



## BOND PROPOSITION A FACT SHEET

Residents' questions that have been asked to the City of Parker

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OCTOBER 09, 2020

### **What is the City of Parker's current debt?**

The City of Parker currently has the following debts:

#### **2015 CO BONDS: ROAD IMPROVEMENTS**

\$780,000 outstanding principle

#### **2018 CO BONDS**

\$6,075,000 for the construction of the new pump station.

#### **2019 REFUNDING BOND: MCCREARY ROAD, WATER LINES, & WATER TOWER**

\$2,440,000 outstanding principle

City is responsible for \$1,261,480

Water is responsible for \$1,178,520

Currently with outstanding bonds approximately \$2,041,480 is tied directly to property tax. The \$7,178,520 for the new pump station and other water projects is tied directly to water utility revenue. Water utilities is the business aspect of the City of Parker or otherwise known as a proprietary fund. The revenues for the water utilities will be paying these bonds for the construction of the new pump station and other water projects. Proprietary funds are run as a business and are not sub-planted by the general fund dollars.

### **Will my taxes go up?**

The City of Parker has taken a very conservative approach in determining if a tax rate increase will be needed for the new facility. When forecasting the potential debt load to be taken on by the city, it used no new revenue coming into the city. This calculation was based on property values that were not going to increase as of 2021, no new construction would take place in the City of Parker, and no increase in sales tax funds coming in (everything staying flat). This forecast allowed the City of Parker to determine what the potential debt load would be. It was determined that the same tax rate could support this debt along with no new revenues coming into the city and property values staying the same level as of 2021.

The current tax rate is in 0.365984, of that tax rate the debt takes up 0.036424. To put this in perspective, the average home price in the City of Parker is \$654,000. This average home will pay \$2,394 in taxes to the city. The rest of the property tax bill goes to other entities.

### **Why does the bond language state “TAXES SUFFICIENT TO PAY THE PRINCIPLE OF THE INTEREST ON THE BONDS WILL BE IMPOSED”?**

The ballot language is required because the City of Parker is pledging and backing the bond with property tax revenue. Roughly 75% of the City of Parker’s revenue comes directly from property taxes.

### **How did the bond language get determined?**

The City of Parker has procedures in place to determine the bond language.

- City Staff and Council consulted with the City Attorney for the general outline of the potential bond issuance.
- Council then directed city staff, Mayor, and City Attorney to contact the City of Parker’s Financial Advisor and Bond Counsel.
- Bond Counsel contacted the Attorney General’s office of Public Finance to seek preclearance on bond language.
- The Attorney General office of Public Finance had some additional questions so the Mayor, city staff, Bond Counsel, and the Attorney General’s office conducted a conference call. The office of Public Finance found the language on the ballot to be appropriate.

### **Why not use an open office concept?**

The idea of open office concept was brought up by citizens during the open forum we had back at the beginning of the year. It was determined that this would not be prudent due to COVID and the open air concept. The City of Parker tries to provide the best possible services to the citizens of Parker and provide confidentiality to the residents.

<https://www.inc.com/geoffrey-james/the-open-plan-office-is-dead.html>

### **Why is the facility this size?**

Currently there is no more storage for permanent records. They are being stored in a church basement, public works facilities, under the water tower, and in boxes stacked to the ceiling at City Hall. The State of Texas has given specific rules we have to follow in keeping records. Therefore, the City of Parker has to have enough storage to accommodate these standards and rules.

<https://www.tsl.texas.gov/sites/default/files/public/tslac/slrmpubs/BulletinF.pdf>

The Police Department is required to have a hardened room that the officers can go into if there is bad weather, and this provides this. The current evidence room does not meet standards. The narcotics cabinet is required to have its own ventilation system. The City of Parker must also keep DNA samples from sexual assaults forever unless the court approves destruction. Guns in the evidence room should be locked up in a separate cabinet. The new building will provide these things.

### **Can the facility be expanded?**

The facility was designed for future expansion when the time is needed or if needed. The City of Parker has designed the facility based on the life expectancy of the bond. It does not make sense to issue a bond 5 years later to expand the facility and have constant construction taking place.

**Does the City of Parker do long term planning?**

Currently the City of Parker has planned for and has discussions on future projects with City Council. The City of Parker has identified projects during its annual budget meeting and long term planning session. There has been a long term plan for the city for over 20 years.