CITY OF
Fair Oaks Ranch

FREQUENTLY ASKED QUESTIONS (FAQS) REGARDING BOND ADVISORY COMMITTEE RECOMMENDATIONS:

What is the Bond Advisory Committee (BAC), and what does it do?

The Bond Advisory Committee (BAC) was established by the City Council in October 2023. The Committee is responsible for reviewing project details related to various capital improvement projects. They assess the viability of projects and provide recommendations regarding financing options to the City Council.

What types of projects does the BAC review and recommend funding for?

The BAC has reviewed projects related to roadways and drainage. They are currently reviewing water and wastewater capital improvement projects.

How does the BAC make its recommendations for project funding?

The BAC considers available information, conducts on-site visits, and performs thorough assessments of each project under consideration. Based on their assessments, they recommend projects to complete along with specific financing options for each project, such as General Obligation Bonds, Certificates of Obligation, grants, or cash funding.

What are the recommended funding options for roadway and drainage projects?

For roadway projects, the BAC recommended the use of General Obligation Bonds. For drainage projects, they suggested Certificates of Obligation or cash funding.

How many times did the BAC meet, and within what timeframe?

The Committee met six times between October 2023 and January 2024 to review projects funded from the City's General Fund. The Committee will continue to meet starting in April 2024 to review water and wastewater projects.

What are examples of specific projects recommended for funding?

The BAC recommended repair of the following roadways following an engineering assessment: Dietz Elkhorn Road, Rolling Acres Trail, Ammann Road, and Battle Intense.

Are there projects that were not recommended for funding?

Yes, certain projects were not recommended for funding due to various reasons, such as cost considerations or alternative funding. Among them were building projects and paving the Arbors Preserve Road. Three drainage projects - 8622 Delta Dawn, 29314 Sumpter Drive, and the Battle Intense Bridge - were also not recommended.

How will the recommended projects be financed?

The recommended roadway projects will be financed through General Obligation Bonds, if approved by voters, while drainage projects will be funded through Certificates of Obligation or cash from the General Fund. Municipal Development District (MDD) grants are recommended for specific community center and gateway feature projects.

What is the estimated financial impact on households due to the recommended project financing?

The City's bond advisor estimates an increase to the Interest and Sinking Fund (I&S) portion of the property tax rate, resulting in approximately $19.42 per $100,000 of taxable property value at its highest point during the term of debt. This is equivalent to an estimated $97.10 on a $500,000 home.