



APPROVED 7-16-14

MEETING MINUTES
Wednesday, June 18, 2014

BOND OVERSIGHT COMMITTEE
Regular Meeting

The Bond Oversight Committee convened in a regular meeting on Wednesday, June 18, 2014, at 8:30 a.m. in City Hall Boards and Commission Room #1101, 301 West 2nd Street, Austin, Texas.

Chair Dave Sullivan called the Committee Meeting to order at 8:34 a.m.

Committee Members in Attendance:

Dave Sullivan (Chair), Moses Garcia (Vice Chair)
Tyler Anderson, Karen Friese, Paige Hill-Oliverio, Beverly Silas

Committee Member Jennifer McPhail was not in attendance.

Staff in Attendance:

Mike Trimble, Susan Daniels (Liaison) and staff presenters listed in Agenda item 3 below.

1. APPROVAL OF MINUTES

A motion to approve the Minutes from the April 16, 2014 meeting was made by Committee Member Friese, seconded by Committee Vice-chair Garcia and approved in a 4-0 vote with Committee Members Silas and Oliverio not yet in attendance and Committee Member McPhail absent.

2. CITIZEN COMMUNICATION: GENERAL

No one signed up to speak.

3. NEW BUSINESS - BRIEFINGS

A. General Obligation Bond Programs:

- i. Sara Behunek, Capital Planning Office, gave a presentation on two Bond funded projects having reached completion in June 2014: 2010 Bond - Boardwalk Trail and 2006 Bond - Bartholomew Pool. The presentation reviewed the project timeline, funding, features and outcomes, photographs of the improvements and grand opening celebrations for each project. It was noted that there have been other openings of Bond funded projects recently. Committee Members are interested in a more detailed breakdown of project costs for the Boardwalk Trail project, since the final cost was higher than the earliest estimates. This can occur when project scope elements are added or enhanced or when construction costs occur higher than anticipated levels for certain work. The Capital Planning Office will provide follow-up information to the Committee in email format.

- ii. Kim Springer, Financial Services Department, presented the Budget Office's proposed DRAFT Fiscal Year 2015 General Obligation Bond Appropriation and Sale Schedule. Ms. Springer reviewed the financial policies and methods by which the City can issue debt and reimburse advanced spending. She also explained why Bond program debt is spread out over a number of years and approved by City Council once a year during the budget process. The 2006 and 2010 Bond programs are fully appropriated with bond sales continuing in fiscal year 2015 for the 2010 Bond program and into fiscal year 2016 for the 2006 Bond program, to accommodate the New Central Library timeline of completion. Bond appropriation and sales for the 2012 Bond Program will continue through fiscal year 2018 and into future years for the 2013 Bond Program.

Discussion from the Committee included requests for additional information on the tax impact of voter-approved bond programs. Committee Members are interested in understanding Austin's cost of living and the relationship between cost of delivering capital projects and our tax rate. Members also questioned TCAD's relationship to this issue. Ed Van Eenoo, Financial Services Department, explained that TCAD has delayed the certification of the tax roll from July to August 2014. He also noted the work of a joint subcommittee of taxing jurisdictions for coordination purposes that includes the City of Austin, Travis County, and Austin Community College.

4. NEW BUSINESS – ACTION ITEMS

No citizens signed up to speak on specific items below.

A. Board/Commission Recommendation to Council: The Bond Oversight Committee made a recommendation to support the staff proposed DRAFT Fiscal Year 2015 General Obligation Bond Appropriation and Sale Schedule. The recommendation was made by Committee Member Anderson and seconded by Committee Member Silas. It passed in a 6-0 vote with Committee Member McPhail not in attendance. A recommendation letter will be drafted and signed by Chair Sullivan and will include the following points (exact language may vary):

- endorse the staff recommended appropriation and sale schedule
- encourage the leveraging of investments across department and agency lines to encourage maximization of public amenities
- endorse the quarterly Bond Programs Report as a means to communicate progress and accountability for implementation of the programs
- endorse the capital improvements web portal CIVIC as a step toward providing access to Bond project information
- recognize staff professionalism

5. FUTURE AGENDA ITEMS

- Current economic climate and effects on construction costs (likely in July)
- New Central Library project update (likely in July)
- Board/Commission Transition Task Force update (likely in July)
- Operations and Maintenance impacts of Bond program implementation (likely in Oct)
- PARD projects update: Dove Springs Recreation Center project, Aquatics Program, Parkland Acquisition (likely in Oct)
- Austin's cost of living and tax implications on our citizens for the City's debt service portion of the City's tax rate (likely in Oct)

- Potential Bond election in November and possibility of the Committee Members writing an op-ed piece (likely in Oct)
- NHCD's Market Housing Study (TBD)
- CIVIC phase 2 update (TBD; Oct/Jan)

6. ADJOURN

- Chair Sullivan adjourned the meeting at 9:13 a.m. without objection.