the Bond 2021 Committee.

Mrs. Rose welcomed the members and gave an overview of the Bond 2021 Committee. Staff and members introduced themselves.

4. Review the charge issued to the Bond 2021 Committee by the City Council.

Mrs. Rose presented the charge issued to the Bond 2021 Committee. The City Council issued this charge to provide the Committee with a basis for its conversation during this process. This is not an exhaustive list of projects, nor is it intended to limit the Committee in any way.

Make a recommendation to the City Council regarding the need and size of a bond package to submit to Sachse voters in a November 2, 2021, referendum in light of:

- The condition of residential, collector, and arterial streets citywide;
- The condition of drainage systems citywide;
- The condition of select city facilities;
- The condition of select screening walls;
- The tax rate impact of various bond package amounts; and,

The potential for a successful election outcome.

5. Receive nominations and elect officers to serve as the Bond 2021 Committee Chairperson, Vice Chairperson, and Second Vice Chairperson.

Mr. Ford made a motion to nominate Charles Elk as the Bond 2021 Committee Chairperson. Mrs. Buhler seconded that motion and the motion was unanimously approved.

Mr. Shivers made a motion to nominate Brad Ford as the Bond 2021 Committee Vice Chair. Mrs. Buhler seconded that motion and the motion was unanimously approved.

Mrs. Buhler made a motion to nominate Tim Shivers as the Bond 2021 Committee Second Vice Chair. Vice Chair Ford seconded that motion and the motion was unanimously approved.

6. Receive a Capital Improvement Plan (CIP) presentation from Corey Nesbit, Director of Public Works and CIP.

Chairman Elk invited Mr. Nesbit to present the Capital Improvement Plan (CIP) and answer questions.

Mr. Nesbit explained that multiple major projects have been identified to address long-term needs for the community. Funding based on savings is not feasible for major projects. The primary focus would be towards large scale road projects, but neighborhood revitalization, dilapidated screening wall replacement, and growing City facility needs are also considerations. The Bond Committee's feedback, in addition to staff recommendations for potential projects, will help provide direction.

Second Vice Chair Shivers asked about the interaction between the bond and the City budget. It was noted that this will be addressed later in the meeting as well as in a future meeting from the City's Finance Director.

Chairman Elk asked if the bond is not elected, do these projects just take longer? Mr. Nesbit replied that was correct.

The Committee discussed the feasibility of the bond as well as understanding project costs that will allow them to help develop a plan. The Committee would like to better understand the impact of these projects on the tax payers.

The Committee also discussed screening walls. Mrs. Rose stated that the City does not own the walls. Vice Chair Ford asked if the screening walls were selected for the bond, would it require the City to maintain them for the life of the wall. Mrs. Rose indicated a policy would need to be developed for the future maintenance of screening walls if they are selected. Mr. McMurdie suggested a policy in place first may be needed.

7. Receive an overview of municipal bonds and various financing options from the City's Financial Advisor.

Erick Macha from Hilltop Securities, the City's financial advisor, presented an overview of municipal bonds and various financing options and answered questions.

Mr. Macha compared the debt from a Bond sale to a house mortgage. The City would essentially be taking a loan on projects and pay down the principle and the interest. He commented that municipalities benefit from lower interest rates, and that debt can be refinanced at any time or be paid off early without penalty.

Second Vice Chair Shivers asked if increasing the sales tax rate was an option for funding the bonds. Jason Hughes from Hilltop Securities indicated that sales tax could not be increased since the State caps the sales tax break down and is an unreliable source as economy fluctuates.

8. Receive an overview of the bond election process from the City's Bond Counsel.

Chris Settle from McCall, Parkhurst, & Horton, LLP provided an overview of the Bond 2021 process.

Mr. Settle explained that it is important to understand that it is unethical for staff or officers to use any City resources to advocate or advertise for a particular outcome of the bond election.

Chairman Elk asked if the City would need to indicate if a bond would increase the tax rate. Mr. Settle explained that requirement is only with school districts. Mr. Nesbit recommended Mr. Settle explain the difference between a school bond election and a City bond election. Mr. Settle indicated the primary difference is timing and notice requirements. School districts can call a bond election any time and give different amount of notice than cities. Schools also have unlimited tax, they levy whatever needed to pay for the bond. The ethics for school and City bonds is the same.

9. Set future meeting dates.

Future meeting dates:

April 12 – Tour of potential projects and go in more depth on the Capital Improvement Plan.

May 24-TBD

June 28-TBD

Second Vice Chair Shivers requested information from previous bond election and drainage/detention information.

Mrs. Rose suggested that typically, it is easier to determine the dollar amount of the bond and work backwards to decide the projects that would be addressed. Chairman Elk agreed that it would be best to determine how big the bond should be and then what projects would be the building blocks. He also noted that serious infrastructure improvements usually sit well with voters.

Mrs. Buhler would like to know what roads and other projects are already budgeted, so they know which projects may not need to be considered.

10. Adjournment.

Chairman Elk adjourned the meeting at 8:33 p.m.