

**MINUTES
CITIZENS BOND ADVISORY COMMITTEE MEETING
TUESDAY, MARCH 08, 2005
Blackwell/Thurman CJC Building
6:00 PM**

COMMITTEE MEMBERS IN ATTENDANCE:

**Diane Akers
Dr. Charles Akins
Glenn Coleman
Jim Davis
Perry Lorenz
David Hartman
Jon Hockenyos**

**Leonard Huber
Steve Martin
Richard Moya
Nell Penridge
Rod Reyna
Heidi Ross
Sal Valdez**

TRAVIS COUNTY ELECTED OFFICIALS IN ATTENDANCE

County Attorney David Escamilla

TRAVIS COUNTY STAFF AND GUESTS IN ATTENDANCE:

**Fred Akers
Major David Balagia
Charles Bergh
Jo Carol Bradshaw
Neil Cable
Joe Gieselman
Carol B. Joseph
Leroy Nellis
Kelly Page**

**Ladd Patillo
Belinda Powell
Jessica Rio
Elaine Schele
Christian Smith
Mike Trimble
Gretchen Vaden
Joe Vela
Charlie Watts**

1. Briefing on County Fiscal Policies and Debt Capacity

The meeting was called to order by Joe Gieselman, Executive Manager, TNR at 6:13 p.m. Mr. Gieselman stated that the meeting was held to discuss two topics, financial issues and committee operations. Mr. Gieselman introduced Christian Smith, Executive Finance Manager who will give an overview of the financial situation of Travis County bond issuances and related topics.

Mr. Smith opened by first explaining that the acronym PBO stood for "Planning and Budget Office." He introduced Jessica Rio, the budget analyst who focuses specializes in capital financing. He also introduced Ladd Patillo who is the bond financial advisor to the County.

Mr. Smith gave an overview using the same material that was provided to Travis County Commissioner's Court, in which it concluded that the target figure for the bond program should be \$100 million as a maximum amount for a capital program. He stated it is based

very simply on staying within the existing debt service, so one would be able to answer the question “How much could you afford, and still have the same debt service that you had when you started the program?” Mr. Smith gave a slide show presentation entitled “Debt Model Key Assumptions.” He stated that in FY06 we have a debt service of \$63.5 million. He showed a graph displaying the annual debt service payment schedule in the absence of any further debt. He stated that we are now paying off debt. Ms. Rios stated that the model assumptions were based on the most accurate information we had at the time. Since we have refinanced \$88 million of our debt at a lower interest rate, that will save Travis County interest money.

Ms. Rios stated that we still have a need to issue \$19 million of previously authorized voter approved bonds from year 2000 and 2001. We also assumed \$13 million a year in five-year certificates of obligations or CO’s (Certificates of Obligation), which basically means short-term debt.

Ms. Rios stated that we needed \$23 million in funds for capital, which is split up between CO’s of \$13 million and \$10 million in CAR (Capital Acquisition Resources) account, which is cash on hand. Ms. Rios gave an explanation of assumed future interest rates, and talked about the differences between FY06 debt service and debt service requirements. She also talked about long-term debt capacity to fill the gap, and also briefed everyone on programmatic needs.

Mr. Smith ended the presentation with an explanation of how we started with \$142 million, and stated that the Commissioner’s Court decided that the Court should not ask the voters to make decisions on issues that the county is mandated by law to do anyway. He talked about a project to replace variance beds, which are subject to termination by staff authority in the near future and that the current estimate of that action is \$42.6 million rounded to \$43 million. He added that the other jail project is to add capacity, plus replace beds that are in very bad shape. He stated that some capital projects require additional annual resources to maintain, and some require additional staff. The floor was opened to the committee for questions. Some members of the committee expressed a need to understand how the criminal justice system works and it was noted that the committee would be provided with bed information. It was stated that Mike Trimble would present the requested information at the next meeting.

Joe Gieselman stated that there are many other things to consider when scheduling debt, such as how to spread the project money and the debt over a 5-years period.

He also commented that the committee may need to weigh jail beds against road and parks projects.

David Escamilla, County Attorney explained the terms “issued debt” versus “voter approved debt”. Mr. Gieselman suggested that the committee might want to look at alternative ways to finance these projects. He mentioned grant money from the State and other ways to achieve objectives.

2. Legal Counsel on Bond Election

David Escamilla, opened by discussing the Open Meetings Act. He explained that the Commissioner’s Court has voluntarily chosen to include the committee in a group that

needs to comply with the Act. He said that the committee was a governmental body and would be acting as governmental officials. Mr. Escamilla explained that items not on the agenda could not be discussed. He suggested that the committee should work closely with staff to put issues on the agenda. Mr. Escamilla discussed the differences between what Counties can do and what cities are authorized to do. He said that counties are not allowed do anything unless there is a State law (legal authority). Lastly, Mr. Escamilla discussed government resources and that a bond election will not be set until work is completed by this Committee.

Mr. Gieselman commented that the charter involves deciding whether or not to hold an election.

3. Discuss/Adopt Operations, Bylaws and Other Procedural Items Timeline and Meeting Schedules

Mr. Gieselman announced that we would find a new meeting place, and he also discussed meeting times with the committee. The group was asked which day of the week would be best for every one. Eight members chose Tuesdays as the best meeting time, so it was decided that Tuesdays would be the best day. Mr. Gieselman suggested that next time they meet that they should come up with priorities of projects and ideas about criteria. He also mentioned that they should pick competitive projects, and come with an eye toward selecting a chairman. At that time, Charles Akins nominated Richard Moya as chairman of the committee and it was moved and seconded. Mr. Moya accepted his nomination. It was then unanimously voted by the committee that Richard Moya would be Chairman. Charles Akins was then nominated as Vice Chairman, but he declined due to health issues. Perry Lorenz was nominated as Vice Chairman. He accepted and it was unanimously voted by the committee that Perry Lorenz would be Vice Chairman.

4. Questions and other items

One question was asked: "Were the by-laws shown as a draft, used in the past?" Elaine Schele answered, "Yes they're almost exactly the same as the previous, just updated." She also stated that after the by-laws are adopted, they will need to go to the commissioner's court for their approval.

5. Next Meeting Agenda

After group discussion, the schedule was updated with Tuesday as the meeting best day of the week to meet. It was also decided that March 29, 2005 at 6:00 p.m. would be the next meeting date and time.

6. Adjourn

Meeting adjourned at 7:25 p.m.