

Bond Advisory Committee Charter

Challenge: The City of Fair Oaks Ranch has a long-term Capital Improvement Plan (CIP) which addresses key issues stemming from aging infrastructure and growth pressures as the City moves toward build out. The CIP currently contains about \$34 million in planned projects, of which \$14 million would be supported by the General Fund, and \$20 million for Water and Wastewater projects. In the past 2-3 years, the City has begun projects that could be funded within current budget limitations; however, many of the remaining projects have a cost that exceeds the capability to fund within the constraints of the annual budget. Debt financing is required to continue implementing the City's Master Plans.

Committee Purpose: To assist the City Council with neutral recommendations on the need, scope, timing, and financing of each project within the CIP.

Committee and City Roles:

1. Bond Advisory Committee (BAC): Will consist of stakeholders appointed by City Council and 1 Council Liaison. The Committee will review the City's CIP and collaborate in the development of prioritized recommendations for projects to address City needs.
2. Administrative Support: City staff that will facilitate committee meetings and serve as a resource for information and support.
3. City Manager: Will collaborate with the administrative team and BAC to further refine the list of project recommendations to ensure items fit within the threshold of highest need, impact on residents and feasibility.

Objectives:

1. Prioritize the projects on the CIP (possibly categorize by "must do" and "should do")
 - a. By project type
 - i. Roadways
 - ii. Drainage
 - iii. Water
 - iv. Wastewater
 - v. Other
 - b. By scope and need (criticality)
2. Recommend the best method to fund each project
 - a. Funding type
 - i. General Obligation Bonds
 - ii. Certificates of Obligation
 - iii. Pay-as-you-go (PAYGO)
 - b. Household impact
 - i. Tax rate
 - ii. Utility fees
 - iii. Total impact

Committee Decision-making Process: To accomplish the objectives, the BAC needs to fully understand the projects in the CIP. Important factors to consider include:

1. What are the current and future challenges faced by not addressing the issue?
2. What benefit will be provided if the project is completed?
3. When should the project be completed?
4. Does completion of the project impact the future of Fair Oaks Ranch?

Proposed Timeline:

Bond Advisory Meeting	Meeting Dates	Topics
Meeting 1	Tuesday, October 24	Committee Organization Financing – “Debt 101” Roadway Projects
Meeting 2	Thursday, November 9	Follow-up from prior meeting Drainage Projects Other Projects Draft Funding Schedule
Meeting 3	Thursday, November 30	Follow-up from prior meeting Draft Funding Schedule General Funds Projects “Markup” Session
Meeting 4	Thursday, December 14	Follow-up from prior meeting General Fund Projects Prioritization Final General Fund Projects Recommendation Draft Funding Schedule
Meeting 5	January TBD	General Fund Projects Recommendation (if needed) Water Projects Draft Funding Schedule
Meeting 6	January TBD	Wastewater Projects Draft Funding Schedule
Meeting 7	February TBD	Continued Utility Projects (as needed) Review of bond categories (if needed)