

## STATE OF TEXAS

### COUNTIES OF POTTER AND RANDALL

### CITY OF AMARILLO

On the 12th of October 2022, the Heritage Hills Public Improvement District (PID) Advisory Board met at 2:30 PM in Room 275 on the second floor of the Jim Simms Building, 808 S. Buchanan, Amarillo, TX with the following people present:

| VOTING MEMBERS | MEMBERS<br>PRESENT | TOTAL NO. MEETINGS<br>HELD SINCE<br>APPOINTMENT | TOTAL NO. MEETINGS<br>ATTENDED SINCE<br>APPOINTMENT |
|----------------|--------------------|-------------------------------------------------|-----------------------------------------------------|
| Perry Williams | No                 | 14                                              | 6                                                   |
| Seth Williams  | No                 | 14                                              | 12                                                  |
| James Bentley  | Yes                | 14                                              | 13                                                  |
| Aaron Johnson  | Yes                | 10                                              | 10                                                  |
| Tolk Persons   | Yes                | 4                                               | 4                                                   |

#### CITY OF AMARILLO STAFF:

Justin Oppel, City of Amarillo  
Devin Jones, City of Amarillo  
Leslie Schmidt, City of Amarillo  
Trae Kepley, City of Amarillo

#### OTHERS IN ATTENDANCE:

ITEM 1: Approval of the August 10, 2022, Heritage Hills Advisory Board minutes.

Tolk Persons moved to approve the minutes as Written. Aaron Johnson Seconded. The motion passed unanimously.

ITEM 2: Discuss and Consider Phase 3 of landscape improvements

James stated that in the last meeting they had brought what was designed for the Phase III, and in that discussion the board had requested that they add the North common area island, so they added the irrigation and landscaping, and the sign that would go in that area. They also included the lighting. He stated that they just closed the last phase the week prior, and the lighting looked great, and they had gotten positive feedback. So, they would be going with the same light, and the same distance apart. He stated that the light had gone up since they had last spoken and was about \$100 more per unit than they were estimating for at the last meeting. He stated that they did the boring already in Phase II so they wouldn't have to worry about that in this phase. James then discussed the full scope of Phase III and showed the board the full area that Phase III would be addressing. There was some discussion to clarify these boundaries, and the installations going in as far as fencing and lighting.

James did explain that they would be retrofitting the rest of Phase I to bring it up to the same

lighting as Phase II. He stated that the full project would include 122 lights and would come out to about \$175,935. He stated that at the last meeting they had estimated the cost to be around \$750,000 for Phase III, and he felt that was very close, and that they had requested the bond for \$1.25 million to give them a little bit of cushion for the cost. James also stated that they only had about 8 more common areas to develop. Aaron asked if there would be more development on the East side, including an entrance. James stated that they don't own that property, so there was not a plan for that. James also stated that they accounted for the things that needed to go through a change order before, like updating to the correct controllers, and including the concrete work.

Tolk moved to put these specifications out to bid. Aaron seconded. The motion passed unanimously.

ITEM 3: Discuss ongoing PID operations and maintenance

Justin handed this item over to Tolk to discuss. Tolk stated that he felt that there was some confusion but after discussing with Floyd, the City had determined that they had no maintenance contract. He stated that he'd been told there was an expedited contract process that would take about six weeks. Trae asked how much the contract would be for. Tolk and stated that they were unsure. Aaron stated that they had a line item for it currently, but W Real Estate was currently managing the maintenance, and they were not doing a good job of that. Trae stated that this was typically a 90-day process. Tolk stated that Floyd had mentioned an expedited process for a short-term solution, to protect their investment. Trae stated that if it were under \$50,000 per year, they could be more flexible on that timeline. Tolk stated that it was to do a short-term contract to reestablish maintenance so that they don't lose the assets that they currently have. Leslie asked if it would be over \$50,000. Tolk stated it should not be. Justin asked if a contract could be done for six months, or if one-year was the minimum. Trae stated that usually they did a one-year contract, but a contract was a contract, and he would defer to legal on that answer. Tolk stated that what he was looking at was a short-term contract for six months, no longer, so that they could get people working on this faster, and then go through the typical process for a longer-term contract, but they needed to do something to stop the bleeding for now. He stated that he had developed his own set of bid Specs from the Colonies and Greenways to develop what they might need. Aaron asked who W Real Estate reported to, and what their specs were and what they were supposed to be doing. Justin stated that was the issue, that there was no contract with the city. Aaron asked what entities were a part of the contract. Justin stated that they had two contracts going on, and both the landscape and the management contract did not have the city involved. Aaron asked how that happened. Justin stated that current staff didn't know as it was before their time. Leslie stated that if they were using private money, that they could go out and hire whoever they wanted, but with public money, it had to be contracted through the city.

Justin stated that when he and Devin came on, they were receiving invoices from the Landscape Company, and when looking for the terms of that contract, they reached out to W Real Estate, and that contract was between the Developer and W Real Estate. He stated that it was largely speculation, but that contract was put in place excluding the city, but the invoices were sent into the city and processed. He stated he didn't know why that occurred, but as soon as they became aware of it, they put in a stop payment, as they can't legally pay that without a contract. He also stated this was why they were looking into an expedited contract, as they currently are without a landscape maintenance contract. He then went on to discuss the management contract, which was also between W Real Estate and the Developer and

excluded the city. He stated that this was why he wanted to get legal and purchasing in the meeting to help with guidance for the situation. He asked if they would be considering this a professional service in which they would be able to select their management company like what was done with Colonies and FIMC without the bid process. Leslie stated that it depended on what the board wanted to do. Tolk asked what those other entities did. Justin explained that the Landscape Maintenance Company performed the work and submitted that to the management company, and the way the contracts were written, once the management company approved the work as satisfactory, and submitted it to the city, the City paid the invoice. He stated that in one of the other PIDs that did not have a management company, the invoices were all sent to one of the board members, and she approved it, and that was when the City would send payment. He stated that if the landscaper was doing subpar work, the management company could state that it needed to be fixed before payment would be made. Tolk verified that if the board chose to name a member to verify that work, they could. Justin confirmed this information. James asked if that meant a board member would be acting as manager. Tolk stated that it would be just a designated representative. Leslie and Trae both stated that they would not recommend that. Justin stated that the PID's that do this are typically smaller ones with about twenty-five lots. James stated that he felt that would probably need monetary reimbursement. Tolk was just making sure that he understood. Justin explained that for the other PID, this board member did it pro-bono as it was a retired community.

Aaron verified that the city does not currently have a management company contract. Justin stated that was correct. Aaron asked if the management company was able to hire and fire landscapers at will. Justin stated that the landscaper would need to go through the City purchasing process, since public funds were being used. Leslie stated that they could continue to have the management company so long as they didn't use city funds. She stated that the HOA basically is the manager. Justin stated that if they did not want to go through the city processes, they would be able to have the HOA hire the company to do the work, so long as they used HOA funds for it. James asked if W Real Estate was submitting for PID funds. Justin verified this. Aaron stated that there were no HOA funds, because the dues were around \$40 a year. Tolk explained that it would be lowering the PID assessments and raising the HOA dues. Tolk mentioned that without a management company, they wouldn't be able to verify the work of the landscape companies. Justin confirmed yes, without a designee on the board that was correct. James verified this was maintenance not improvements. Aaron verified that they would have to put both out to bid. Leslie stated that they would both have to go through the procurement process. Tolk asked if they could just identify someone they wanted. Leslie stated that they would have to get three bids and go through the purchasing process. James had some concerns about bidding it out for the management company, and Leslie clarified that she wasn't saying bids specifically, but three estimates through purchasing. Tolk clarified that for an RFQ they wouldn't be held to choosing one of them, they simply requested a quote for it. Trae stated that if they could get him a scope of work, he could do an RFQ and put it out for solicitation, and they would evaluate it based on criteria, and they could negotiate a contract from there if decided on. There was some confusion between Amarillo staff, and the clarification was made that this was the way it needed to be handled.

Aaron asked if they would be required to take the lower bid and not choose the company they preferred. Leslie stated that if there were three estimates, and if they had a reason, they didn't want to take the low bid, like a poor experience with the company then they could explain that, and there were ways to work with it, it wasn't required to go with the lowest bid. Tolk checked to make sure that the turnaround time would be about three weeks. Trae stated that yes, they would post it to their website, establish an evaluation team, rank them, and he would compile

the scores, and then they could move on to contract negotiations. Tolk suggested they did three pieces for these bids. The first would be to solicit bids for professional services with a very limited scope of work, to evaluate ongoing PID maintenance, and authorize payment. The second would be a short-term, six-month contract for under \$50,000 RFP for landscape maintenance service to take care of their landscape for right now. The third would be the full formal bid process for the long-term maintenance contract. Aaron asked what the difference between the two timelines for the short-term bid and the long-term bid would be. Trae stated that anything over \$50,000 would have to go through the full 90-day process, but anything less than \$50,000 they had a little more flexibility. Trae stated that for anything under \$50,000 the board could either provide two to three quotes and purchasing could process them, or Purchasing could do a small informal bid, and put it on their bidding website and have it turned around in two to three weeks, and have it out long enough for the members to respond and get it back to them.

Tolk stated that if they could get someone working on their landscape by mid to late November, as well as the management company, then they could address the immediate need. He stated that would hopefully buy them 6 months to go through the full formal process for the long-term maintenance needs. Trae asked if they had any idea how much the short term would cost. Aaron asked if there was an actual from last year since they had a maintenance line for it. Justin pulled the information up to show. Aaron asked if that was for W Real Estate and for the maintenance. This information was confirmed. He stated that if they cut that cost in half it would be around \$25,000 so it would be safe to keep it under fifty thousand. He stated that with a full cost of \$55,000, and that including the management company fee, and it being the previous year, it would be safe to assume and set a limit for \$49,900. Trae stated that they liked to keep it around \$40,000-\$45,000 to be safe. Tolk asked if they could put that number out and see what they could get for that cost. Aaron stated that he didn't feel like that was a good idea, as if he planned on bidding \$30,000 but saw that \$45,000 on the table, he'd go for \$45,000. James also stated that he felt it was better to put out a bid and see what they would charge for 6 months of work. Tolk stated that what he was hoping to avoid was putting it out to bid and getting all the quotes back at over \$50,000 and having to start over. Aaron stated he felt the chances of that were very slim, especially since those six months would include the wintertime when maintenance would be slow. Aaron suggested that they make a movement, but he was not making one, to do all three at the same time, that way the 90-120 days was already started and ready by the time the short-term maintenance was up. Tolk asked if they would be able to word the long-term contract to begin when the to be determined short term contract was up. Trae stated that yes, they could, they would just need to change the language of the contract. James stated that he thought that the management contract was tied to the creation of the PID and the PID declaration. He believed that W Real Estate was included in that document. He stated that since that happened, the City has now required both of those to be put out to bid, and he stated that they hadn't had to do that before. Leslie stated that any time City funds are used, they need to go through the purchasing process. Aaron asked who the contact was with W Real Estate, and why couldn't they contact them to get things done. James stated that contact was Kolten Wilder with W Real Estate, and that he wasn't sure why it wasn't being done. He stated that the real estate side of it, including the management of both the PID and the HOA. Tolk stated that he only recently read through the petition, but he didn't recall seeing their name in that petition. James stated that he didn't believe that they were called out by name, but it lists 'the designated management company.' James stated that W Real Estate was designated as that management company prior to Tolk and Aaron both being on the board, and possibly even before James himself was. Tolk stated that it made sense in the early days, as there certainly couldn't have homeowners without homes, but it's been affirmed several times that they didn't

have any kind of executed contract, and in lieu of that, he felt their only option was to get estimates, and go through the process. He also stated that he can't get a hold of Kolten, he's called his cell phone several times, and he can't get him to answer his calls, so there was an issue there that has been ongoing. He went on further to state that if W Real Estate wanted to be a part of the process and put in a bid, then so be it, but he felt that they needed someone who was going to engage in the process.

The conversation was brought back to the proposals at hand, and Tolk asked what the standard length of a contract was. Trae explained that it was typically a year-long contract with an option to renew for two additional one-year periods. Tolk then reiterated for clarity with the board the three bids they were wanting to put out before officially making a motion. James asked about the specs to be used, and Tolk explained that he put together a list of specs using specs from both Colonies and Greenways as an example, and they were very thorough, and his followed suit. There was further discussion clarifying between the board what exactly was being suggested with the contracts.

James asked about the payment and how W Real Estate had been notified about the non-payment. He stated that he had called Kolten several times, and that the last time he'd spoken with him, he'd told Kolten that they wouldn't be able to pay those invoices. He stated that he tried to call him back to discuss further, and he hasn't heard back from him. James asked when the payment was stopped. Aaron stated that Justin had informed them of this at the last meeting. Devin stated that Kolten had held onto 6 months' worth of invoices and had sent them right as all this information was being found out about there being no contract. James stated that he wondered if the maintenance company wasn't being paid, if that's why they weren't doing any maintenance. Tolk stated that as someone who drives up and down Heritage Hills Parkway twice every day, there has been nothing done for months. He stated that none of the landscape has been maintained, and the sidewalks are overgrown and unmanageable. He stated that there are trees that were at one point staked and have since had the lines broken and are now leaning. He stated that he's seen a resident out mowing. Aaron stated that he's seen residents out there cleaning out flower beds. Tolk stated that he's also seen Mr. Ramirez out checking on his crew pulling weeds. He also stated that obviously the issue ongoing with W Real Estate is complicated, but his worry is with some of their ornamental grasses and landscape, if they're not prepped for the winter it's going to make a bad situation worse.

James stated that the reason he was asking about the payment was if it was stopped, then at some point they were going to stop doing the work. Devin stated that Kolten held onto paperwork for 6 months prior to sending it in. James stated that of course they're not going to continue doing the work if they aren't getting paid.

Tolk moved that they request quotes for a professional services contract with the scope of work limited to being a point of contact for any future maintenance contract and for the PID board. James suggested tabling that, because he believed it was too messy due to as far as the HOA and having a separate management company for the HOA and the landscaping for the PID, and he didn't believe that bidding a management company is required. Tolk stated that he felt it was necessary, because they needed to hire someone so that they could have someone functioning in the role as a lead for these maintenance contracts. James stated that he didn't believe that they were all on the same page as far as how the HOA is managed, and how the PID is managed. There was some discussion on this, and James stated that he would be fine voting to get a quote for a management company. Tolk stated that he had a motion on

the table and asked for a second. Aaron Johnson seconded. The motion passed unanimously for a Request for Quote.

Tolk motioned to do a Request for quote for a short-term maintenance contract for 6 months. James seconded; the motion passed unanimously.

Tolk motioned to put out a bid for a maintenance contract for the standard one-year contract with the option to renew for two consecutive years. Aaron seconded; James abstained. Aaron asked why he was abstaining, and James stated that it was a conflict of interest for him as it was a sister company currently handling the landscape maintenance. He stated that he understood why the board members wanted this, and he's not against it, just to clarify.

Justin thanked the board for direction and stated that staff would get started on that.

ITEM 4: Discuss future agenda items.

Tolk requested the next meeting be for reviewing the quotes for the short-term maintenance contract, and for the management company.

ITEM 5: Adjourn Meeting

With no further business to discuss, the meeting was adjourned.