



**MINUTES**  
**CITY COUNCIL MEETING**  
**FEBRUARY 15, 2023**

**CALL TO ORDER – Roll Call and Determination of a Quorum**

The Parker City Council met in a special meeting on the above date at Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

Mayor Lee Pettie called the meeting to order at 6:01 p.m. Mayor Pro Tem Michael Slaughter and Councilmembers Diana M. Abraham, Terry Lynch, Cindy Meyer and Jim Reed were present.

Staff Present: City Administrator Luke Olson, Asst. City Administrator/City Secretary Patti Scott Grey, Finance/Human Resources Director Grant Savage, Interim City Attorney Catherine Clifton, Public Works Director Gary Machado, and Assistant Police Chief Kenneth Price

**PLEDGE OF ALLEGIANCE**

AMERICAN PLEDGE: Joe Cordina led the pledge.

TEXAS PLEDGE: Todd Fecht led the pledge.

**PUBLIC COMMENTS** The City Council invites any person with business before the Council to speak. No formal action may be taken on these items at this meeting. Please keep comments to 3 minutes.

Ellis "Skip" Cave, 4407 Springhill Estates Drive, spoke in regard to the BOND, stating in his experience with building a house, one does the design, you go out for bids and then you go to the bank for financing. Mr. Cave said he would prefer the City provide detailed drawings and take comments from residents prior to going out for BOND financing.

Lynnette Ammar, 6903 Audubon Drive, said Mayor, Council and City Staff must be clear on the amount of debt the City can afford. If it is 8.63 million dollars, she asked what other projects need to be funded. Where are the plans and information on those projects? The City also has water infrastructure and roads projects. Ms. Ammar said she felt roads should be the City's first priority. She said Council needs to look at their own vision statement. Ms. Ammar asked that the BOND be placed on the November 2023 ballot.

Ed Standridge, 3607 Hogge Drive, said he wanted to discuss one topic, use of Council Chambers. He noted the Chambers are full. Mr. Standridge said the City does have plans for roads, but residents will have to get involved on a regular basis to know that, rather than sporadically.

Jon Kerr, 6308 Warwick Way, said he represents a majority of his subdivision's residents in King's Crossing. He does not feel the City has properly prioritized projects. Roads are not appropriate, and drainage is not working. Mr. Kerr said he does not think the City has the debt capacity for water infrastructure, road maintenance, and a building. Mr. Kerr asked for a written response to his comments.

Ernest Winston, 5303 Westfield Drive, said King's Crossing subdivision does not have proper drainage and is a breeding ground for the West Nile virus. Mr. Winston asked the City to prioritize better for growth and other expenses, and suggested the City get input from other similar cities on projects.

Scott Robinson, 5213 Cheyenne Drive, said there will not be a great deal of revenue generated by a sales and use tax increase. He asked why it is needed. Mr. Robinson would like to see a new facility but would like to see the plans. He also would like the City to provide a community gathering place, a community center, as well as additional park space.

Joe Cordina, 4302 Boulder Drive, said he feels the theme should be about community spirit. The City of Parker, Texas, is the best place to live. We are a wealthy community, not just materially, but socially, intellectually, culturally, as well as financially. The City needs to set manageable goals and priorities based on quality of life, making sure we can take care of our obligations.

Elvis Nelson, 5802 Corinth Chapel, expressed his appreciation for the Parker Fire Department and Emergency Medical Technicians (EMTs) for their assistance recently. Mr. Nelson said he has sat through hours of discussions and meetings regarding the facility, but he does not feel like there has been any real progress. There is no trust and very little review of detailed, required needs versus wants.

Linda Nelson, 5802 Corinth Chapel, related her concerns regarding a BOND. (See Exhibit 1 – Linda Nelson's comments, dated February 15, 2023.)

Henry Shell, 6704 Stafford Drive, said he agrees with other residents' comments that drainage, road maintenance, and other projects should be addressed before the municipal building.

Jim Douglas, 5005 Hackberry Lane, said he felt the proposed municipal complex estimates are too high, it would cost \$12,000 per household and asked Council to review needs and wants.

The following residents' emails will be added to tonight's minutes for the record:

Donald Reynolds, 6805 Cheswick Court, expressed concern regarding the proposed bond issue/municipal complex. (See Exhibit 2 – Donald Reynolds' email, dated February 13, 2023.)

Chuck Weis, 4301 Springhill Estates Drive, expressed concern regarding the proposed bond issue/municipal complex. (See Exhibit 3 – Chuck Weis' email, dated February 13, 2023.)

Randy Kercho, 5009 Edgewater Court, expressed concern regarding the proposed bond issue/municipal complex. (See Exhibit 4 – Randy Kercho's email, dated February 14, 2023.)

Arvid Niranjani, 5203 Middleton, Drive (King's Crossing Phase 2), expressed concern regarding the proposed bond issue/municipal complex; drainage; and Lewis Lane. (See Exhibit 5 – Arvid Niranjani's email, dated February 14, 2023.)

James Clay, 2007 Dublin Road, said he was in favor of a bond election for a municipal facility and expressed his concerns regarding the costs associated with any delay. Mr. Clay also stated he was against a sales and use tax increase that is not going into the general fund. (See Exhibit 6 – James Clay’s email, dated February 14, 2023.)

Scott Livesay, 7305 Moss Ridge Road, expressed concern regarding the proposed bond issue/municipal complex. (See Exhibit 7 – Scott Livesay’s email, dated February 15, 2023.)

Richard Lavender, 6810 Overbrook Drive, expressed concern regarding the proposed bond issue/municipal complex, stating Parker’s bond election proposal is a euphemism for a tax increase. (See Exhibit 8 – Richard Lavender’s email, dated February 15, 2023.)

Van and Jaclyn Andrews (Guillermo Andrews & Jaclyn Anderhub), 5919 Westfield Drive, expressed concern regarding the proposed bond issue/municipal complex. (See Exhibit 9 – Van and Jaclyn Andrews (Guillermo Andrews & Jaclyn Anderhub)’s email, dated February 15, 2023.)

Andy Redmond, 7275 Moss Ridge Road. expressed concern regarding the proposed bond issue/municipal complex. (See Exhibit 10 – Andy Redmond’s email, dated February 15, 2023.)

## INDIVIDUAL CONSIDERATION ITEMS

1. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ORDINANCE NO. 837, CALLING A BOND ELECTION IN THE CITY ON MAY 6, 2023 IN THE AMOUNT OF \$14 MILLION.

Finance/Human Resources Director Grant Savage and Hilltop Securities Director Erick Macha (also present J.P. Morgan Wealth Management Financial Advisor Chris Vasquez) reviewed the Bond Election Calendar for Texas Cities; the City of Parker Tax Impact Analysis February 2023; and the City of Parker City Council Special Meeting Bond Election, Wednesday, February 15, 2023; and responded to questions. (The first two items were provided in the February 15, 2023 City Council packet. The third item is Exhibit 11 – *City of Parker City Council Special Meeting Bond Election, Wednesday, February 15, 2023*, dated February 15, 2023.)

MOTION: Councilmember Meyer moved to approve Ordinance No. 837, calling a Bond Election in the City on May 6, 2023 in the amount of \$8.63 million and removing the word “administration” from the ballot language. Councilmember Abraham seconded with Councilmembers Abraham, Meyer, and Slaughter voting for the motion. Council members Lynch and Reed voting against the motion. Motion carried 3-2.

2. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ORDINANCE NO. 838, CALLING A SPECIAL ELECTION TO BE HELD ON SATURDAY, MAY 6, 2023, FOR THE PURPOSE OF CONSIDERING THE ADOPTION OF A LOCAL SALES AND USE TAX FOR STREET MAINTENANCE AT A RATE OF ONE PERCENT (1%) TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS; AUTHORIZING A JOINT ELECTION WITH COLLIN COUNTY; PROVIDING FOR POSTING AND PUBLICATION OF NOTICE OF THE ELECTION; PROVIDING FOR EARLY VOTING; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS

NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

MOTION: Mayor Pro Tem Slaughter moved to approve Ordinance No. 838, calling a Special Election to be held on Saturday, May 6, 2023, for the purpose of considering the adoption of a Local Sales And Use Tax for street maintenance at a rate of one percent (1%) to provide revenue for maintenance and repair of municipal streets; authorizing a Joint Election with Collin County; providing for posting and publication of notice of the election; providing for early voting; finding and determining that the meeting at which this Ordinance is passed was noticed and is open to the public as required by law; providing for severability; and providing for an immediate effective date. Councilmember Reed seconded with Councilmembers Abraham, Lynch, Meyer, Reed, and Slaughter voting for the motion. Motion carried 5-0.

Mayor Lee Pettie adjourned the meeting at 9:16 p.m.



APPROVED:

  
Mayor Lee Pettie

ATTESTED:

  
Patti Scott Grey, City Secretary

Approved on the 7th day  
of March, 2023.

**From:** [Linda Nelson](#)  
**To:** [Patti Grey](#)  
**Subject:** Parker City Council Meeting (2/15) - Written Comments in Advance of Meeting  
**Date:** Wednesday, February 15, 2023 11:25:19 AM  
**Attachments:** [City of Parker City Council Comments\\_02152023.pdf](#)

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Hi Patty (Parker City Secretary)

Please see attached comments document for tonight's City Council meeting. Please share with City Council and include with meeting documents.

My intention is to speak this evening for **3** minutes using key bullets from this document.

Thank you and see you tonight.

*Linda Nelson* |

| If you received this email in error,

please immediately contact the sender and destroy the material in its entirety. Thank you.

Day / Date: **Wednesday, February 15, 2023**

Attention: **City Council, Mayor, and City Administrator**

Subject: **City Priorities & Bond Elections**

Hello Mayor, Members of City Council and Members of City Staff,

My name is Linda S. Nelson. I reside at 5802 Corinth Chapel Road in Parker Village. I have lived in Parker since 2009 for over 13 years. Our family is most grateful to Parker first responders who have supported us through two major incidents in the past year.

I want to see all Parker residents, existing and future, continue to enjoy the small town / country living lifestyle while being supported with first class infrastructure & services similar to several of growing neighbors.

I spoke last in this forum almost 1 year ago to encourage City Council to:

- Complete work on an integrated / comprehensive plan addressing: (1) Water; (2) Drainage; and (3) Roads so that there is full line-of-sight of the financial impacts to the City and individual households.
- Build strong, transparent, and sustainable partnerships and agreements that would include periodic updates with all service providers for City of Parker residents. This broader view would extend beyond vendors (e.g., trash) or internal departments (e.g., Water) but also with other entities such as TxDot, NTMWD and Southfork.

There is consideration on whether to include a **\$14M** bond item to cover the municipal complex on the **May 6th ballot**. As you may recall, a similar item was previously considered by Parker Citizens and the vote was **NO** at that time and the underlying reasons for that vote have remain **UNCHANGED**.

While the municipal complex is **IMPORTANT**, it is **NOT** urgent **NOR** is it the highest priority for the City of Parker. And to be clear, it is not simply a matter of affordability of the municipal complex (\$14MM vs. another #), but rather what can we afford for all of the infrastructure type work for the City of Parker.

Priorities should be on completing the work surrounding:

- (1) **Re-establishing trust with Citizens** through transparent and consensus-based decisions through structured forums with published agendas and comprehensive tracking of issues & concerns.

- (2) **Determining Debt Capacity available to fund capital expenditures** with an 'all-in' approach' with the impact to cost of living, including property taxes, clearly identified. Just like with household budgets, knowing what you can afford determine what you buy and when.
- (3) **Developing a Growth Strategy** that will guide capital expenditures: Included in this comprehensive plan is whether Parker will still be known for its country living lifestyle in 5 to 10 years AND influences whether Parker can service new capital expenditures through growth alone or will other revenue sources be required of the citizens.
- (4) **Addressing Water needs** including both rates & deployment. The cost of water + property tax all goes into the calculation for existing and potential Parker residents of whether it is too costly to live in Parker. We should prevent repeat of the rush to approve & build a water facility on Dillehay with activation delayed due to lack of effective coordination with NTWD. Cross-impacting the build of a second water tower will be debt capacity.
- (5) **Addressing Roads & Drainage** to go beyond simply 'filling in potholes. Transportation infrastructure across Collin County have not kept up with growth patterns and Parker is no different. This is a key factor influencing the 'livability index' for existing and potential Parker residents.
- (6) **Build-out of Municipal Building complex** through redeployment of existing facility and a needs based (not wants based) set of requirements for any new building as debt capacity permits. Significant time & effort had to be expended over the past 2 years spent to correct numerous elements of misinformation contained in the original assumptions (e.g., location of flood plan, existing building couldn't be remediated). And most disconcerting is that there has been no real change in the design or the cost.

This is an important vote for the future of Parker - - for both existing and potential residents.

**It would be unfortunate if time & resources had to be expended to defeat a Bond Election rather than working together on a Comprehensive Plan and a future bond election in perhaps November 2023.**

I ask that my comments be included in the Council minutes.

Best regards,

Linda Nelson

To: City of Parker  
Council and Staff

Feb. 13, 2023

Subject: Consideration of proposition for new facility

Please read into the record my following comments at the Feb. 15<sup>th</sup> meeting as I am unable to attend in person.

As a resident of Parker, I am concerned and frustrated with the City considering a \$14,000,000+ proposition for a new facility. There have been many meetings discussing various options for a new facility since the residents of Parker voted against proposition A in 2020. I have attended many of these meetings and I have never heard that a 25,000+ square foot complex was the best and most efficient plan.

Size drives cost. I continue to wonder what services the City provides that will not be possible without a new facility three times the size of the current facility. What quality of life or public safety will be impacted unless this huge facility is built?

There are quality of life and public safety issues in the City such as road improvements and drainage but these don't seem to be a priority for the City. Where is a plan to improve roads and drainage?

The \$14,000,000+ cost for a new facility will put a debt burden on all residents of Parker. How can the City propose spending beyond it's current debt limit without significantly raising property taxes? Where will funds come from to improve roads and drainage if the City is obligated to pay for the facility?

Prioritize roads and drainage, after that propose a reasonably sized facility that the City can afford.

Sincerely: Donald Reynolds  
6805 Cheswick Court  
Parker, TX



**From:** [charlesdweis@gmail.com](mailto:charlesdweis@gmail.com)  
**To:** [Patti Grey](#)  
**Subject:** special council meeting, Wednesday, February 15 at 6PM  
**Date:** Monday, February 13, 2023 11:45:54 AM

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Patti, per the following email from Terry Lynch: "If you cannot attend but wish to share your view, send an email to the City Secretary, Patti Grey at [pgrey@parkertexas.us](mailto:pgrey@parkertexas.us) in sufficient time prior to the meeting."

I have the following questions:

1. What is the total cost including refurbishment of the existing space
2. What would the impact on the tax rate be including that cost, with no additional growth
3. How would this affect availability of debt for other infrastructure development, maintenance and repairs.

Answers to these questions should be provided in any communication regarding this project.

Please include my public comments into the minutes for the February 15 meeting.

Chuck Weis

4301 Springhill Estates Dr

469-271-4928

February 14, 2023

Randy Kercho  
5009 Edgewater Ct  
Parker, TX

Mayor,

I would appreciate it if you could read and enter into the minutes at the next City Council meeting my thoughts regarding the placement of a bond issuance on the May ballot:

I am in favor of moving forward on investing in our city so as to maintain it as a jewel within North Texas as a place to live, work and enjoy. In order for our city to grow and age with grace it has needs which we cannot ignore or continually set aside. We have outgrown our home and our infrastructure which once was shiny and new is now showing its age. Years of just patching up our facilities and roads compounded with the increased wear and tear of our infrastructure due to the shear growth of our city has caught up with us. The investment needed to catch up on what has been ignored is beyond the City's current resources, placing us in a need of external financing. Despite the need to speed up our response, it is my opinion that more information is needed before placing a bond issuance on our ballot. Additionally, just focusing on facilities without fully acknowledging the financial requirements of our road and drainage issues would be a huge mistake. A review of the City's capacity for debt has just recently begun and still needs to be thoroughly examined in combination with a more complete picture of our financial needs.

**From:** [Arvind Niranjana](#)  
**To:** [Patti Grey](#); [Jon D. Kerr](#)  
**Subject:** City Council Meeting Email Input  
**Date:** Tuesday, February 14, 2023 4:19:34 PM

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Hello,

I want this email to be read into record at the Council meeting tomorrow evening. I will do my best to attend if I can make it back from Fort Worth in time. I live in Kings Crossing Phase 2. For the record, I do NOT support the \$14M bond for the Administrative building unless funds are set aside and projects approved and chartered to fix the drainage and Lewis Lane.

**DRAINAGE:**

We have dealt with the constant drainage issue and pathetic road conditions for the last 5 years with no resolution. I had to spend my personal money to fix the drainage in front of my house when it should have been the responsibility of the Developer and the City to ensure proper drainage throughout the neighborhood. The standing water is a breeding ground for mosquitoes and other insects and is a serious health concern.

**LEWIS LANE:**

Lewis Lane is in complete disrepair, with the shoddy patchwork repairs not holding up for more than a few weeks. The excuse we have heard for 5 years is that the county and city lines on that street split responsibility in a confusing way and it takes time to resolve these things. We have also heard excuses that the road was never built for this traffic and that rain washes away the asphalt. It should not take 5 years or more if someone was actually doing something about the matter. Further, when we have called in to complain, the city employee Gary Machado speaks to us rudely and seems to get away with unacceptable behavior and inaction to levels unheard of in any professional environment. Several complaints to him and against him have gone unanswered, which leads me to believe there is really no respect for the word of the residents, unless their votes are needed for pet projects like this.

Not only are we facing immediate health and safety issues, we are most definitely impacting our property values in the long run.

As residents, we welcome a dialog but funding the administrative building has to follow fixing the issues identified above.

Thank you.  
Arvind Niranjana

**From:** [James Clay](#)  
**To:** [Patti Grey](#)  
**Subject:** Council Meeting 15 Feb 2023  
**Date:** Tuesday, February 14, 2023 5:39:34 PM

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Good evening Ms. Grey,

I am unable to attend the council meeting on Feb. 15, 2023, but want to render my opinions on the agenda items 1 and 2, and would like for this email to be entered into the council meeting minutes.

Mayor and Council:

I am in favor of having a bond election for a municipal facility in the amount of \$14 million. The facility is long overdue. It is extremely unfortunate that council persons Lynch, Reed, and citizens that do not have Parker's best interest in mind promoted an anti-bond campaign to defeat it some years ago. That delay will cost Parker citizens hundreds of thousands of dollars due to inflation, cost of materials and labor, whenever the facility is eventually built.

I am against a sales tax increase that is not going into the general fund. Roads do need repair, but that can be funded by a bond or Certificate of Obligation.

Council persons Lynch and Reed suffer from analysis paralysis that is costing Parker residents money and delaying projects.

Parker's tax rate has been too low for too long. A slight increase will not be devastating to residents. I think most citizens want to have a nice home in a nice city with good infrastructure, and we must pay the price to enjoy those benefits.

As always, I have nothing but praise for the Parker Police Department and its officers. Their response time and dedication to resolving situations is amazing and appreciated.

Thank you for your service to Parker.

James Clay  
2007 Dublin Road

**From:** Scott & Therese Livesay  
**Sent:** Wednesday, February 15, 2023 10:47 AM  
**To:** Patti Grey  
**Subject:** Municipal Facility Discussion

**Patti:**

Please provide this to be read into the minutes of the public comments for the next municipal facility discussion. Thank you so much.

**Scott Livesay**

**My name is Scott Livesay  
I live at 7305 Moss Ridge Road in Parker**

These are my thoughts and comments about the upcoming decision on seeking citizen approval for a bond for the municipal facility. I believe if the city moves forward to request approval from the citizens for a combined facility of close to 21,000 square feet while leaving the existing 4,700 square foot facility for other uses, the request will again be defeated. From 10,000 feet, this request is no different than the previous bond request that was defeated. My suggestion would be for the city to engage the alternative, and support the citizen's approach referred to as "Amanda Noe's", which represented the combined inputs from multiple citizen resources and discussions.

I believe the city needs an improved facility over their current situation. But consider some of the takeaways from the single facility proposal. It is almost 300% more square footage than the existing facilities, including the leased police building. That's a sizeable increase. So, how many more personnel will we house in the new facility? Last I heard, we had 26 people with 4 open reqs, for a total of 30. I understand we expect to grow that to 34 positions in the future. So perhaps a 20% employee growth, plus or minus, against a 300% square footage growth. Larger council chambers, more conference rooms, better facilitated police needs are all understood. But at 10,000 feet, there will be questions from the voters, and this will need voter approval.

I voted for the previous facility bond which, while I thought it was on the excessive side, I recognized the need for the city. But removing the annex that was in that proposal, while leaving the existing facility in this one, will be viewed as pretty much the same request to the voters as the previous request. So in order to get this subject moving forward, I urge the city council to reconsider and not request a bond for a same look and feel proposal. Engage on moving forward with an alternative that is more likely to gain voter approval.

We need a new facility, but I don't believe there is strong voter support for a bond election when there is no decision on the facility itself. I would not suggest placing a bond on the ballot if the facility decision is not laying flat.

Thank you for your time.

**Regards:**

**Scott Livesay  
7305 Moss Ridge Rd  
Parker, Texas**

**From:** [8malveda@frontier.com](mailto:8malveda@frontier.com)  
**To:** [Patti Grey](#)  
**Subject:** null  
**Date:** Wednesday, February 15, 2023 4:33:51 PM

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Greetings my name is Richard Lavender and I live at 6810 Overbrook Dr. Parker, TX

Parker's bond election proposal is a euphemism for a tax increase. Therefore, looks to me like Parker has a spending problem.

I wish Parker would operate like the city of St. Paul, TX; they remodeled their city hall paid all cash thus no debit.

Please include my public comments into the minutes for the February 15 meeting.

**From:** [Jaclyn Anderhub](#)  
**To:** [Patti Grey](#)  
**Cc:** [VB](#)  
**Subject:** Special City Council Meeting Feb15 @ 6PM -Consideration of Bond  
**Date:** Wednesday, February 15, 2023 5:09:16 PM

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### **Proposal to add Proposition for new Municipal Building**

Ms. Grey,

We oppose adding a proposition on the May ballot asking residents to approve a \$14M bond for purposes of “constructing, improving and equipping a new municipal administration facility, renovating an existing administration facility and constructing related parking facilities.”

We do not believe it is in the best interest of the residents of the City of Parker for the following reasons:

1. There are higher priority needs for the residents of Parker than constructing a new municipal administration building.
2. These higher priorities are first, street and drainage improvements and,
3. Improved water capacity and cost of water services.

We believe the above items are of higher priority when considering increase of City debt and residential property taxes. Only after these improvements are met, will we support improvements to the City’s municipal building.

Thank you,

Van and Jaclyn Andrews

**From:** [redmonde@tx.rr.com](mailto:redmonde@tx.rr.com)  
**To:** [Patti Grey](#); [Lee Pettie](#); [Michael Slaughter](#); [Jim Reed](#); [Terry Lynch](#); [Cindy Meyer](#); [Diana Abraham](#)  
**Subject:** 2/15/23 Resident Input to be read at meeting tonight  
**Date:** Wednesday, February 15, 2023 1:30:41 PM

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Hello Ms. Grey:

Kindly read this to the meeting tonight, as I may not be able to attend in person.

Dear Mayor Pettie and Council:

I'm Andy Redmond of 7275 Moss Ridge Road.

I would urge each of you to vote NO on the proposed May 2023 Ballot item of \$14MM+ bond for a municipal complex.

The reasons for NO should be obvious, but before a municipal complex is considered an updated comprehensive plan should be completed so the residents understand future financial obligations incurred (probably in excess of \$50MM).

Thanks,  
Andy





# City Council Special Meeting

## Bond Election

Wednesday, February 15, 2023

Exhibit 11

## Actual Use of Bond Money

- Can the amount approved by the voters be taken in pieces?
  - Yes, the bonds can be issued in multiple series or issued all at once. If being issued for the same project, typically the bonds will be issued all at once if there is the ability to spend funds within a 2-3 year period.



## Actual Use of Bond Money

- What is the additional cost associated with issuing bonds in multiple series?
  - Some of the financing costs are based on the numbers of bonds issued or a percentage, so there would not be a material additional cost if splitting the issuance into multiple series. However, there are certain fixed/base costs for each issuance. Those costs aren't expected to be more than \$15-\$20K. Comparison of costs can be provided if there are estimated sizes the City is considering splitting. Overall, it is typically advisable to issue based on when funds are needed. Interest rate movement between issuance also needs to be considered.



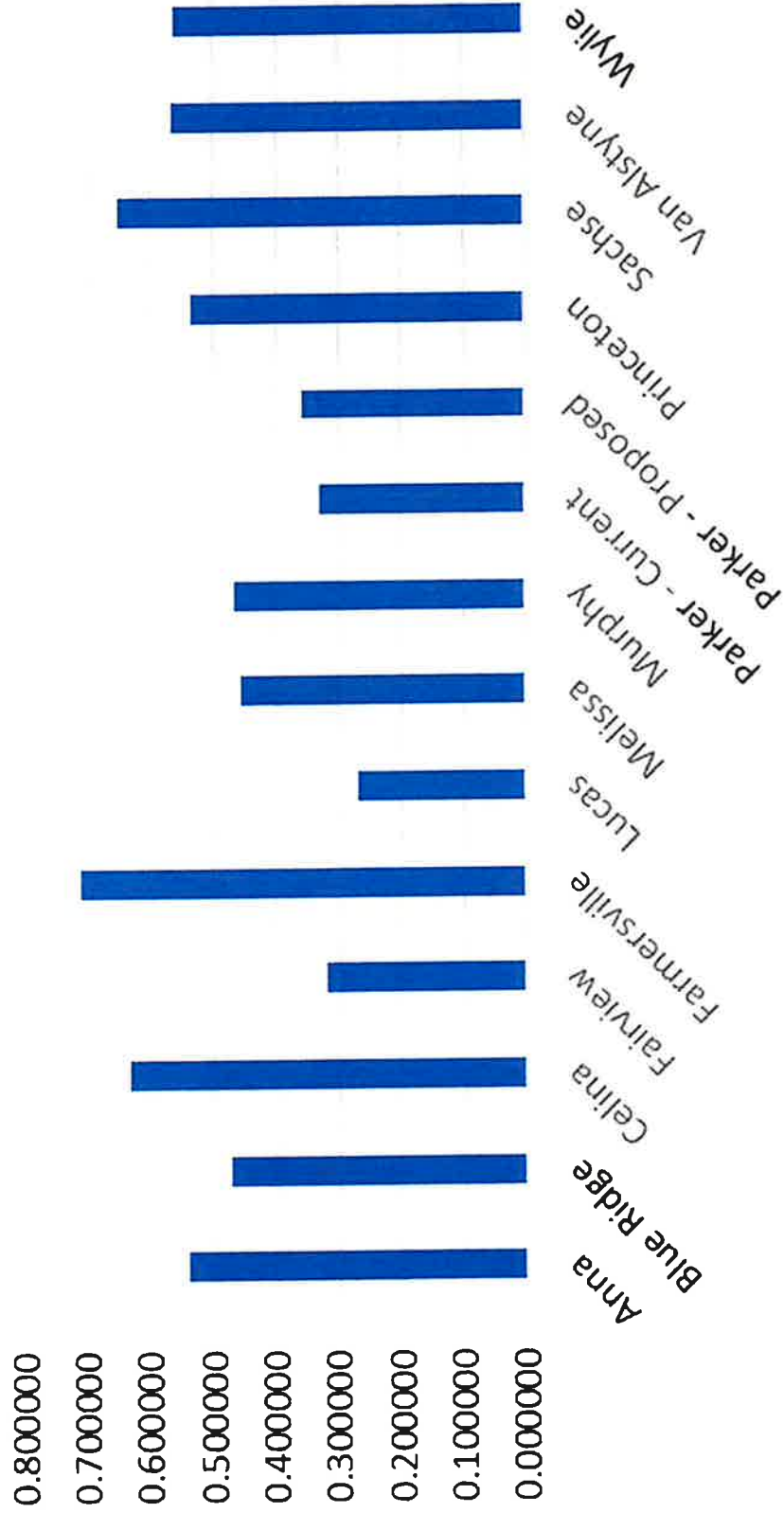
## Actual Use of Bond Money

- How many cities issue bonds in multiple series?
  - It is typically recommended to issue based on need. In situations where issuance is split into multiple series, it is often related to different projects and different construction schedules or there is concern on spending the funds within a 2-3 year period.
- Will there be early repayment capability?
  - Yes, typically the bonds will have a 9 or 10 year call feature (at par). A shorter call feature can be evaluated but will increase the interest rate so there needs to be good intention to utilize the call feature in that case.

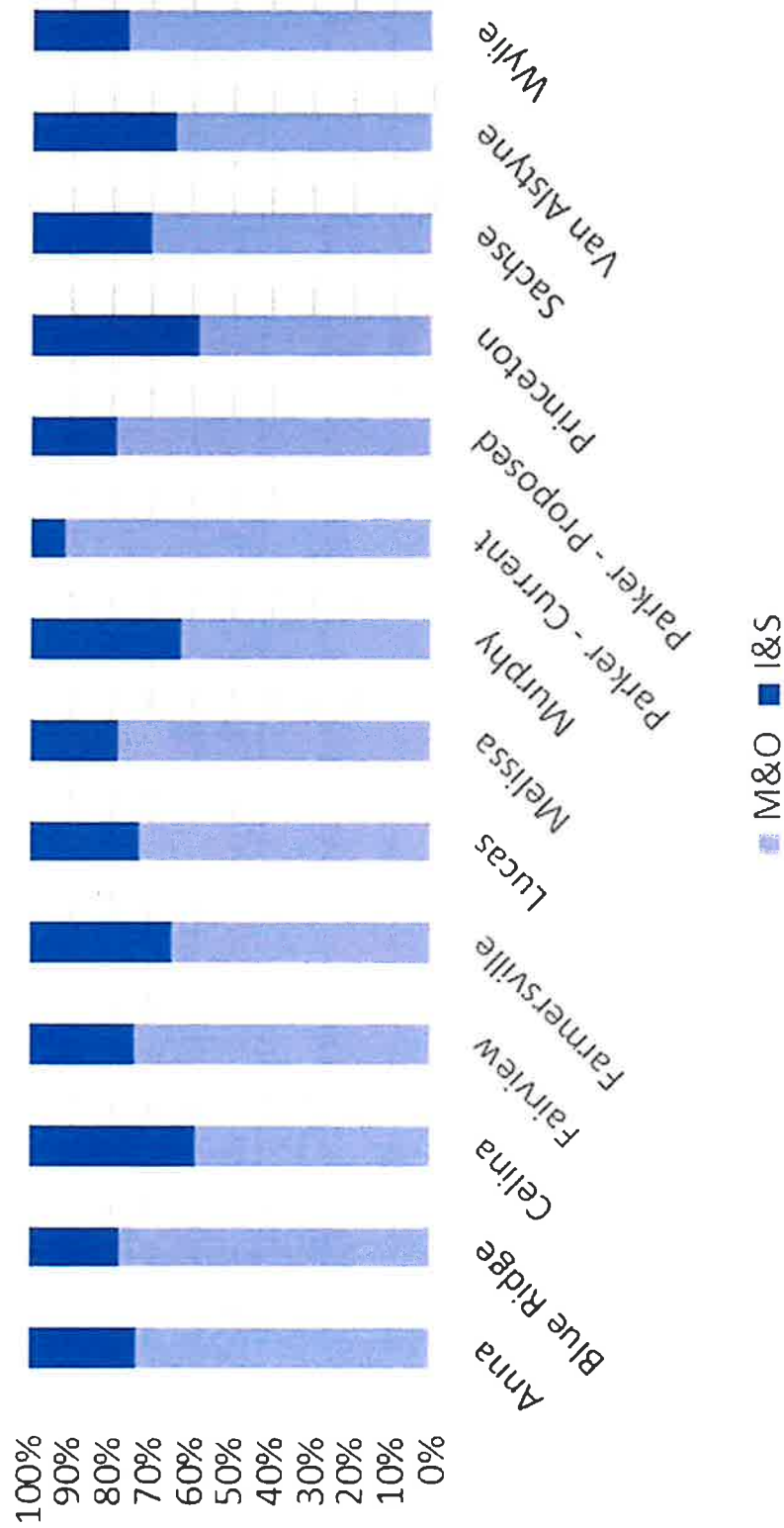


## DEBT CAPACITY MEASURES

Total Tax Rate

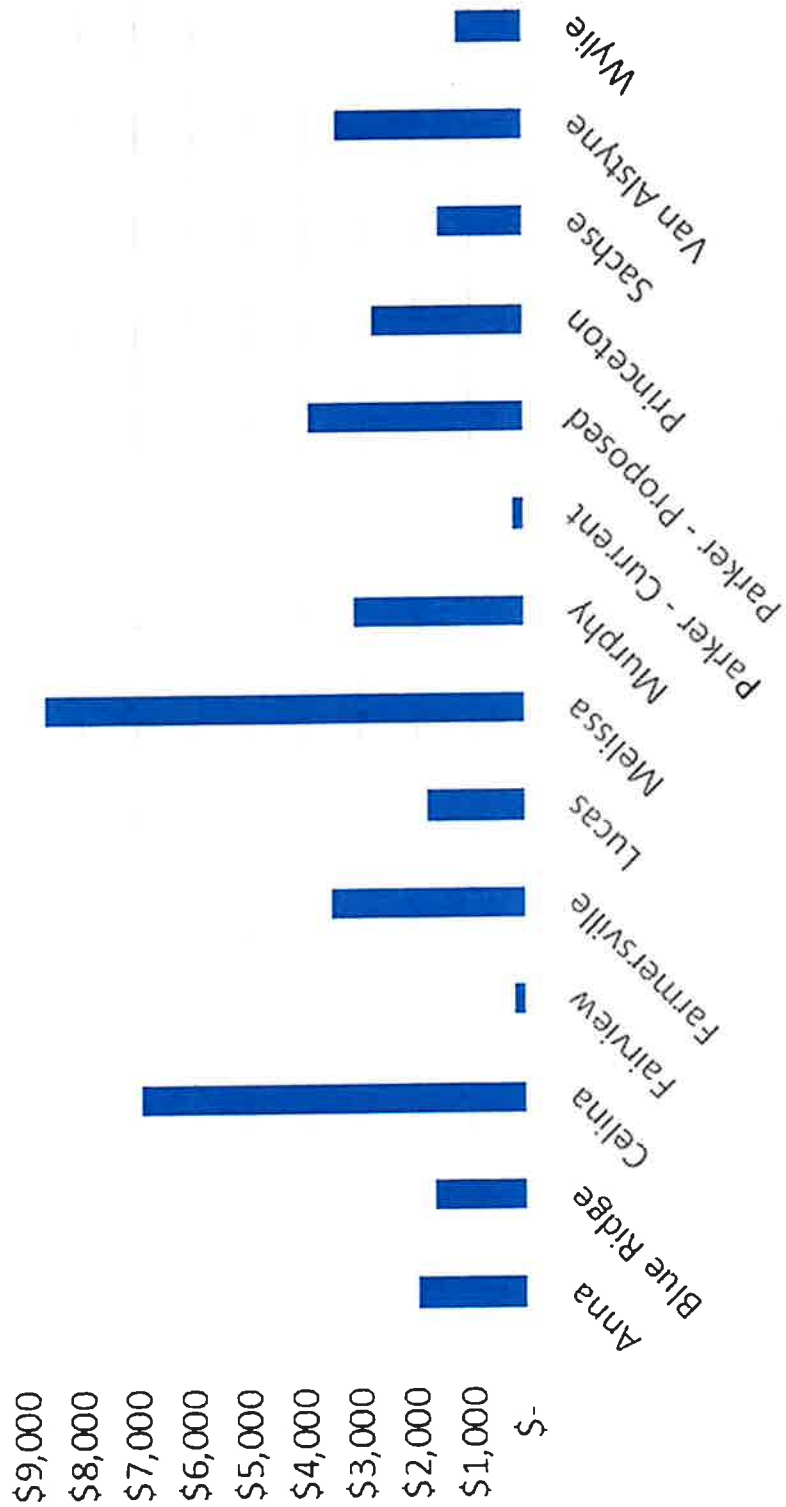


## Tax Rate Breakdown

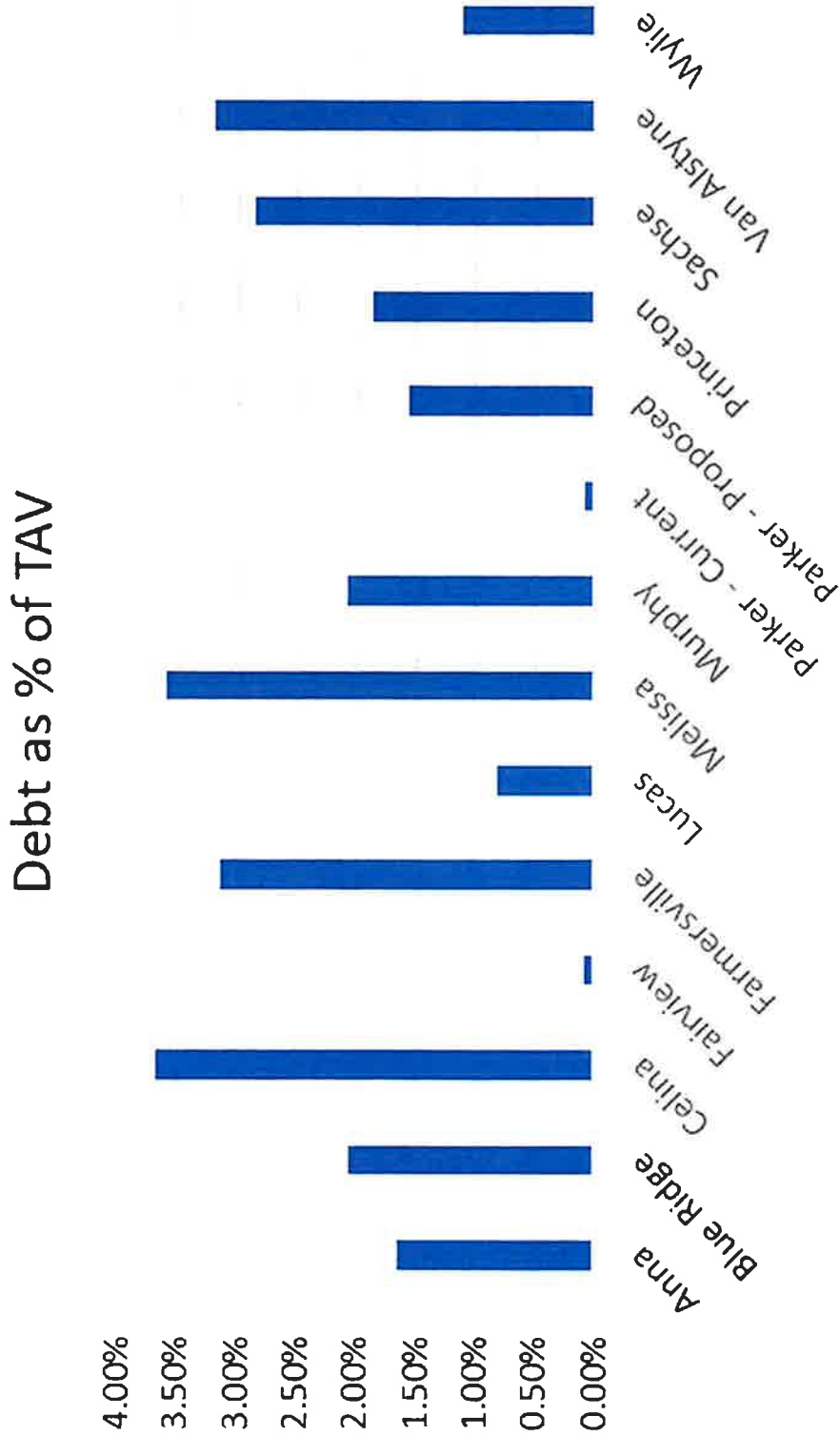


## DEBT CAPACITY MEASURES

Debt per Capita



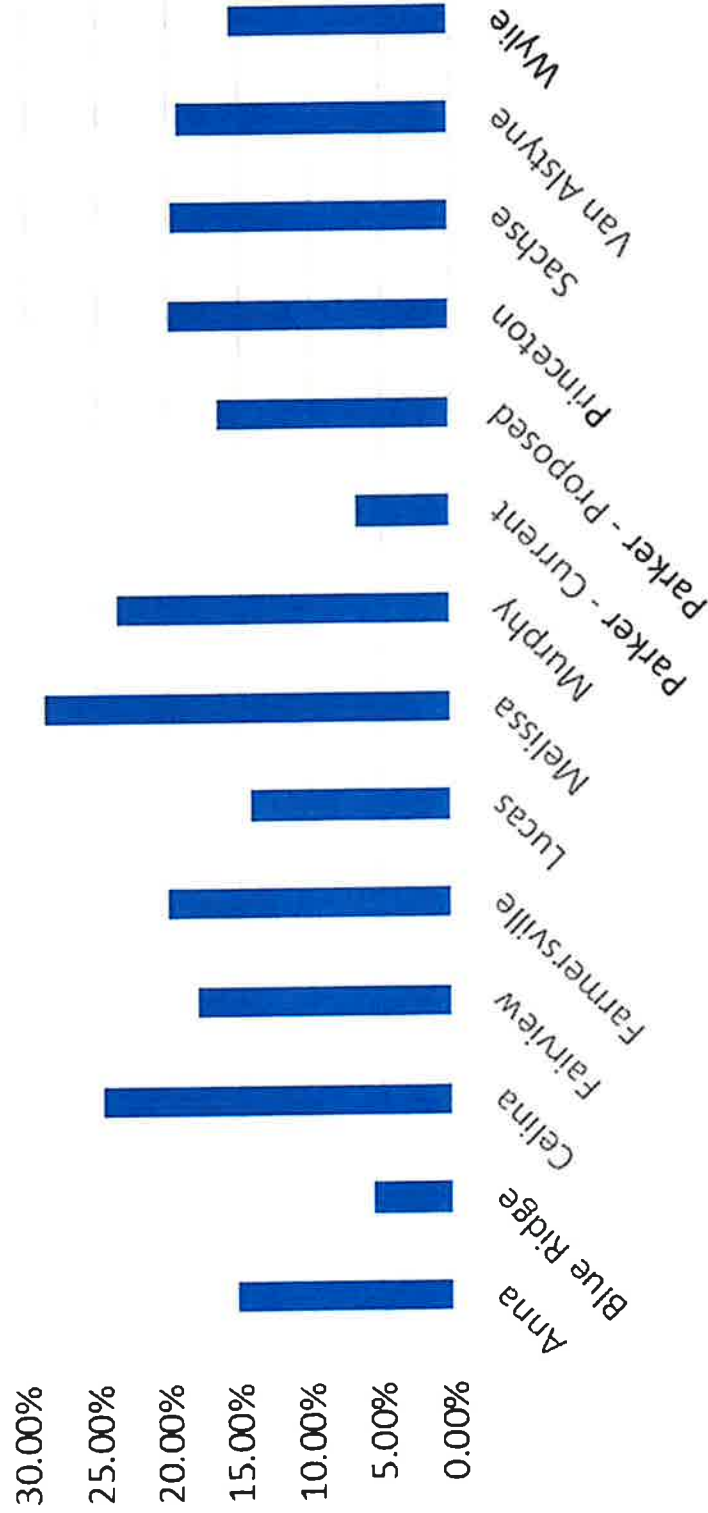
## DEBT CAPACITY MEASURES





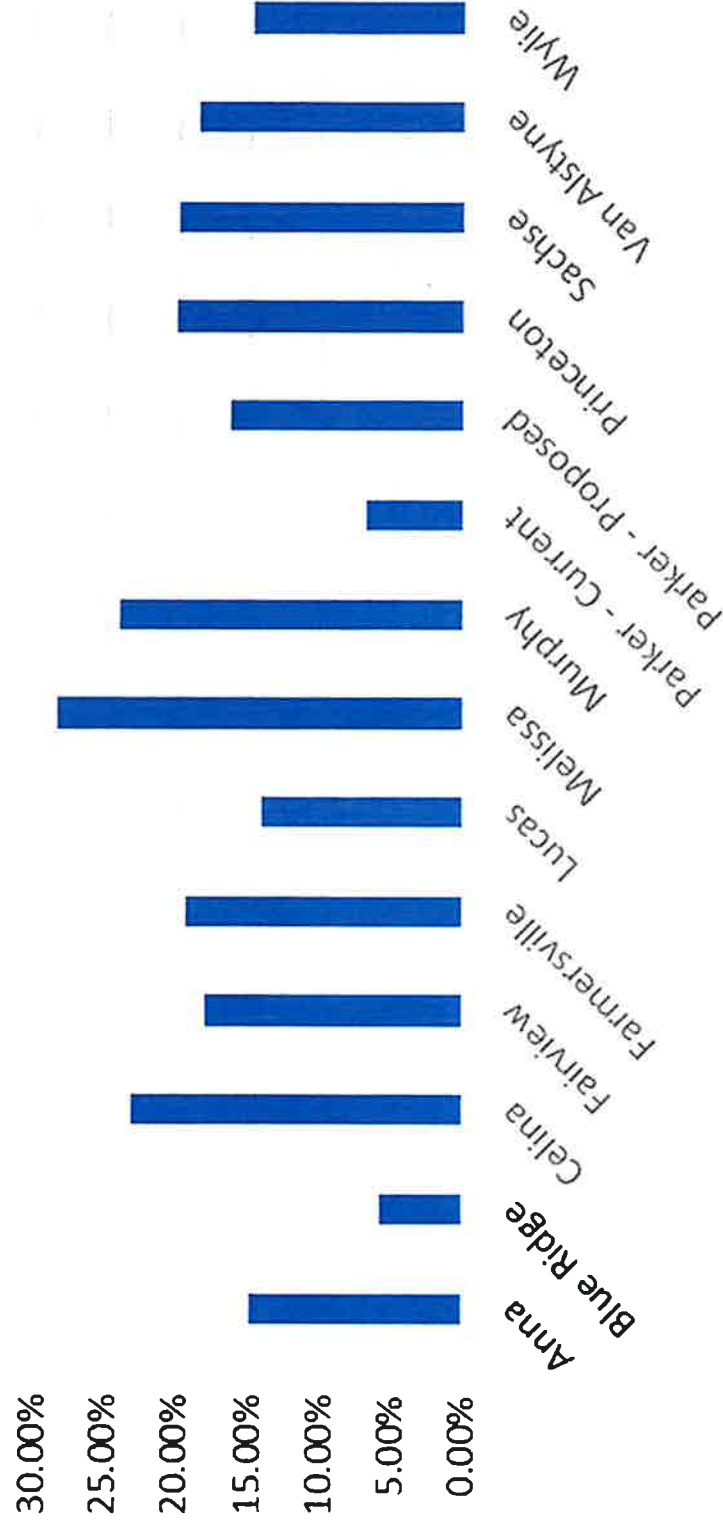
## DEBT CAPACITY MEASURES

Debt Service as %  
of Total Revenue

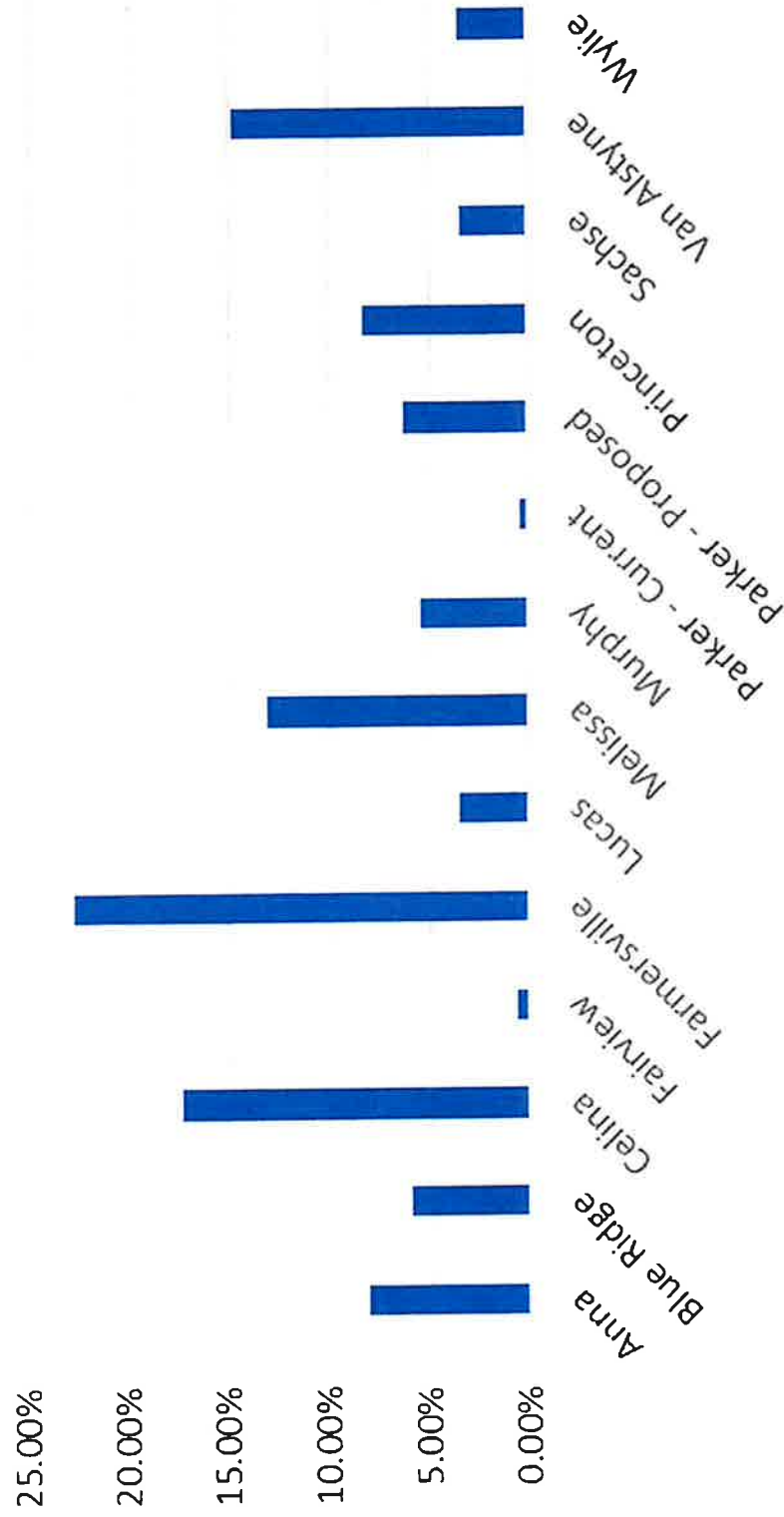


## DEBT CAPACITY MEASURES

Debt Service as %  
of Total Expenses



Debt as % of Personal Income







**Comments or Questions?**

**HilltopSecurities**

Investment Banking Solutions



# City of Parker, Texas

## Ratings and Credit Analysis

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February 2023

# Credit Ratings



- There are three major agencies that provide credit ratings for debt issuers in the U.S. municipal market and other sectors
  - Moody's Investors Service ("Moody's")
  - S&P Global Ratings ("S&P")
  - Fitch Ratings ("Fitch")
    - Kroll Bond Rating Agency ("KBRA") is a newer participant in the market
- A credit rating is an **opinion** about the **relative risk** and potential for default associated with a particular security
- It is not a recommendation to buy, sell or hold that security
- A credit rating is expressed in alphanumeric symbols across a spectrum from highest to lowest

Investment Grade			Speculative Grade		
Moody's	S&P	Fitch	Moody's	S&P	Fitch
Aaa	AAA	AAA	Ba1	BB+	BB+
Aa1	*AA+	AA+	Ba2	BB	BB
Aa2	AA	AA	Ba3	BB-	BB-
Aa3	AA-	AA-	B1	B+	B+
A1	A+	A+	B2	B	B
A2	A	A	B3	B-	B-
A3	A-	A-	Caa1	CCC+	CCC+
Baa1	BBB+	BBB+	Caa2	CCC	CCC
Baa2	BBB	BBB	Caa3	CCC-	CCC-
Baa3	BBB-	BBB-	Ca	CC	CC
			C	C	C
			D	D	D

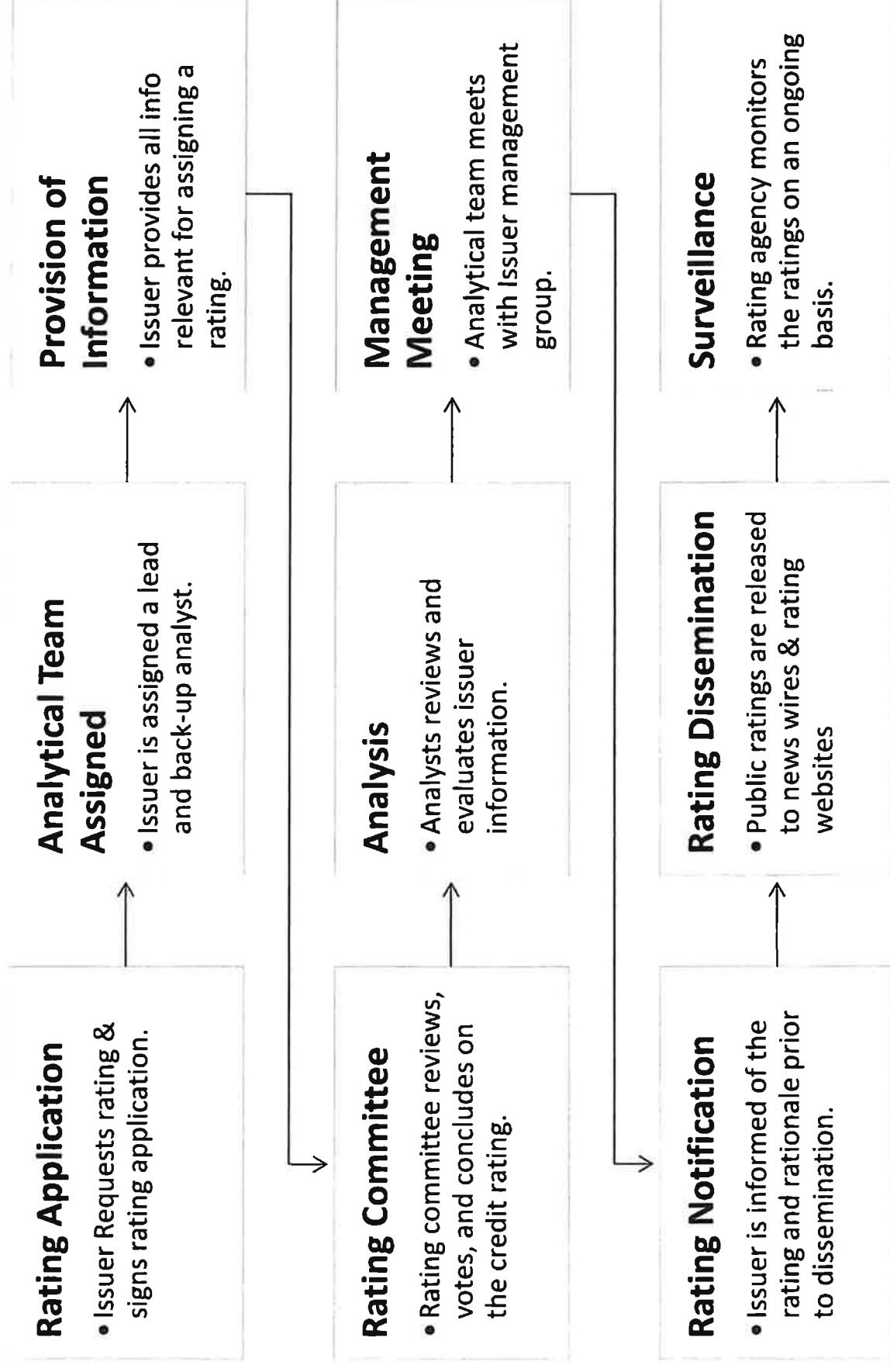
\*Current S&P Rating

# Characteristics of Credit Ratings



- Ratings are assigned to both long-term and short-term obligations, although different symbols are used
- **Ratings are assigned** at the time of the issuance, **and then reviewed** periodically based on the availability of updated information, material events and the rating agency's internal surveillance procedures
  - A rating can go up, down or stay the same from one credit review to another
- **Ratings are not a prerequisite for issuing debt**

# The Rating Process

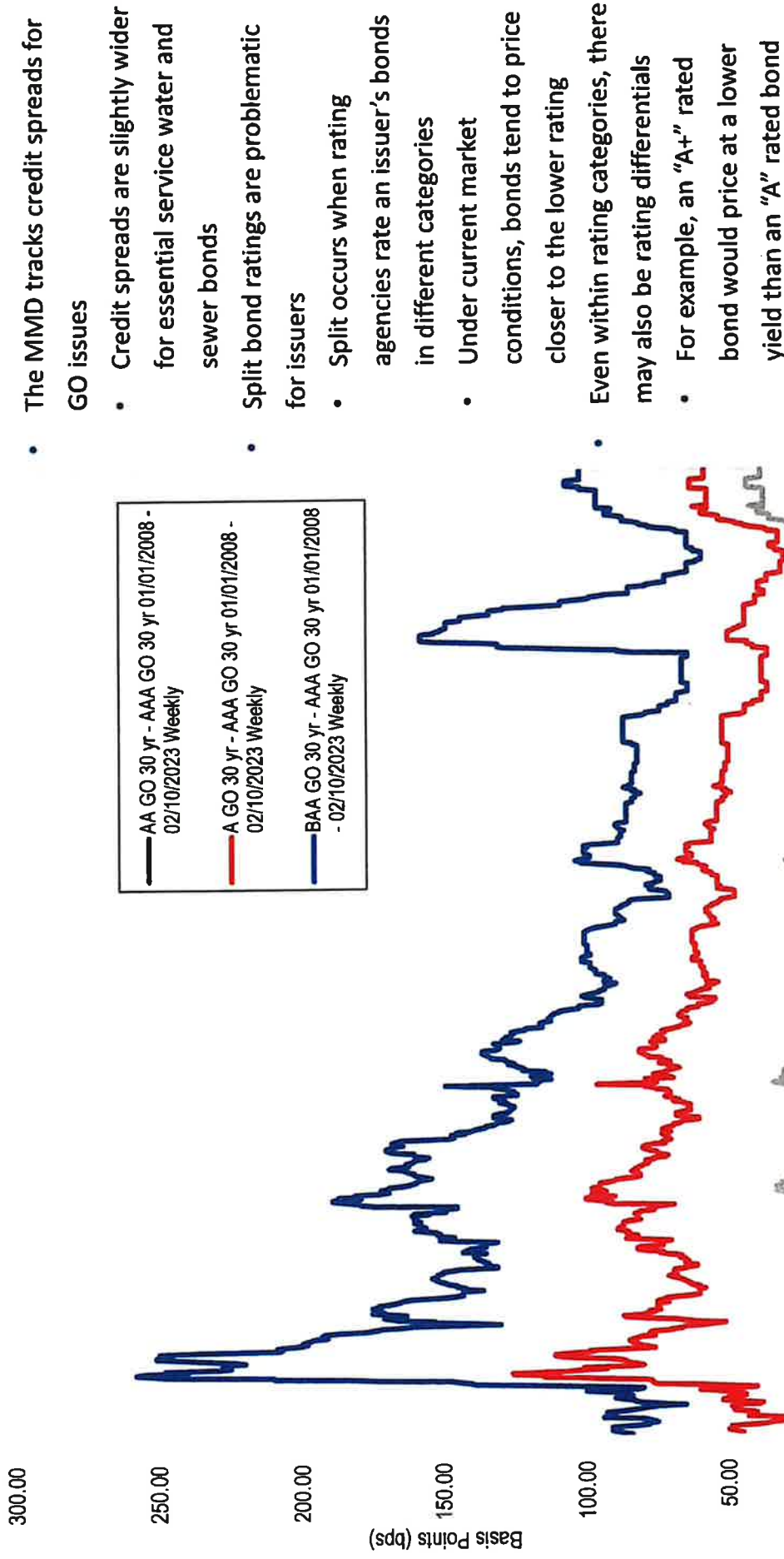




# Credit Spreads as of February 10<sup>th</sup>, 2023



“Great Recession” to Present

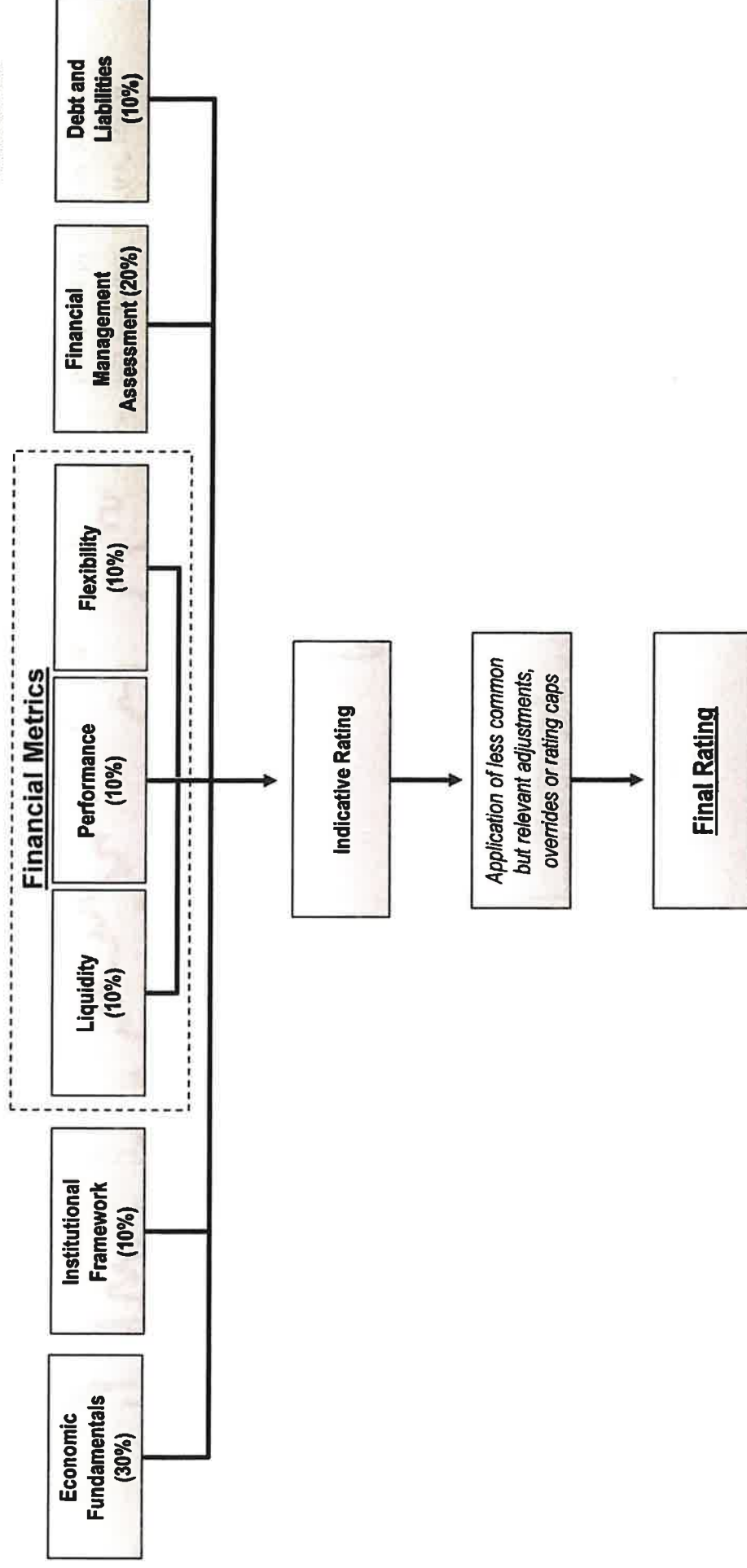


- The MMD tracks credit spreads for GO issues
  - Credit spreads are slightly wider for essential service water and sewer bonds
- Split bond ratings are problematic for issuers
  - Split occurs when rating agencies rate an issuer's bonds in different categories
  - Under current market conditions, bonds tend to price closer to the lower rating
- Even within rating categories, there may also be rating differentials
  - For example, an “A+” rated bond would price at a lower yield than an “A” rated bond

# Strategic Approach to Ratings Process



## S&P Global Ratings – General Obligation Methodology for Local Governments



# S&P GO Rating Summary



S&P – AA+/Stable

## Rating Factors

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA)
- Adequate management, with standard financial policies and practices under our Financial Management Assessment(FMA) methodology
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2018
- Very strong budgetary flexibility, with a high available fund balance in fiscal 2018 of 121% of operating expenditures
- Very strong liquidity, with total government available cash at 1.5x total governmental fund expenditures and 13.0x governmental debt service, and access to external liquidity we consider strong
- Very weak debt and contingent liability profile, with debt service carrying charges at 11.8% of expenditures and net direct debt that is 188.2% of total governmental fund revenue

## Upside Scenario

S&P could raise the rating if Parker's debt profile improves in combination with an improvement in our assessment of the city's financial management policies and practices.

## Downside Scenario

S&P could lower the rating if Parker experiences a substantial deterioration in its available reserve position either through a sustained trend of weak budgetary performance or large one-time capital expenditures.

Source: S&P Global Ratings, Nov. 7, 2019

# Ratings Comparison



Issuer	S&P	Moody's
City of Parker	AA+	--
City of Anna	AA	Aa2
Town of Fairview	AA+	Aa2
City of Lucas	AA+	--
City of Melissa	AA-	Aa3
City of Murphy	AA+	--
City of Princeton	AA-	--
City of Sachse	AA+	Aa2
City of Van Alstyne	--	Aa3
City of Wylie	AA	Aa1

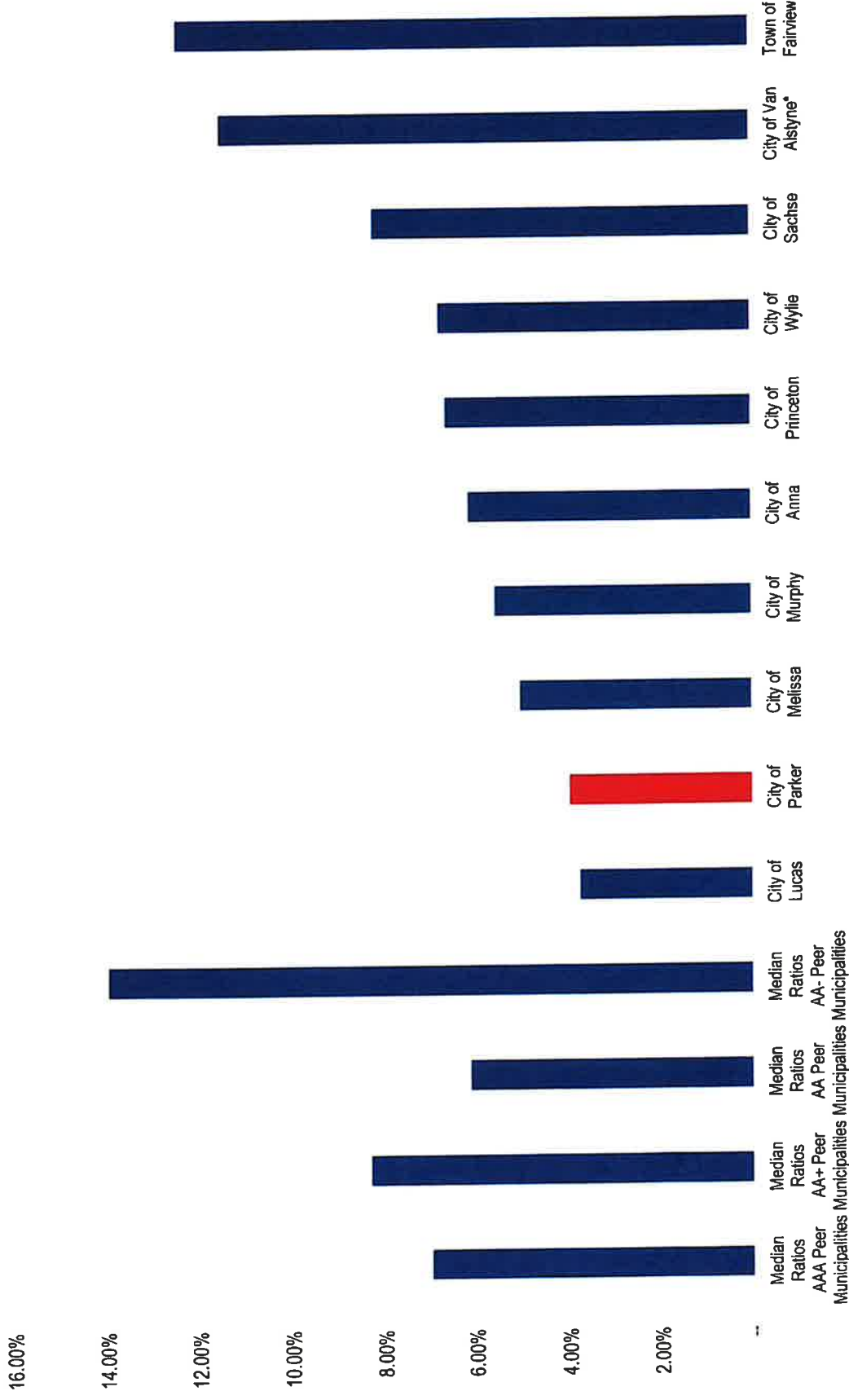
Sources: S&P Global Ratings; Moody's Investors Service

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# Comparison to State and Peer Medians — Top 10 Taxpayers as a % Total Assessed Value



Top 10 Taxpayers as a % Total Assessed Value



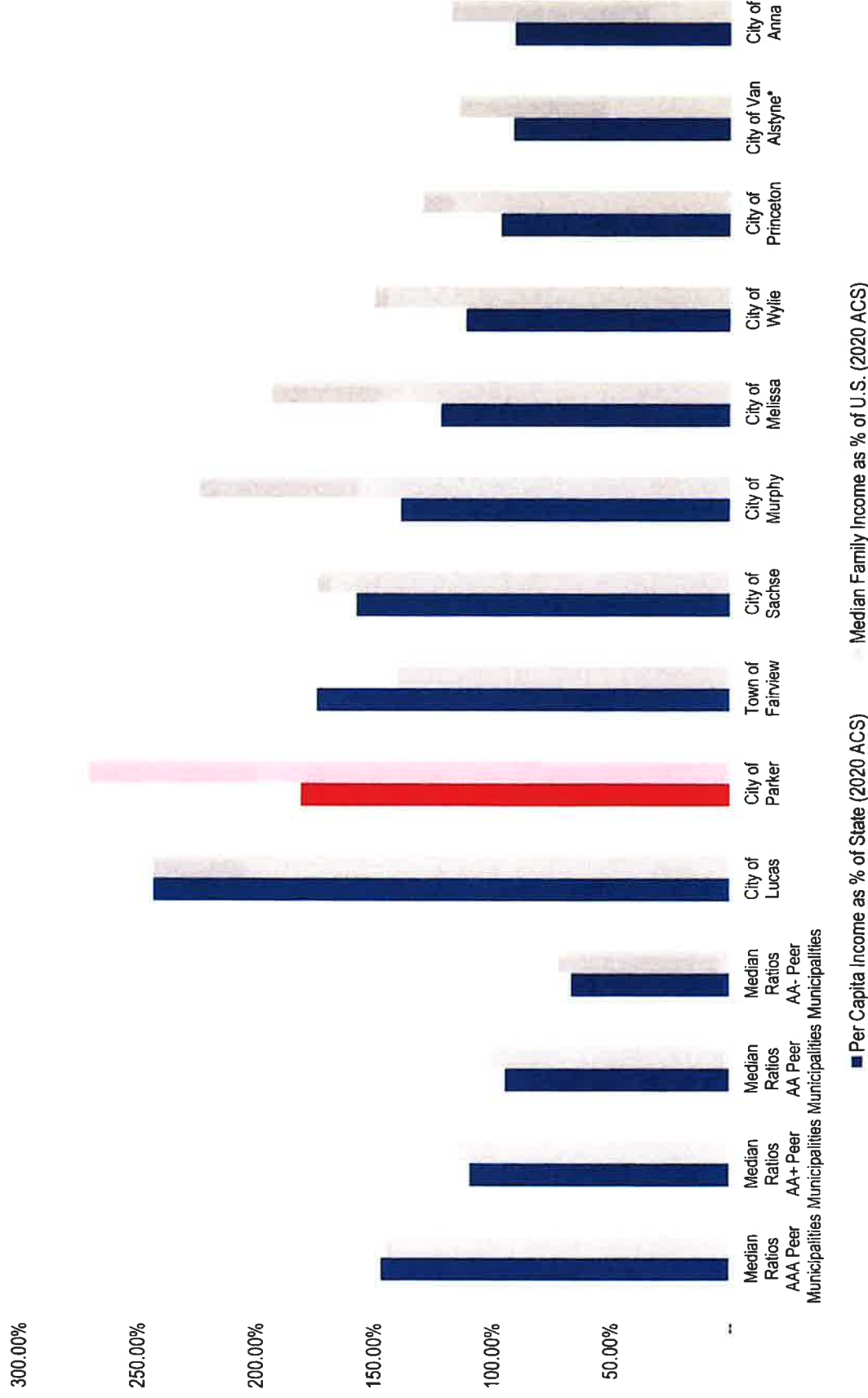
Source: S&P Capital IQ

\*Source: Moody's MFRA

# Comparison to State and Peer Medians – Median Family Income



Comparison to State and Peer Medians – Median Family Income

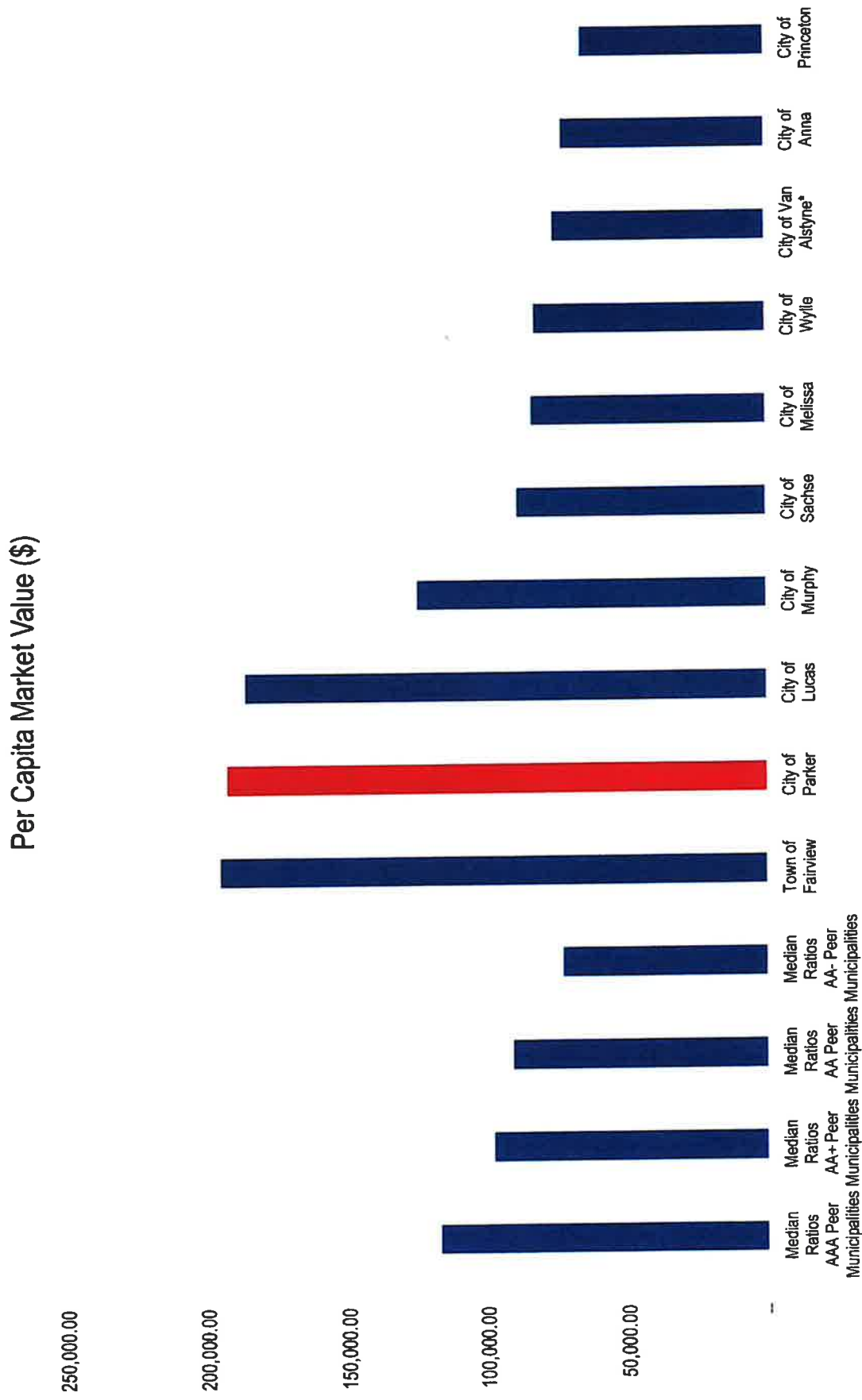


Source: S&P Capital IQ

\*Source: Moody's MFRA



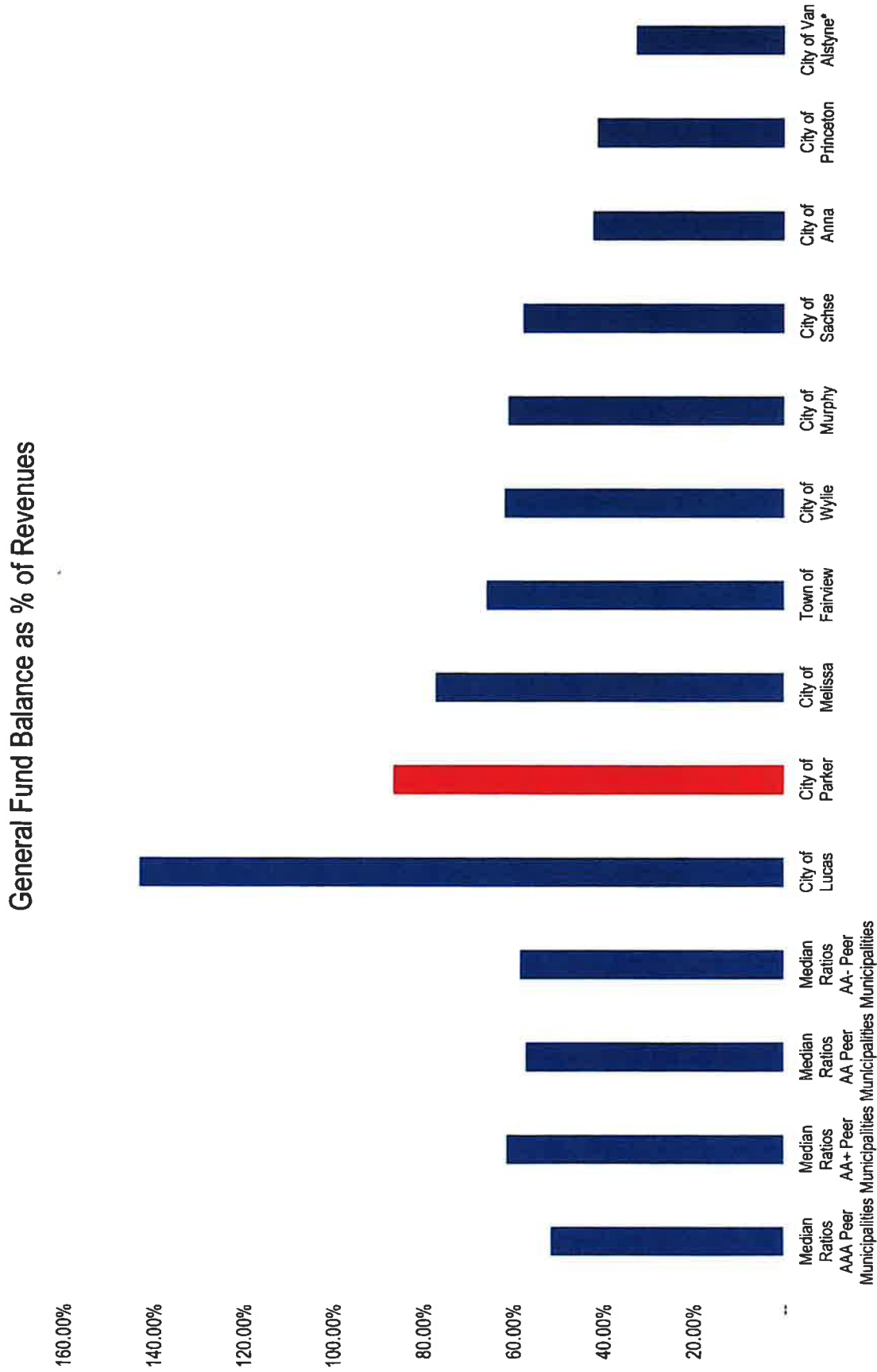
# Comparison to State and Peer Medians – Per Capita Market Value (Wealth)



Source: S&P Capital IQ

\*Source: Moody's MFRA

# Comparison to State and Peer Medians – General Fund Balance as % of Revenues



Source: S&P Capital IQ

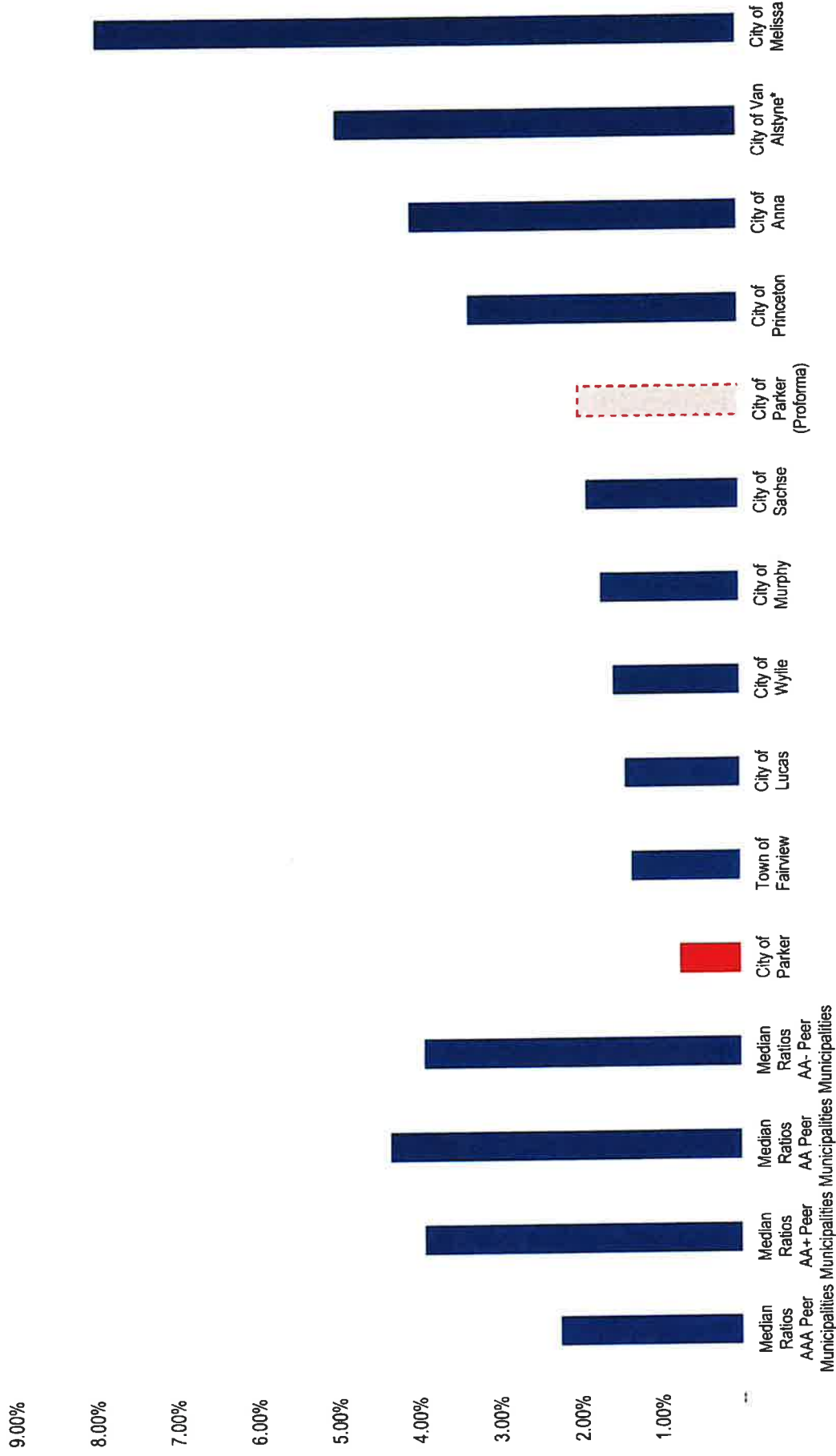
\*Source: Moody's MFRA



# Comparison to State and Peer Medians – Direct Net Debt as % of Full Value



Direct Net Debt as % of Full Value



Source: S&P Capital IQ

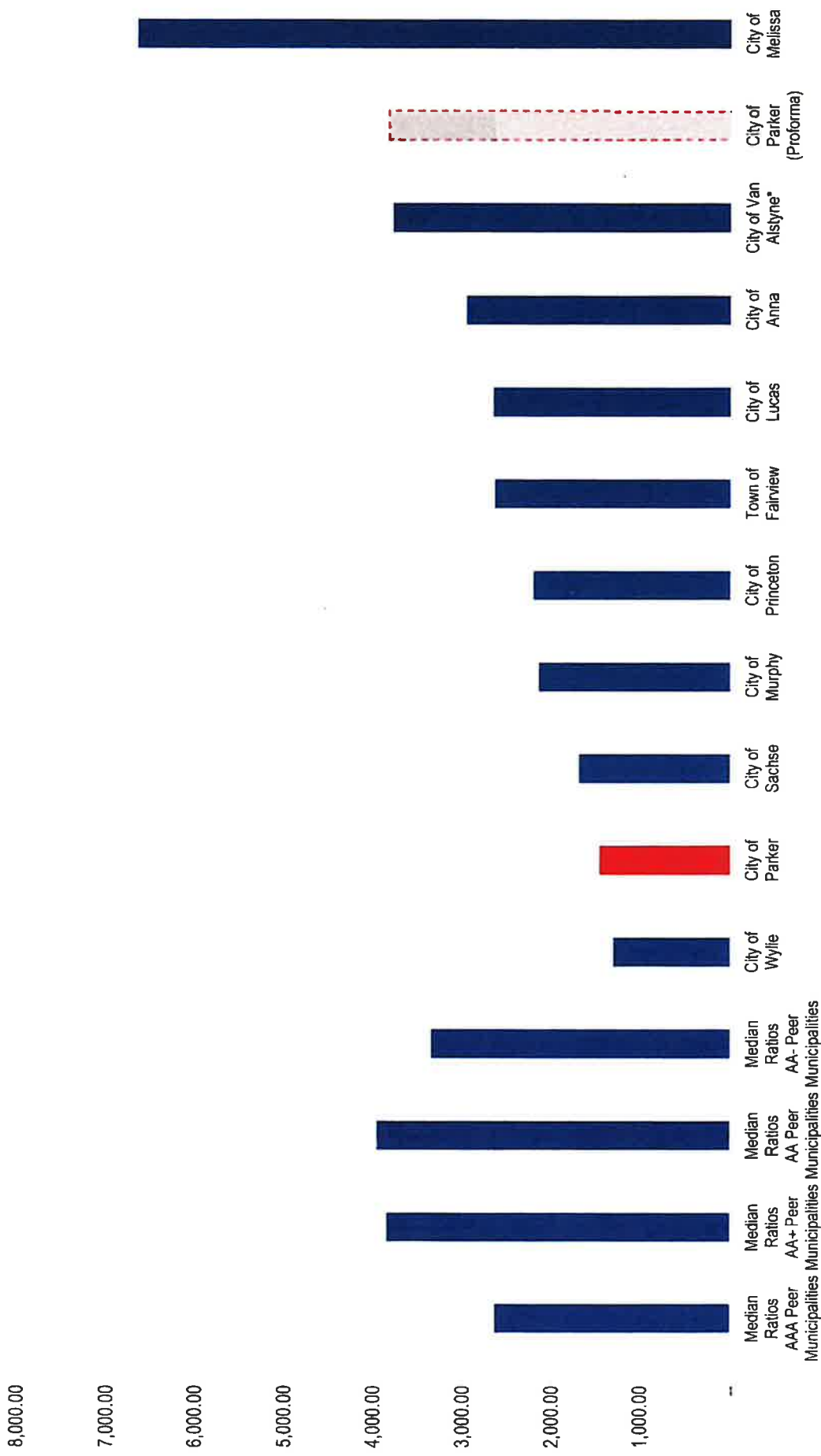
\*Source: Moody's MFRA

Proforma Includes projected \$14mm in additional debt

# Comparison to State and Peer Medians – Direct Net Debt Per Capita (\$)



Direct Net Debt Per Capita (\$)



Source: S&P Capital IQ

\*Source: Moody's MFRA

Proforma includes projected \$14mm in additional debt

# Peer Median Comparisons



Selected Rating Metrics		Median Ratios AAA Peer Municipalities (1)		Median Ratios AA+ Peer Municipalities (1)		Median Ratios AA Peer Municipalities (1)		Median Ratios AA- Peer Municipalities (1)		City of Parker (1)		City of Anna (1)		Town of Fairview (1)	
Fiscal Year		Most Recent	Most Recent	Most Recent	Most Recent	Most Recent	Most Recent	Most Recent	Most Recent	2021	2021	2021	2021	2021	2021
Current Rating										AA+	AA	AA	AA	AA+	AA+
<b>Economic</b>															
Population		124,543.17	45,624.96	98,846.39	31,335.67					5,833.00	20,243.00			10,683.00	
Per Capita Income (2020 ACS)		47,406.61	35,336.40	30,605.16	21,548.97					58,672.00	29,656.00			56,512.00	
Per Capita Income as % of State (2020 ACS)		147.33	109.82	95.12	66.97					182.34	92.17			175.63	
Per Capita Income as % of U.S. (2020 ACS)		133.98	99.87	86.49	60.90					165.82	83.81			159.71	
Median Family Income (2020 ACS)		94,662.61	75,662.83	66,949.61	47,488.79					177,413.00	77,787.00			92,326.00	
Median Family Income as % of State (2020 ACS)		148.31	118.55	104.89	74.40					277.96	121.87			144.65	
Median Family Income as % of U.S. (2020 ACS)		145.65	116.42	103.01	73.07					272.97	119.68			142.05	
Median Home Value (2020 ACS)		352,388.89	240,414.58	193,762.69	121,202.91					700,800.00	232,100.00			412,800.00	
County Annual Unemployment Rate (BLS Data, %)		3.45	3.68	3.91	4.36					2.80	2.80			2.80	
<b>Tax Base</b>															
Total Assessed Value		14,576,620.08	4,461,312.44	8,990,180.04	2,673,009.81					1,126,853.00	1,479,329.00			2,089,319.00	
Estimated Full Value		14,576,620.08	4,464,479.48	8,990,180.04	2,673,009.81					1,126,853.00	1,479,329.00			2,089,319.00	
Per Capita Market Value		117,040.71	97,851.69	90,951.02	73,160.39					193,185.84	73,078.55			195,574.18	
Issuer Tax Rate (Mills) (%)		4.51	5.83	5.43	5.81					3.66	5.83			3.47	
Top 10 Taxpayers Total Assessed Value		1,017,955.53	370,972.79	551,288.57	240,661.59					44,825.00	90,918.00			261,076.00	
Top 10 Taxpayers as a % Total Assessed Value		6.98	8.32	6.13	14.01					3.98	6.15			12.50	
<b>Financial</b>															
Cash & Cash Equivalents		27,478.56	14,225.73	16,109.45	10,329.00					2,266.00	6,190.00			6,072.00	
General Fund Revenues		120,500.67	42,816.04	94,782.63	30,105.86					5,747.00	15,261.00			9,239.00	
General Fund Balance as % of Revenues		51.83	61.81	57.52	58.80					87.30	42.89			66.49	
Net General Fund Result		5,426.58	2,431.98	4,763.28	1,800.83					925.00	127.00			156.00	
Unassigned Fund Balance (GASB 54) as % of Operating Expenditures (%)		55.12	67.49	64.43	58.06					133.60	50.00			64.10	
Assigned plus Unassigned Fund Balance (GASB 54) as % of Operating Expenditures (%)		61.11	71.73	67.67	62.52					133.57	49.98			65.09	
<b>Debt</b>															
Direct Debt		329,484.14	175,770.50	392,120.28	105,189.41					8,565.00	60,425.00			28,390.00	
Direct Net Debt as % of Full Value		2.26	3.94	4.36	3.94					0.76	4.08			1.36	
Direct Net Debt Per Capita (\$)		2,645.54	3,852.51	3,966.97	3,356.86					1,468.37	2,984.98			2,657.49	
<b>Pension &amp; OPEB</b>															
Pension ARC (NC + UAAL Amort)		11,299.08	3,927.23	12,691.75	4,367.41					228.00	1,094.00			654.00	
Pension PAYGO (Actual Pmt)		11,619.86	3,956.44	12,649.90	3,468.29					228.00	1,094.00			654.00	
Actuarial Value of Asset		5,844,302.67	168,759.31	163,102.12	47,148.99					3,623.00	9,932.00			11,456.00	
Actuarial Accrued Liability		6,581,913.33	185,125.63	206,910.49	84,633.82					4,590.00	11,006.00			12,590.00	
Calculated Funded Ratio		82.77	83.36	85.28	84.47					78.90	90.20			91.00	

(1) Source: S&P Capital IQ

(2) Source: Moody's MFRA

# Peer Median Comparisons



Selected Rating Metrics		City of Lucas (1)		City of Melissa (1)		City of Murphy (1)		City of Princeton (1)		City of Sachse (1)		City of Van Alstyne (2)		City of Wylie (1)	
Fiscal Year		2021		2021		2021		2021		2021		2021		2021	
Current Rating		AA+		AA-		AA+		AA-		AA+		Aa3		AA	
<b>Economic</b>															
Population		8,029.00		16,983.00		21,219.00		20,046.00		29,042.00		5,165.00		59,394.00	
Per Capita Income (2020 ACS)		78,708.00		39,597.00		45,054.00		31,456.00		51,113.00		29,847.00		36,207.00	
Per Capita Income as % of State (2020 ACS)		244.61		123.06		140.02		97.76		158.85		92.76		112.52	
Per Capita Income as % of U.S. (2020 ACS)		222.44		111.91		127.33		88.90		144.45		84.35		102.33	
Median Family Income (2020 ACS)		159,563.00		127,391.00		147,257.00		85,548.00		114,593.00		75,543.00		98,994.00	
Median Family Income as % of State (2020 ACS)		250.00		199.59		230.72		134.03		179.54		118.36		155.10	
Median Family Income as % of U.S. (2020 ACS)		245.50		196.00		226.57		131.62		176.31		116.23		152.31	
Median Home Value (2020 ACS)		674,600.00		328,600.00		396,300.00		225,100.00		283,000.00		199,100.00		267,800.00	
County Annual Unemployment Rate (BLS Data, %)		2.80		2.80		2.80		2.80		2.80		3.20		2.90	
<b>Tax Base</b>															
Total Assessed Value		1,498,761.00		1,424,697.00		2,650,762.00		1,326,387.00		2,589,657.00		393,731.92		4,923,647.00	
Estimated Full Value		1,498,761.00		1,424,697.00		2,650,762.00		1,326,387.00		2,589,657.00		393,731.92		4,923,647.00	
Per Capita Market Value		186,668.45		83,889.60		124,923.98		66,167.17		89,169.38		76,230.77		82,898.05	
Issuer Tax Rate (Mills) (%)		3.00		6.09		4.95		6.51		7.20		--		6.72	
Top 10 Taxpayers Total Assessed Value		56,325.00		71,888.00		147,802.00		88,084.00		213,371.00		45,515.41		334,217.00	
Top 10 Taxpayers as a % Total Assessed Value		3.76		5.05		5.58		6.64		8.24		11.56		6.79	
<b>Financial</b>															
Cash & Cash Equivalents		10,204.00		26,874.00		9,962.00		192.00		7,009.00		8,217.54		34,143.00	
General Fund Revenues		7,016.00		20,333.00		15,302.00		16,398.00		21,705.00		6,702.86		48,700.00	
General Fund Balance as % of Revenues		143.74		77.85		61.79		42.01		58.53		33.35		62.58	
Net General Fund Result		(80.00)		11,421.00		1,292.00		4,547.00		2,606.00		2,543.89		8,640.00	
Unassigned Fund Balance (GASB 54) as % of Operating Expenditures (%)		185.50		24.10		62.10		54.30		71.30		49.56		71.70	
Assigned plus Unassigned Fund Balance (GASB 54) as % of Operating Expenditures (%)		185.45		105.91		62.29		54.30		71.28		49.56		71.87	
<b>Debt</b>															
Direct Debt		21,515.00		114,031.00		45,788.00		44,555.00		49,315.00		19,718.64		77,667.00	
Direct Net Debt as % of Full Value		1.44		8.00		1.73		3.36		1.90		5.01		1.58	
Direct Net Debt Per Capita (\$)		2,679.66		6,714.42		2,157.88		2,222.64		1,698.06		3,817.74		1,307.66	
<b>Pension &amp; OPEB</b>															
Pension ARC (NC + UAAL Amort)		363.00		598.00		1,175.00		714.00		1,581.00		--		3,596.00	
Pension PAYGO (Actual Pmt)		372.00		598.00		1,175.00		703.00		1,581.00		--		3,596.00	
Actuarial Value of Asset		5,106.00		5,903.00		25,124.00		9,293.00		35,494.00		--		79,310.00	
Actuarial Accrued Liability		5,670.00		7,294.00		27,685.00		10,115.00		39,876.00		--		92,826.00	
Calculated Funded Ratio		90.10		80.90		90.70		91.90		89.00		--		85.40	

(1) Source: S&P Capital IQ

(2) Source: Moody's MFRA