



City Council Agenda Item Summary Report

Meeting Date: March 16, 2021

Submitted by: Jon Thatcher, City Attorney

Consent

Public Hearing

Action Item X

Item Title: Discuss and consider a Resolution approving a Management Agreement by and between the Fox Hollow Public Improvement District No. 1, initially through the authority of the City Council of the City of Forney, Texas, and Neighborhood Management, Inc. for the management the public improvement district known as the Maintenance PID.

How this item ties-in with the City’s Mission, Vision and Values: We understand that our responsibility is the effective and efficient delivery of service to our citizens; further, that policy decisions are to be implemented with diligence. [Accountable]

Summary Statement

The City Council has recently taken action to amend the bylaws of the Maintenance PID of Fox Hollow to clearly identify the fiscal year for the PID and clarify the election process and timing for the Board of Directors of the PID Board.

The original bylaws for the Board of Directors of the Fox Hollow Public Improvement District No. 1 (Maintenance PID) was approved by both the original Board of Directors and the City Council for the City of Forney on November 16, 2004. The original Board included the developer’s group for the residential subdivision.

The PID’s petition provides that the Board of Directors shall evolve over time and as the subdivision develops, giving more representation to the individual property owners within the District. Currently, there is not an active sitting Board of Directors for the District.

The Board’s membership after 75% development of the subdivision shall consist of 5 members, 4 of which are residential home owners within the District, while the 5th member is to be representative of the commercial areas within the District. The new Board of Directors will be selected at the next annual meeting that would be held during the third quarter of the newly defined fiscal year, being April – June 2021.

Currently, Neighborhood Management has provided management services to the PID to review invoices for the ongoing maintenance of the common areas for the subdivision. Under the proposed agreement, Neighborhood Management will assist the PID in the annual Board meetings and annual election of Board members.

In accordance with the Board bylaws and enabling authority, the Board has the authority to propose the annual budget and assessment rates to the City Council for approval. Further, they have the authority to approve all expenditures of PID funds in an amount less than \$25,000. All expenditures more than \$25,000 are to be approved by the City Council.

The management fee is \$8,400 per year, paid in monthly installments through the Maintenance PID funds. The Agreement contains an annual escalator of no more than 4% per year. Additionally, for any project in excess of \$5,000, the management company shall be paid 10% of the project costs, not to exceed \$2,000, unless otherwise approved by the Board, to cover the administrative and management labor associated with the individual projects.