

STATE OF TEXAS

COUNTIES OF POTTER

AND RANDALL

CITY OF AMARILLO

On the 28th day of August, 2018 The Colonies Public Improvement District (PID) Advisory Board met at 10:00 AM in Room 306, third floor of City Hall, 509 SE 7th Ave., Amarillo, Texas, with the following people present:

VOTING MEMBERS	MEMBERS PRESENT	TOTAL NO. MEETINGS HELD SINCE APPOINTMENT	TOTAL NO. MEETINGS ATTENDED SINCE APPOINTMENT
Matt Brister	Yes	14	14
Tracy Byars	Yes	34	32
Vicki Bryan	Yes	9	9
Dean Crump	No	9	5
Wesley Lawhorn	Yes	9	7

CITY OF AMARILLO STAFF:

Kelley Shaw, Community Development
Leslie Schmidt, Asst. City Attorney

OTHERS IN ATTENDANCE:

Calandra Randolph, FIMC
Bill Chudej, FIMC
Matt Griffith, Rockrose Development
Brooke Furrh, Custom Gardens

ITEM 1: Approval of Minutes from the August 21, 2017 meeting

Mr. Brister called the meeting to order and Mr. Shaw gave a brief summary of the minutes dealing mostly with the Park/Saikowski issue. Hearing no correction or additions, Ms. Bryan motion to approve the minutes as presented with Mr. Byars seconding the motion. Motion carried unanimously.

ITEM 2: Discuss ongoing PID operations and maintenance contract.

Mr. Brister began the discussion by giving a detailed summary of what issues have been identified and still need to be identified regarding the water feature on Continental Pkwy. He explained some of the testing and repairs needed to get the fountain back to its original state. Mr. Brister stated that with the help of Odessa Pump and Delta Fountains, hopefully the fountain would be operating properly soon.

Mr. Brister asked Ms. Randolph if she wanted to provide the Board with any information which she stated she did but it could be discussed during budget discussions. Mr. Furrh discussed several issues related to the sprinkler system and stated that monitoring will help with the issues but there is a big learning curve to find out what is monitoring what and where. Discussion centered around Baseline irrigation controllers and sensors. Mr. Furrh stated that they are transitioning from a manual program to auto programs.

ITEM 3: Discuss and consider future development and maintenance items within the Colonies PID

Mr. Brister asked Mr. Shaw to brief the Board on the Park/Saikowski situation. Mr. Shaw gave the board a brief summary of issues involved and stated the City's

position is that the platting/vacating processes were done correctly and that assessments were due, even if platted as a single lot. It was Mr. Shaw's understanding that at this time, no assessments have been paid by Mr. Saikowski. The PID does have the authority to place a lien on the property. Mr. Shaw also stated that Mr. Saikowski has requested the City to accept the dedication of the 5ac. park area. The City's position regarding the park is that the City has no additional resources available to accept, develop, or maintain the park area. Mr. Shaw informed the Board that a meeting was scheduled for the following day between several City staff members that included City management to discuss this situation.

Ms. Bryan stated she felt since plat was approved showing park area, the City indicated they knew a park was going to happen and should expect to take it over. Mr. Lawhorn stated that the HOA has approved a plat layout that said City park, wouldn't the City have to take it? Mr. Shaw stated that even if plat had City park on it, that doesn't hold the City responsible to accept it, but that wasn't the case in this situation. Mr. Griffith said that he isn't involved in Mr. Saikowski's business but believes Mr. Saikowski is not being treated fairly. He believes the letter related to the park had the intent of having the City accept the park area but had no timeline as far as when the park would be developed but the intent was always for the City to accept the property as a park. If the City does not accept the park property, it will create a whole new set of problems that will have to be worked out.

Ms. Bryan asked if City will not take the park area would the PID have to take it over. Mr. Shaw replied no. Mr. Lawhorn asked which plat, first or second, would be used to determine assessment to which Mr. Shaw stated whichever plat was currently in effect. A question came up as to the property assessment being capped to which Mr. Shaw stated the property would have to be assessed as residential and the cap only applies to commercial property. Mr. Griffith stated regardless of the technicalities, he feels the assessment is not right. He felt the intent of the replat was clearly to be exempt from assessments. Mr. Shaw stated there may be a way to request special consideration regarding an assessment. Mr. Shaw said he intends to contact Mr. Saikowski to let him know the result of the upcoming staff meeting where the park will be discussed. He said he would encourage the Board to continue to consider PID budget with and without revenue associated with the Saikowski property. If needed, a budget amendment could be done if something materially changes. Mr. Lawhorn agreed with Mr. Griffith's statements regarding the intent of the replat.

Mr. Brister stated both Ms. Randolph and Mr. Furrh had items to discuss with the Board and then gave a brief summary of what the Board needed to discuss which included the \$150,000 from last year. Also, a proposed \$343,000 for mulch, tree replacement, replant colorbeds, tree trimming, fertilization, clock tower and light pole repairs. Mr. Lawhorn stated that he understood the \$150,000 last year was a one-time catch up expense and then would be \$40,000 a year thereafter. Maintenance of Improvement line item was approved with \$40,000 per year. Ms. Randolph stated the \$40,000 was just for hardscape items and not landscape costs. She followed with several examples of what landscaping items needed attention and the costs associated with them. Mr. Lawhorn stated he was not seeing these costs anywhere and the Board discussed the line item of Botany and Agriculture eligible expenses. Mr. Shaw explained that some of the numbers being discussed were confusing because the 17/18 budget they were looking at were revised numbers and not the numbers approved last year for the 17/18 budget if someone was looking or talking about the numbers actually approved last year for the 17/18 budget. He stated the 16/17 expenses shown were actuals.

Ms. Randolph stated she believes the botany and agriculture line item needs to be \$151,000 for next budget year. Labor line item needs to be \$136,000 and repair and maintenance of irrigation needs to be \$8,200.

Mr. Furrh stated there were several dead trees which had original twine on them and most likely killed several of the trees. He stated an fertilization program needs to be part of any maintenance and operation program. He feels that if they could get caught up, they shouldn't have to replace the number of trees that need to be replaced now. He stated the fertilization program instituted is already helping and should help in the future. Mr. Griffith asked if the large amount of expenses just discussed could be broken down to do over a 2-3 year period? Mr. Furrh answered yes.

Mr. Lawhorn concurred that was a good thing to do and discussed how given the proposed expenses with no Saikowski assessment revenue leaves approximately \$161,000 surplus at the end of 2018/19 year from the project \$452,000 surplus. He stated that he is concerned because the Board thought the recent increase to a \$0.10 assessment would be enough for years to come and even spreading it out over a few years, he thinks only the Saikowski revenue would save having to do another assessment increase. And on top of that the Board was considering another debt service payment and by his estimates would show a deficit in last 3 years of service plan.

Mr. Brister stated he thought that if expenses were spread out over a few years that it would even out and that there were both reserve and surplus funds to which Mr. Lawhorn stated he still feels the funds were not there. Mr. Brister stated that the budget needed to be amended accordingly and then look at the numbers but felt if the Board can come to an agreement on what on the expense side has to be done, that it could work. Mr. Griffith stated that the Board was going to have to make some assumptions and when the numbers are corrected as best they can be at this time, it will help. He stated the \$3 million debt issue doesn't have to be put in next year's budget and that would help as well. Mr. Shaw stated that the numbers can be changed and the earliest the Board could meet again would be Friday. Mr. Griffith stated he thought budget could be changed quickly and Board could live with the budget one more year and then see where everything stood and revise what needs to be once there is more information.

Mr. Shaw stated he thinks it would be best to postpone approving a budget at least until the numbers are revised appropriately. Mr. Lawhorn stated he was still concerned with surplus after the next two years with the proposed expenses. Mr. Shaw commented to Ms. Randolph if it would help to rename some of the line items to better reflect the services she was describing, that could be done. Mr. Shaw then confirmed line item amount changes. He stated he would change botany and agriculture to \$161,000 with \$91,000 of that intended to be a one-time expense and \$20,000 of that for trees. Would change temporary labor to \$136,000, maintenance of improvements to \$40,000, and maintenance of irrigation to \$8,200. Mr. Lawhorn stated those numbers looked to increase the proposed budget \$190,000. Mr. Brister asked what the Board wanted to use for the Saikowski revenue to which Mr. Griffith stated \$1 million but to leave out of budget at this time. Mr. Brister stated 19/20 should be the year that something should be worked out with Saikowski assessments. Mr. Lawhorn said he would prefer to be conservative and use \$900,000 for potential Saikowski revenue. Mr. Griffith said to take debt service out a year.

Mr. Shaw asked Board when could they meet again? It was agreed that September 4th at 10am would work. Mr. Brister stated Board also needed to do something about the Custom Gardens and FIMC contracts. Mr. Shaw stated that was purely up to the

Board on what they wanted to do on those. Mr. Lawhorn motioned to exercise Custom Garden's one year option within current contract. Ms. Bryan seconded the motion and it was approved unanimously. Mr. Lawhorn, after discussion with Mr. Chudej, motioned to enter into another 3-year contract with FIMC with an annual increase in cost reflecting national CPI increase. Ms. Bryan seconded the motion and it was approved unanimously.

Item 4 Discuss developer reimbursement

This item was tabled for discussion at the next meeting.

Item 5 Discuss and consider for recommendation 2018/19 budget and 5-year service plan

This item was tabled for discussion at the next meeting.

Item 6 Discuss future agenda items

Mr. Brister stated the next meeting September 4th would be where the Board would discuss the tabled items.

Item 7 Adjourn Meeting

Mr. Brister adjourned the meeting.