

## AGENDA

### MEETING OF THE BOARD OF DIRECTORS' FISCAL COMMITTEE AND/OR OF THE BOARD OF DIRECTORS

#### SAN ANTONIO RIVER AUTHORITY



**April 12, 2010, 10:30 am**

*\*Estimated Presentation Time: 2 Hours*

#### **GENERAL AND CEREMONIAL ITEMS:**

*Estimated Presentation Time: 5 minutes*

1. **CALL TO ORDER BY THE CHAIR, MS. TERRY E. BAIAMONTE**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL BY THE SECRETARY, MR. A. D. KOLLODZIEJ, JR.**

- Terry E. Baiamonte
- A.D. Kollodziej, Jr.
- Michael W. Lackey, P.E.
- Hector R. Morales
- Gaylon J. Oehlke
- Thomas G. Weaver

4. **CERTIFICATION OF A QUORUM BY THE SECRETARY**
5. **INTRODUCTION OF VISITORS**
6. **CITIZENS TO BE HEARD**

*\*Represents the time staff anticipate that it will take to make presentations or give briefings; does not include an estimate of the time required if consent items are pulled for individual presentation or for discussions generated by Board members.*

7. **APPROVAL OF THE MINUTES OF THE FISCAL COMMITTEE MEETING HELD ON MARCH 8, 2010**
8. **PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING THE OPERATING BUDGET FOR FISCAL YEAR 2010/11**
9. **PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING THE SELECTION OF A FINANCIAL ADVISORY FIRM**
10. **PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING THE LEASE PURCHASE OF EQUIPMENT FOR WATERSHED OPERATIONS AND UTILITIES**
11. **GENERAL MANAGER'S REPORT CONCERNING THE FOLLOWING:**
  - **UPCOMING EVENTS CALENDAR,**
  - **FUTURE BOARD AND/OR COMMITTEE MEETINGS, AND**
  - **MEETINGS INVOLVING THE ATTENDANCE OF ONE OR MORE BOARD MEMBERS**
12. **ITEMS FOR FUTURE CONSIDERATION**
13. **NEXT MEETING DATE**
14. **ADJOURN**

**Estimated Presentation Time: 2 Hours**

SAN ANTONIO RIVER AUTHORITY  
General Statements

This meeting is wheelchair accessible. Accessible parking is located at 100 E. Guenther Street. Requests for an interpreter for the hearing impaired must be received at least 48 hours prior to the meeting, or, to arrange for special assistance to attend this meeting, please call the Operator at 210-227-1373.

The Board of Directors' Fiscal Committee and/or the Board of Directors of the San Antonio River Authority may discuss and/or take action on any item listed in this agenda while convened in open session. The Board of Directors' Fiscal Committee and/or of the Board of Directors of the San Antonio River Authority may also meet in Executive Session, pursuant to Section 551.071 of the Texas Government Code, to receive advice from legal counsel on any item listed in this agenda.

**Date: 04/12/2010**

**Approval of the Minutes**

**Submitted By:** Linda Whitaker, Technical Services

**Division:** Technical Services

**Department:**

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**Information**

**CAPTION**

**APPROVAL OF THE MINUTES OF THE FISCAL COMMITTEE MEETING HELD ON MARCH 8, 2010**

**Presenter**

Ms. Baiamonte, Committee Chair

*Estimated Presentation Time: 5 minutes*

**Recommendation**

Motion to approve the minutes of the Fiscal Committee meeting held on March 8, 2010, as presented.

**Discussion**

**Vote**

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**Attachments**

Link: March 8, 2010, Fiscal Committee Meeting Minutes

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**MINUTES**

**MEETING OF THE BOARD OF DIRECTORS' FISCAL COMMITTEE**

**SAN ANTONIO RIVER AUTHORITY**

**March 8, 2010, 12:00 noon**



**GENERAL AND CEREMONIAL ITEMS:**

1. **CALL TO ORDER WAS MADE BY THE CHAIR, MS. TERRY E. BAIAMONTE, AT 12:14 PM**
2. **PLEDGE OF ALLEGIANCE WAS RECITED**
3. **IN THE ABSENCE OF THE SECRETARY, MR. A. D. KOLLODZIEJ, JR., THE VICE CHAIR, MR. HECTOR R. MORALES, CALLED THE ROLL AND REPORTED THE FOLLOWING BOARD MEMBERS PRESENT:**

- Terry E. Baiamonte
- A.D. Kollodziej, Jr. (absent)
- Michael W. Lackey, P.E.
- Hector R. Morales
- Gaylon J. Oehlke
- Thomas G. Weaver

4. **CERTIFICATION OF A QUORUM WAS ANNOUNCED BY THE VICE CHAIR, MR. MORALES**
5. **INTRODUCTION OF VISITORS**

Ms. Sanchez announced the citizens who were present in the audience.

6. **CITIZENS TO BE HEARD**

Ms. Sanchez announced that there were no citizens signed up to speak.

7. **APPROVAL OF THE MINUTES OF THE FISCAL COMMITTEE MEETING HELD ON FEBRUARY 17, 2010**

Staff recommended a motion to approve the minutes of the Fiscal Committee meeting held on February 17, 2010, as presented.

Motion made by Gaylon J. Oehlke  
Seconded by Hector R. Morales  
Motion passed unanimously

**8. PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING THE RESULTS OF A COMPENSATION STUDY OF THE SAN ANTONIO RIVER AUTHORITY'S EMPLOYEE COMPENSATION PROGRAM AND THE MERIT/PERFORMANCE INCENTIVE PROGRAM FISCAL YEAR 2010/11**

Mr. Weaver recommended a motion indicating Fiscal Committee support to include in the draft FY 2011 budget \$10,000 to bring identified employees to the minimum revised pay grades and \$134,000 as a separate line item as a compensation adjustment associated with the revised compensation program.

Seconded by Michael W. Lackey, P.E.  
Motion passed unanimously

Mr. Weaver also recommended a motion indicating Fiscal Committee support to include in the draft FY 2011 budget an allocation of 2.5% of total salaries for the pay for performance adjustments.

Seconded by Hector R. Morales  
Motion passed unanimously

**9. GENERAL MANAGER'S REPORT CONCERNING THE FOLLOWING:**

- **UPCOMING EVENTS CALENDAR,**
- **FUTURE BOARD AND/OR COMMITTEE MEETINGS, AND**
- **MEETINGS INVOLVING THE ATTENDANCE OF ONE OR MORE BOARD MEMBERS**

Ms. Scott distributed and discussed the calendar of events, conferences, and future Board and Committee meetings.

**10. ITEMS FOR FUTURE CONSIDERATION**

There being no action taken on this item, Ms. Baiamonte called for Agenda Item 11.

**11. NEXT MEETING DATE**

After it was announced that the next Fiscal Committee meeting will be April 12, at 12 noon, Ms. Scott called on Ms. McCoy-Huber to brief the committee of what will be discussed on that day. Ms. McCoy-Huber announced that some of the topics would include budget summaries for the Utility Fund with other discussion and review of the programs and projects.

**12. ADJOURN**

There being nothing further to report, Ms. Baiamonte called the meeting adjourned at 1:44 p.m.

**PREPARED AND RECOMMENDED FOR APPROVAL BY THE MANAGER.**

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**SUZANNE B. SCOTT, General Manager**

**APPROVED BY THE BOARD OF DIRECTORS' FISCAL COMMITTEE AT THE MEETING HELD ON APRIL 12, 2010.**

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**TERRY E. BAIAMONTE, Committee Chair**

**ATTEST:**

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**A.D. KOLLODZIEJ, JR., Committee Secretary**

Date: 04/12/2010

Fiscal 2010/11 Budget Briefing

**Submitted By:** Sharon McCoy-Huber,  
Support Services

**Division:** Support Services

**Department:** Finance

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**Information**

**CAPTION**

**PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING THE OPERATING BUDGET FOR FISCAL YEAR 2010/11**

**Presenter**

Larry Anderson and Sharon McCoy-Huber

*Estimated Presentation Time: 60 minutes*

Staff will present information on the following background materials that may be included and/or considered in the draft fiscal year 2010/11 budget:

- Projected ending balances for the current fiscal year ending June 30, 2010: To achieve accuracy in the preliminary budget, it is essential that ending balances for the current year be estimated based on reliable projections. Tables will be distributed and discussed for the General Fund, the SARA Wastewater Systems Fund and the SARA Water Systems Fund.
- Operating funds summaries for the fiscal year beginning July 1, 2010: The preliminary fiscal year 2010/11 operating budget includes the General Fund, the SARA Wastewater Systems Fund and the SARA Water Systems Fund. The General Fund information that will be presented will include the initial budget iteration numbers for revenues and expenditures. The management staff has met and made initial adjustments to establish a preliminary budget for this presentation. Summarized information will be presented at the meeting.
- Maintenance and operations tax rate for the 2010 tax year: There will be no growth projections in the estimated valuations. A table reflecting various scenarios for the 2010 tax rate will be discussed.
- Rates for the SARA Wastewater Systems and SARA Water System: Preliminary rates will be calculated and presented with the average single family resident monthly charge.
- Projects considered in the preliminary fiscal year 2010/11 budget: Project summary tables will be distributed with estimated funding requirements.

**Recommendation**

Motion to be crafted, if necessary, after discussion of this item.

**Discussion**

## **Vote**

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Date: 04/12/2010

Selection of Financial Advisor

**Submitted By:** Sharon McCoy-Huber,  
Support Services

**Division:** Support Services

**Department:** Finance

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**Information**

**CAPTION**

**PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING THE SELECTION OF A FINANCIAL ADVISORY FIRM**

**Presenter**

Larry Anderson and Sharon McCoy-Huber

*Estimated Presentation Time: 15 minutes*

On March 1, 2010, the Contract Administrator published Requests for Proposals (RFP) on the State of Texas' "Electronic Business Daily" website and on the San Antonio River Authority (River Authority) website. Eight responses were received on March 31, 2010. One firm, Friedman, Luzzatto & Co., responded with a letter indicating that they would not be submitting a proposal at this time. We received proposals from the following firms:

- Coastal Securities, Inc.
- Estrada Hinojosa & Company, Inc.
- FirstSouthwest
- M.E. Allison & Co., Inc.
- The PFM Group
- RBC Capital Markets Corporation
- Southwest Securities.

Staff consisting of the Director of Support Services and Financial Services Manager have reviewed the technical elements of the proposals submitted which included:

- **Mandatory Elements:** All firms have independence from the San Antonio River Authority, compliance with licensing and other requirements of the State of Texas, the Securities and Exchange Commission (SEC), Municipal Securities Rulemaking Board Dealer (MSRB) and Financial Industry Regulatory Authority (FINRA).
- **Technical Requirements:** Firms differ in the River Authority entities; Staffing experience, time with the firm, CFA certification; Experience with debt refundings and contract revenue bonds; Knowledge of the Texas Water Code, the River Authority enabling legislation, and the River Authority's current outstanding debt.

Staff will bring the completed Financial Advisory Evaluation (blank form attached) with the staff recommendation based on qualifications only. They also will bring sealed cost proposals. The Committee should discuss the firms on the technical proposals and then open the cost proposals.

**Recommendation**

Motion recommending to the General Manager a financial advisory firm, to be named after discussion of this item, for contract negotiations with the San Antonio River Authority.

**Discussion**

**Vote**

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**Attachments**

Link: Financial Advisory Evaluation

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**SAN ANTONIO RIVER AUTHORITY  
FINANCIAL ADVISOR EVALUATION**

		*Friedman, Luzatto & Co.	Coastal Securities, Inc.	Estrada Hinojosa & Company, Inc.	FirstSouthwest	M.E. Allison & Co., Inc.	The PFM Group	RBC Capital Markets Corporation	Southwest Securities
<b>Mandatory Elements</b>									
Independence	na								
Securities & Exchange Commission License	na								
TX Securities Board License	na								
Municipal Securities Rulemaking Board Dealer	na								
Financial Industry Regulatory Authority	na								
<b>Technical Elements</b>									
River Authority Entities	20								
Years of Experience	15								
Years with Firm	10								
CFA Certification	5								
Experience with Debt Refundings	10								
Experience with Contract Revenue Bonds	5								
Texas Water Code/Enabling Legislation	10								
Knowledge of SARA Outstanding Debt	<u>5</u>								
Total	80								
<b>Financial Stability</b>	10								
<b>Cost</b>	<u>10</u>								
	100								

\*declined offer to submit proposal

**Date: 04/12/2010**

**Lease Purchase**

**Submitted By:** Sharon McCoy-Huber,  
Support Services

**Division:** Support Services

**Submitted For:** Sharon McCoy-Huber

**Department:** Finance

**Information**

**CAPTION**

**PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING THE LEASE PURCHASE OF EQUIPMENT FOR WATERSHED OPERATIONS AND UTILITIES**

**Presenter**

Sharon McCoy-Huber

*Estimated Presentation Time: 10 minutes*

The Fiscal Year 2009/10 Budget includes purchasing a dump truck for the Watershed Operations Department and an excavator and a track loader for the Utilities Department.

The River Authority will structure payments through a lease/purchase plan to purchase this equipment over a maximum five-year period. The following table outlines the equipment proposed to be acquired through a lease/purchase plan:

<b><u>Equipment</u></b>	<b><u>Purchase Price</u></b>	<b><u>Estimated Annual Payment</u></b>
Dump Truck	\$ 112,365	
Mini Excavator	100,822	
Track Loader	<u>101,235</u>	
Total	\$ 314,422	\$ 69,623

River Authority staff will obtain a minimum of three quotes for the lease agreements from financial institutions. A contract for lease will be based on the best rate for the River Authority. A resolution authorizing the General Manager to enter into a contract for the lease/purchase for the above mentioned equipment will be presented at the April 21st Board of Directors meeting.

All purchases for the identified equipment will be conducted in strict accordance with the River Authority's purchasing procedures.

### **Recommendation**

Motion indicating Fiscal Committee support for recommending to the Board of Directors a resolution approving approximately \$63,000 for a first year lease payment as presented and a five-year lease purchase agreement in the total amount of \$315,000 to purchase equipment for Watershed Operations and Utilities.

### **Discussion**

### **Vote**

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Date: 04/12/2010

GM's Report / Items for Future Consideration / Next Meeting Date

**Submitted By:** Lupe Sanchez, Executive  
Offices

**Division:** Executive Offices

**Submitted For:** Suzanne B. Scott

**Department:**

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11.

**Information**

**CAPTION**

**GENERAL MANAGER'S REPORT CONCERNING THE FOLLOWING:**

- **UPCOMING EVENTS CALENDAR,**
- **FUTURE BOARD AND/OR COMMITTEE MEETINGS, AND**
- **MEETINGS INVOLVING THE ATTENDANCE OF ONE OR MORE BOARD MEMBERS**

**Presenter**

Suzanne B. Scott

*Estimated Presentation Time: 10 minutes*

**Discussion**

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12.

**Information**

**CAPTION**

**ITEMS FOR FUTURE CONSIDERATION**

**Presenter**

Suzanne B. Scott

*Estimated Presentation Time: 5 minutes*

**Discussion**

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13.

**Information**

**CAPTION**

**NEXT MEETING DATE**

**Presenter**

Ms. Baiamonte, Committee Chair

*Estimated Presentation Time: 5 minutes*

After brief discussion, the next Fiscal Committee meeting date will be determined.

**Discussion**

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**Fiscal Committee**

**14.**

**Date: 04/12/2010**

**Adjourn**

**Submitted By:** Linda Whitaker, Technical  
Services

**Division:** Technical Services

**Department:**

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**Information**

**CAPTION**

**ADJOURN**

**Presenter**

Ms. Baiamonte, Committee Chair

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