

**Bond Election Advisory Committee**  
**June 30, 2005, 2:00 p.m.**  
**EOC Training Room – Basement of City Hall**

The Bond Election Advisory Committee met for their first meeting Thursday, June 30, 2005 at 2:00 p.m. in the Emergency Operations Center Training Room in the basement of City Hall, 555 Walnut, Abilene, Texas 79601. Mike Waters, Chairman of the Board was present and presiding with other Committee members present including Nelson Wilson, Bruce Bixby, Leigh Black, Seaton Higginbotham, Gary Galbraith, David Green, David Lynn, Lindsay Minter, Liz Nunez, Mike Schultz, Mike Walls and Mike Hernandez. Committee members absent were: Bob Gomez, Petty Hunter, Dr. Gary McCaleb and Harold Preston.

Mike Waters called the meeting to order.

Jill Frizzell Flores administered the Oath of Office and asked the Committee members to sign the Oath of Office form and the Statement of Appointed Officer form for the City Secretary's records.

Mayor Norm Archibald welcomed the group and gave them their charge. He informed them that they will be looking at many projects in the City that might be possibilities to propose to the City Council for a Bond Election. Mayor Archibald stated that the Committee will be the advocates for what this city needs in the future. He would like the recommendations in mid or late September.

Mike Waters asked the Mayor if he had any preconceived notions about Abilene's top needs. Mayor Archibald answered with street repair/renovation. He added that in past bond elections, parks and libraries had not fared very well. The Mayor mentioned Senior Citizen's centers like the top of the line Rose Park Center might be an idea.

Lindsay Minter asked the Mayor for help from the City Council and staff about foreseeing objections and how to overcome them.

Mike Waters thanked the Mayor for speaking to the Committee and invited him to attend any of the Bond Election Advisory Committee meetings.

Lindsay Minter, who came in during the Mayor's welcome, was administered the Oath of Office.

Chairman Waters then reviewed the Committee structure and protocols. He advised everyone to turn cell phones off or on silent. He stated that there will be no meeting on July 7<sup>th</sup> and the next meeting will be July 21<sup>st</sup>. Mr. Waters stated that all the meetings will start on time and all questions are welcome. He stated he anticipated there might be some field trips in the future. He hoped to have a completed proposal for a bond election to the City Council by the end of October.

The city staff introduced themselves to the committee.

All board members present introduced themselves, stated who had appointed them and told of past boards served on.

Sharon Hicks, the City Attorney, informed the Committee about the Texas Open Meetings and Open Records Acts. She told the Committee members that when there is a quorum of nine then the meeting must be open to the public. The Committee's deliberation or discussions must be in a public meeting. She informed them that an agenda must be posted 72 hours in advance and that minutes will be taken at the meetings. Mrs. Hicks did inform the Committee that Subcommittees are not subject to the Open Meetings Act. She made the Committee aware of the TPI Act, which stands for Texas Public Information Act, which states that minutes and electronic email are open to the public, but this does not pertain to an individual's notes. Mike Waters asked if it was acceptable to talk on the phone to Committee members. Mrs. Hicks replied by stating that it is acceptable for a member to talk to another member or two, but that telephone calls could not be used to ultimately talk to a quorum of members. A memorandum regarding the Open Meetings and the Texas Public Information Act was given to the Committee. Mrs. Hicks also discussed the difference in public comment and public hearings.

Seaton Higginbotham asked if it was appropriate to ask the City staff questions regarding the bond election and City Manager, Larry Gilley stated he would prefer the Committee to direct all questions to the City Manager's Office.

David Wright, Director of Finance, presented information regarding financing of capital assets and municipal bonds. He stated that government is not designed to be profit motivated. He informed the Committee that the City Council would like for there to be three months operating funds set aside in case of an emergency. The city has never met that goal but does have two months set aside in reserves. Mr. Wright referred to the handout titled "Abilene Improvement and Maintenance System". He overviewed the Major and Minor Improvement Programs. He stated that Abilene is in good financial status with a Aa3 credit rating with Moody's Investor Service and AA with Standard and Poor's and when insured, a AAA rating is assigned which results in the City having access to the lowest interest rates in the market. In referring to the City of Abilene "Financing Sources" for the fiscal year of 2004-2005 he pointed out that the city is a 127 million dollar operation. Mr. Wright referred to the Budget Summary page and noted that 44% of the city's expenditures are for Personnel Services. Mr. Wright spoke about the General Fund Revenue and Expenditures. He referred to the "Bond Elections" handout that shows the history of bond elections in the City of Abilene. Mr. Wright concluded by stating that this was a snapshot of Abilene's financial structure and the Committee will learn more about costs in the future.

The Committee members and City staff took a short break.

Chairman Waters asked Mr. Wright about depreciation of assets and Mr. Wright answered by stating the city does not set cash aside.

Mike Hernandez asked a question about street repair. Mr. Wright and Mr. Gilley then stated that equipment does not need to be in a bond election because it most likely would not last 20 years. Mr. Wright stated that a bond election is paid for in 20 years and the projects proposed need to be far reaching into the future.

Mike Walls asked a question regarding the city's tax rate.

Mike Schultz asked a question regarding the City's fiscal year. Mr. Wright stated that the City's fiscal year begins October 1<sup>st</sup> and ends September 30th.

Lindsay Minter asked a question regarding CO's being a line item.

David Lynn asked if the 7.3 million for capital projects has already been earmarked. Mr. Wright answered yes.

Mike Waters asked how the 63.55 per \$100 compares to neighboring cities or Comparative cities. Mr. Wright stated that Abilene falls about in the middle. He informed the Committee that he will bring comparative data to the board but it is not a true indicator of the comparisons and advised them to look at each of the comparative City's services.

David Green asked Mr. Wright if the underwriters have a formula for taxable debt. Mr. Wright stated that Abilene is on the low end of cities with populations of 100,000 to 200,000 and the rating agencies look also to see if the City is taking care of needs.

Gary Galbraith asked a question regarding the Government Fund Balance Sheet and the 3 million decline between 2003 and 2004. Mr. Wright stated that Solid Waste Services was moved to an enterprise fund and that decline was a result of a change in Accounting Principles.

Seaton Higginbotham asked a question regarding when CO's are retired and Mr. Wright stated that it is a 15-year maturity. Mr. Higginbotham asked a question regarding the increase in tax rate if a 50 million dollar bond is proposed. Mr. Wright informed the committee that figures regarding tax increase will be discussed later in the proposal process. Mr. Gilley informed the Committee that for the projects presented for consideration could be in the 50 to 75 million-dollar range for this bond election.

Bruce Bixby asked a question about property tax rates. He also asked who approves the proposed bond election. Mr. Wright explained that the City Council must approve it and the funds cannot be moved from one project to another once it has been approved. Funds can be switched from one street to another street but funds must remain within the same concept.

Chairman Waters asked Mr. Wright about the 2 million dollars that are leftover from the 1998 election. Mr. Wright informed the Committee that all the money would be spent soon.

Chairman Waters reminded the Committee that appointments to a Committee like this do not happen every year and that the last bond election was in 1998. He informed the Committee that they could be looking to increasing the tax rate if the bond election is successful.

Seaton Higginbotham asked a question about CO's and about park and libraries, since they have not passed in the past.

Gary Galbraith asked what city has the highest tax rate in Texas. Mr. Wright stated that he did not have that information.

Larry Gilley informed the Committee that in the following meetings they will receive more information about City projects but that they should not feel limited to the presented projects.

Chairman Waters then informed the Committee about upcoming meeting dates. The next meeting will be July 21<sup>st</sup> at 2:00 p.m. and the next meeting after that will be Wednesday, August 10<sup>th</sup> at 2:00 p.m. Committee members that cannot attend future meetings will be briefed by the minutes or they can listen to a recorded tape. Mike Waters stated that they will have public comment in future meetings and there will be a three-minute time limit on citizens that would like to speak.

Chairman Waters adjourned the meeting.

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Michael Waters, Chairman

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Date

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Jill Frizzell-Flores

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Date