



City Council
Agenda Memo

TO: Larry D. Gilley, City Manager

City Council
Meeting Date: 03/11/10

FROM: Mindy Patterson, Director of Finance

SUBJECT: FY 2009 Audit Report and FY 2010 Update

GENERAL INFORMATION

The Comprehensive Annual Financial Report (CAFR) for FY 2009 has been sent under separate cover. This audit report will be presented at the Council meeting on March 11, 2010. Some sections that you may wish to read are the Transmittal Letter (Tab 1), Management's Discussion and Analysis (Tab 3), Notes (Tab 5), and Statistical Section (Tab 9).

I will make a presentation of the report and Davis Kinard & Co. will provide their comments regarding the report and audit process.

After the CAFR presentation, I will provide an update of FY 2010.

STAFF RECOMMENDATION

Staff recommends acceptance of the CAFR for year ended September 30, 2009 and the incorporated Investment Policies.

Prepared By: Name <u>Mindy Patterson</u> Title <u>Director of Finance</u>	Item No. <u>7.1</u>	Disposition by City Council <input type="checkbox"/> Approved <input type="checkbox"/> Denied <input type="checkbox"/> Other Ord/Res # _____ _____ City Secretary
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**City Council
Agenda Memo**



TO: Larry D. Gilley, City Manager

City Council
Meeting Date: 03/11/2010

FROM: Jon James, AICP
Director of Planning & Development Services

SUBJECT: City Staff Presentation and Report on the 2010-2014 Capital Improvements Program.

GENERAL INFORMATION

No action or vote is required for this item at this time. It is a report and opportunity to receive comments, to answer questions, to respond to concerns and/or to obtain additional direction from the City Council.

The 2010-2014 Capital Improvements Program (CIP) is a five-year plan that identifies needed capital projects and coordinates the financing and timing of these projects. The first year of the CIP (2010) represents the City Manager's recommendation for the annual Certificate of Obligation (C.O.) sale, or Capital Budget. Projects scheduled for subsequent years are approved for planning purposes only and do not receive expenditure authority until they are part of the Capital Budget. The proposed projects range from constructing municipal facilities, parks, street and drainage improvements to public safety and traffic/transportation improvements.

The program began in October of 2009 with City Staff soliciting suggestions for projects from the public. This included web site announcements, a news release, print and broadcast media stories, a public hearing at the P&Z, and for the first time, an unscientific on-line survey. City Departments then developed project proposals. Department Directors narrowed the list of projects and issued a progress report to the P&Z in January 2010. In February, the P&Z approved the list of projects and forwarded them to the City Manager as their recommendation in accordance with the City Charter.

Significant Changes

One of the most significant impacts in this year's CIP is a downward trend in construction costs. Staff has adjusted cost projections for some road projects because of this decline. The savings have been used to accelerate some projects and to add others deemed significant for safety or essential for maintenance. A second trend this year is a reduction in the over budgeting of planned expenditures in the out years (year 2-5), of the CIP. In each year of the CIP, "funded" projects have exceeded projected CO availability since 2006 by approximately 3% each year. This over budgeting allowed some flexibility for cases of unexpected revenues or savings. In this year's CIP however, Staff has been more conservative. Planned out year expenditures in the 2010 CIP have been reduced to .35% below projected CO availability.

Capital expenditures not in the 2010 CIP include American Recovery and Reinvestment Act (ARRA) funding, Airport Improvements, and G.O. Bond expenditures. ARRA and Airport funds were not included in the 2009 CIP. G.O. Bonds from the 2006 election will be reviewed and approved individually this year as the City completes the 2006 program.

FUNDING/FISCAL IMPACT

Certificates of Obligation for \$1,400,000 can be funded within the current certificate debt tax rate policy of 10.7¢. Water and Wastewater projects of approximately \$31,550,000 are proposed over the next 5 years. Water/Wastewater projects are enterprise fund projects capitalized primarily through utility rates. No increase in the debt tax rate will occur because of issuance of certificates of obligations (C.O.'s) if approved as recommended.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission conducted its final public hearing on February 1, 2010 regarding this item. No members of the public were present or spoke at this meeting. The P&Z unanimously recommended (5-0, 2 members absent) the proposed CIP to the City Manger as presented by staff.

STAFF RECOMMENDATION

None at this time. Staff will respond to any questions/comment/concerns as appropriate. Barring any significant modifications, Staff anticipates a final public hearing and vote on this item on March 25, 2010.

ATTACHMENTS

CIP 3-Ring Binder (Includes CO Project Summary "Funded List" & "Unfunded List")
Changes from 2009 CIP

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Report Prepared by:

Name: Edward S. McRoy

Title: Assistant Director.

Planning and Development
Services

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Disposition by City Council

- Approved Ord/Res# _____
- Denied
- Other

City Secretary