

1. As a member of Council, please share your view on the role of debt in financing city improvements.

I think debt is a crucial component regarding financing city improvements. Of course, it depends on the type and scale of the project. If we're able to get something done without raising debt, I would be in favor of pursuing that option first. However, some projects have the scale and capital requirements where it's best to use debt financing to allow the project to get done more quickly and to the benefit of the city. I strongly advocate for responsible use of debt so that we have strong financial leverage and aren't over-weighted. I'd also look to ensure our economic environment and state of the city creates a responsible atmosphere for the use of debt. We are in a great economic climate with low interest rates, rising property values, and future development to help support the use of debt to maintain our current responsible debt levels. It's not crazy to think we can use debt to fund project across the city more quickly and absorb the debt through a reduction in non-bond obligated general fund tax rate reduction to maintain our growth so our residents don't feel the pinch.

2. In your opinion, when should the city use a Certificate of Obligation?
In your opinion when should the city use General Obligation Bonds?

Simply put, the city should use certificates of obligations in cases of emergency where we're in a time sensitive crunch and need to respond immediately for the wellbeing of our city. There are many circumstances, but it should be a situation that would negatively impact our city or a response to a disaster where we need to use funds immediately to rebuild/stem the tide. General Obligation bonds should be used for quality of life issues and capital improvement projects where the useful life of the project is beyond the life of the bond. Further, we need to be financially sound to ensure we can generate enough revenue to manage our bond obligations.

3. Do you believe our city will have to issue more debt for capital projects in the future or is this it?

I'm sure that at some point in the future we will have to use bond funds to support more projects. Now, when that will be, I'm unclear. The use of bonds going forward will depend on the scope of the project, how much is needed, how does our balance sheet look, how's the economy, and do we have enough funds in the coffers to cover it without raising debt while maintaining healthy reserves. As I stated earlier, I'd rather use current tax revenue to fund projects, but sometimes it makes more sense to use debt.

4. Council members have discussed scheduling the sale of approved bonds over a period of years. This would use increases in property tax revenue to fund the debt, making a

tax rate increase unnecessary. But this method has some downsides. First, as the west side needs more city services, these will have to be funded out of increased revenue limiting the amount available to fund debt. Second, if Council insists on funding debt by not increasing the tax rate, it precludes future capital projects that may need bond funding to be built. This scenario puts us back in a "pay as you go" mode, which has been the city's default position for decades. Can Farmers Branch be a modern competitive city if we are not willing to increase our tax rate for needed improvements?

Pay as you go is the reason that our city is playing catch up to many other communities in terms of development and the areas we're looking to build out. Using current tax revenue from our steady tax rate, we've already started paying for city services on the west side. Hopefully, through responsible growth and oversight, we'll be able to responsibly cover those increased services to have more funds to use for future capital projects and reinvestment in Farmers Branch. The opportunities ahead of us will have future generations looking back on this era as the most formative and advancing change in this city since the '80s, and will be a real turning point in our history. Our goal is to absorb these costs, but, as mentioned, using debt is a mechanism to help speed up the redevelopment and reinvestment in our blighted commercial areas. The opportunity to help build areas for entertainment, culture, and community are few and far between, and we need to be mindful of the impact we can have to build out the areas our residents have been clamoring to have for years. As older bonds fall off our obligations, we should look to recycle those funds responsibly to continue our growth and advancement in building a progressive, forward-thinking community that has the future in mind.

5. In recent study sessions the Council has discussed the option of charging user fees for "amenities" like Park & Rec and Senior Center activities, events and library. Isn't that why we pay taxes? Should some level of amenity be included in the taxes we pay? Do you feel that this nickel and dime strategy makes our city less competitive and less attractive to potential residents? If not, why not?

I don't believe that we are nickeling or diming anyone. The idea of considering potentially charging at some of these events and centers is due to the number of non-residents that take part in these events. I'm all for our residents getting their events for free under the status quo, because, you're right, the funds to pay for these items come from the tax payers. I do believe that a philosophical discussion is needed to outline what we consider an amenity, what that amenity should cost, and how we can manage our cost to ensure we're not out of line operationally. There needs to be a stated capital improvement program that ensures we don't steal funds from other buckets to cover irresponsible programs/initiatives, but that is something we can do more responsibly going forward. This will help ensure our cost within a reasonable level considering inflation, but also that we're providing great facilities and services for our residents. Some costs have greatly risen the past few years, and our council is focused on understanding the cause, and how we can ensure we're responsibly operating these facilities while not creating a decrease in service.

6. Why are these 3 propositions priorities for the city at this time?
How can residents be sure that the bond monies will be used for the exact projects in their description? i.e. That the trail money will be used to build out the trails in the central area instead of toward trail projects on the Westside or Eastside? How is this done especially as council members change out over time?

These are three areas that are aimed at providing areas and opportunities for current residents to enjoy and future residents to consider moving to Farmers Branch. Building out our trail system is something that is offered in most communities that is absent from Farmers Branch. Further, the buildout of the DART station area will help create a destination area for our residents and non-residents alike to live, work, play, eat, and be a stronger community; however, there are areas that need help where we can make an impact to allow developers to create the places we desire. Yes, infrastructure should be on the developers, but there are other ways where we can impact development for the greater good of Farmers Branch. I believe the council's intent on the neighborhood revitalization and demo/rebuild is to reconsider stronger incentives for \$100,000 or less homes and to use the funds only in areas that were outlined in our neighborhood study that indicated where our dollars would be best used. Brookhaven, Valley View Estates and Branch Crossing don't need any additional help. The others do need a spark though, and this is the vehicle to do it. Further, you see the greatest return on your dollars from these investments in terms of the growth of our tax base, that hopefully, leads to a strong reduction in the tax rate in the near future. I foresee adding a second mechanism for renovations that will allow this project to complement the neighborhood revitalization and demo/rebuild program. There are some items to work through, but it would be a strong two-pronged approach to help revitalize our neighborhoods while maintaining some moderately priced homes for younger families looking to move into Farmers Branch.

Assuming that we as a council will not use the funds as directed assumes you don't trust us with the money to do the things we've discussed doing for the city. I personally feel that I have the city's best interest in mind and only want to sponsor programs that will provide for our residents and the city. I assumed everyone who voted for me felt that this was the case and that you all trusted me to get our objectives done. I have great faith in this council and our team. We're mostly all on the same page and headed in the same direction. Do we differ on a few things? Yes, but, more often than not, we're aligned in how we're going to move this city forward. Our residents can expect exceptional results over the next few years, and this is the first step in helping us accomplish our goals. I wouldn't speak out in favor of these bonds if I didn't feel that we would use these dollars responsibly for the betterment of Farmers Branch.