

**CITY OF GREENVILLE
BOND ADVISORY COMMITTEE
MEETING #7 AGENDA**

**Wednesday, October 8, 2014
5:30 p.m.
City Hall Conference Room 337**

1. **Meeting Called to Order** – *Chair Mitchell*
2. **Roll Call and Establishment of a Quorum** – *Chair Mitchell*
3. **Review and Approval of September 24, 2014 Committee Meeting Summary** – *Chair Mitchell*
4. **Review of 2004 Bond Advocacy Committee Process and Activities** – *Phil Dixon*
5. **Overview of Tar River Legacy Plan** – *Lamarco Morrison*
6. **Continued Discussion of Potential Committee Recommendations** - *Chair Mitchell*
7. **Other Items of Discussion** – *Chair Mitchell*
8. **Announcement of Next Meeting (October 22, 2014)** – *Chair Mitchell*
9. **Adjournment** – *Chair Mitchell*

Bond Advisory Committee Directive

To advise the City Council on the content, amount, timing, structure of an advocacy committee, and other relevant aspects of a voter bond referendum.

CITY OF GREENVILLE BOND ADVISORY COMMITTEE MEETING SUMMARY

**Wednesday, September 24, 2014
5:30 p.m.
City Hall Conference Room 337**

- 1. Meeting Called to Order – Chair Mitchell**
 - Chair Mitchell called the meeting to order at 5:31 p.m.
- 2. Roll Call and Establishment of a Quorum – Chair Mitchell**
 - Chair Mitchell conducted roll call and it was determined a quorum was present.
 - Members present when roll called: Kelly Barnhill, Ashley Breedlove, Bill Clark, Will Franklin, Dennis Mitchell, Michael Overton, Tony Parker, Tammy Perdue, Bianca Shoneman, Tee Steinberg, Jon Tart, and Terri Williams.
 - Alberto Blanco and Tony Khoury arrived within 5 minutes of the meeting being called to order.
 - Staff Present: Barbara Lipscomb, Chris Padgett, Bernita Demery, Gary Fenton, Kevin Mulligan, Merrill Flood, Dave Holec, Lamarco Morrison, and Chris Ivey
- 3. Review and Approval of September 10, 2014 Committee Meeting Summary – Chair Mitchell**
 - There was no discussion regarding the meeting summary. The meeting summary was approved as presented.
- 4. Discussion Regarding the Size of a Potential Bond Referendum – Chair Mitchell**
 - City Manager Lipscomb gave a brief summary of how the proposed \$28M bond package, which staff presented to City Council in May, was created.
 - Every 4 years Pitt County conducts a property revaluation. In 2012 a property revaluation resulted in a loss of valuation. The revenue neutral tax rate, the rate that would have provided the same revenue plus growth as compared to the previous year, would have been approximately \$.56, or a \$.04 increase from the \$.52 rate that was in place at that time. City Council decided to maintain the existing tax rate in lieu of adopting the revenue neutral rate, which effectively resulted in a \$.04 tax rate decrease from the revenue neutral rate.

- When staff was directed to develop a bond proposal in May 2014, the size of the proposal (\$28M) was directly linked to the \$.04 tax increase that would have resulted in a revenue neutral tax rate (i.e. the revenue that would be generated by a \$.04 tax rate increase would cover the annual debt service for a \$28M bond debt issuance).
- What has changed since staff initially developed the \$28M bond proposal is that City Council adopted a \$.02 tax increase as part of the FY 15 budget. \$.01 of this increase was to off-set revenue reductions associated with changes in City authority for collecting the privilege license tax; while the other \$.01 was to fund the new Facilities Improvement Plan.
- With the current tax rate at \$.54, the City is still below the previous revenue neutral level by \$.02 (which would equate to approximately a \$14M bond package).
- Chair Mitchell distributed a hand-out with a proposed \$14M bond package for the group to discuss.
- The question was asked how much can the citizens stand with regard to tax increases. If an additional \$.04 is added to the tax rate, how would we rank in the state compared to other cities? City Manager Lipscomb asked the group to remember to keep tax rates in perspective; as the revenue is determined by not only the rate, but also by the property valuation. For example, \$.01 in Greenville produces approximately \$600k, while the same \$.01 in Ashville, a City the same size as Greenville, produces twice as much.
- Some Committee members felt that more transformational projects related to economic development are needed to build the foundation for future tax base.
- 10th Street/Dickinson Avenue projects: it would be ideal to do enhancements now (at time of construction) instead of one or two years later when they would cost more and be more disruptive.
- The State is now spending approximately \$8M on improving Dickinson Avenue (b/w Reade and Memorial).
- City Attorney Holec spoke with Bond Counsel, at the Committee's request, and was told that the land acquisition for off-street parking on Dickinson Avenue (enhanced project 12) could not be combined with the other street improvements along Dickinson Avenue (project 3) in a potential bond question related to streets. It would have to be listed as a separate question to be included in any potential bond package. However, sidewalks, right-of-way signs, etc. could be included in a streets question.
- Chair Mitchell then asked if the group wanted to consider putting a dollar limit on a potential bond package. Mr. Barnhill made a motion to propose a \$14M bond package (2 cent increase) to City Council; however, if City Council would re-purpose \$.01 of the \$.02 tax rate increase that was included in the current year budget for bond debt service, he would propose a \$21M bond package. This motion was seconded by Ms. Perdue and passed 13 to 1. (Tony Khoury cast the dissenting vote).

5. **Review of Committee Direction Provided at Previous Meeting on Potential Bond Projects** – *Chair Mitchell*

- Assistant City Manager Padgett provided a brief review of all projects presented during the 9/10/14 meeting; a revised table was distributed based on discussions during that meeting.

- Economic Development itself is not a specific topic allowed in potential bond questions; the Committee should focus on projects, not categories, and staff will work with bond council to develop potential questions that fit with the proposed projects.
- Mr. Flood provided a brief history/background on the W. 5th Street Streetscape project upon a request from Ms. Williams.

6. Discussion of Potential Committee Recommendations - Chair Mitchell

- With the decision to develop a \$14M bond package, Tammy Perdue proposed a streets program worth approximately \$10.6M (including debt issuance). This proposed program included:
 - Street Improvements \$4.5M
 - 10th St. Connector \$1.5M
 - Dickinson \$2.4M
 - Sidewalks \$500K
 - W. 5th Streetscape \$1.5M
 - Debt Issuance \$208K
- This motion failed 5 to 9 (voting in favor of this program: Perdue, Mitchell, Williams, Barnhill, Overton)
- In follow-up discussion, some Committee Members who did not vote for the above program indicated they would vote for a potential \$10M streets program if the program was substantively modified.
- Will Franklin proposed an alternate Streets package consisting of the following:
 - Street Improvements \$7.9M
 - 10th St. Connector \$1.75M
 - Dickinson \$2.45
 - Sidewalks \$500K
 - Debt Issuance \$200K
- Bill Clark amended the package to reduce the streets from \$7.9 M to \$5M, keeping the remaining items the same. The amended streets package, totaling \$9.9M, passed unanimously.

7. Other Items of Discussion – Chair Mitchell

- Tony Khoury proposed inviting Phil Dixon to present at the next meeting with regard to his experience on the advocacy group during the 2004 bond proposal.
- The vote was 7 to 6 in favor of adding Mr. Dixon to the agenda for the October 8th meeting. Mr. Clark left the meeting prior to the Committee voting on this motion.

8. Announcement of Next Meeting (October 8, 2014) – Chair Mitchell

- The next scheduled Committee meeting is October 8, 2014, at 5:30 p.m. in City Hall CR 337.

9. Adjournment – Chair Mitchell

- Chair Mitchell adjourned the meeting at 7:11 p.m.

Summary of Bond Advisory Committee Actions to Date 10/3/2014

- The Committee voted to propose a \$14 million bond package (\$.02 tax rate increase) to City Council; however, if City Council would re-purpose \$.01 of the \$.02 tax rate increase that was included in the current year budget for bond debt service, the Committee would propose a \$21 million bond package.
- The Committee voted to propose a \$9.9 million Streets Program as follows:
 1. Street Improvements - \$5.0 million
Note: The original scope of this item was \$7.9 million, so the project list needs to be revised / scaled back.
 2. Sidewalks - \$500,000
Note: The original scope of this item was \$2.135 million, so the project list needs to be revised / scaled back.
 3. 10th Street Connector Enhancements - \$1.75 million
Note: Includes enhanced project option.
 4. Dickinson Avenue Streetscape - \$2.45 million
Note: Does not include enhanced project option (i.e. parking improvements).
 5. Cost of Debt Issuance (2%) - \$200,000