

S P E C I A L W O R K S E S S I O N

NOTICE OF MEETING
OF THE
MAYOR AND CITY COUNCIL

TO BE HELD

DECEMBER 10, 1982, at 3:00 P.M.

in the


BASEMENT CONFERENCE ROOM - CITY HALL

AGENDA

1. Call to Order.
2. INVOCATION: Councilman A. E. Fogle, Jr.
3. Discussion of Abilene's TV Cable Franchise.
4. Discussion of Lake Fort Phantom Hill annexation proposal.
5. Discussion of the Floodwater Management Study and Alternatives.
6. Discussion of a possible FAA installation in Abilene.

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of Abilene, Texas, on the 6th day of December, 1982, at 4:30 o'clock P.M.



CITY SECRETARY

The City Council of the City of Abilene, Texas, met in a Special Work Session, in the Basement Conference Room of City Hall, Friday, December 10, 1982, at 3:00 P.M., to discuss Abilene's Cable TV Franchise, the Lake Fort Phantom Hill annexation proposal, the Floodwater Management Study and Alternatives, and the possible FAA Installation in Abilene. Mayor Elbert E. Hall was present and presided with Councilman Julian Bridges, Councilwoman Billye Proctor, Councilmen Juan C. Rodriguez, A. E. Fogle, Jr., L. D. Hilton, and Councilwoman Kathy Webster. Also present were City Manager, Ed Seegmiller, City Attorney, Harvey Cargill, and Assistant City Secretary Kelly Beard.

The invocation was by Councilman A. F. Fogle, Jr.

Mr. Seegmiller introduced Mr. Richard Berlin, Manager of TV Cable. He said the City has met with staff from TV Cable about various matters, however, this is the first time the Council has ever met formally with someone from TV Cable about the franchise. He said Mr. Berlin has only been with TV Cable a short time and he was asked to meet with the Council to brief the Council about TV Cable's current system innovations and what the future holds for the City and TV Cable's innovations. (Mr. Berlin alternated between TV Cable and United Cable as the name of the company he represents

Mayor Fall said he was very interested in what Mr. Berlin had to say because the TV Cable franchise has never been discussed with the Council since the current members of the Council had been elected.

Mr. Berlin said Mr. Albert Scarborough, TV Cable's District Engineer, was in the meeting also to answer questions of the Council. Mr. Berlin said he had been in the Cable TV industry since 1974 and had worked in pay cable, MDS, commercial broadcast, and was the operations manager for Total television of Amarillo. He holds a Masters Degree in Business Administration from Tulane University in New Orleans. He said in May, 1964, the City adopted an ordinance granting a non-exclusive franchise to install, maintain and operate a cable television system within the City. The ordinance was accepted by United Cable and became effective for a 25 year period. Currently, United Cable is operating approximately 405 passed miles of cable television lines within the City limits. Approximately 40,350 homes and 28,342 residences have been served by cable. The system was upgraded from 12 to 22 channels in 1980. The United Cable Television Corporation is the parent company of United Cable Television of Abilene and is a multiple system operation which now owns and operates 40 cable television systems located in 18 states and provides services over 500,017 basic subscribers and 440,000 premium subscribers. United Cable also operates over the air as TV systems in the Cincinnati, Chicago, Dayton, and St. Paul areas. According to published industry figures, United Cable ranks as the 12th largest multiple system operator.

He said that throughout its history, United Cable Television has demonstrated the qualities of leadership, performance and commitment. United Cable built one of the nation's first cable systems in 1953 in Casper, Wyoming. United Cable still owns and operates that system. United Cable was the first television company to use a microwave transmission system in 1953. They provided the nation's first regularly scheduled news program in 1958 and the first weather service in 1962. United Cable was the first cable company to offer Home Box Office and ESPN. It was the first company to introduce pay service in the San Francisco Bay area in 1976. The latest head-in connections available are being tested in United Cable's Plainville, Connecticut system. A six mile strand of fiber optics not much larger than the diameter of a pencil has the capacity to carry more channels than cable and signals are transmitted without distortion.

United Cable has never forfeited on a construction performance bond for failure to construct a cable system on time and has never had an operating franchise revoked and has no history of litigation. During 28 years of constructing cable television systems, United Cable has developed safety and construction practices considered to be distinctly superior in the industry. United Cable constructed and operated the 8th largest cable system in the Country with over 1,700 miles of cable in Tulsa, Oklahoma. United Cable is presently building one of the largest systems in the Country in the Denver suburbs. When completed, it will cover about 2,100 miles of passed and serve over 220,000 households.

United Cable's 28 year relationship with several key suppliers has enhanced the buying power in tight supply situations. It warehouses \$2 million worth of equipment each month so material availability is better than most companies.

Nationally, only about 30 percent of all cable systems carry more than 12 channels. Systems offering 20 or more channels service 98 percent of United Cable's subscribers. Among the major MSO's, that is the highest percentage of newer technology systems and indicates both the financial capabilities and willingness of rate systems without being required to do so. The average number of basic subscribers in United Cable's systems is 12,000 while the industry average is 4,000. One of the nation's most sophisticated public access studios is located in United Cable's Lansing, Michigan system. Volunteers produce more than 10,000 hours of programming each year. The east Lansing system was nominated for 1981 Ace Award for excellence in community programming in the category of community involvement and programming.

United Cable has recently been awarded franchises in Oakland County Michigan, Sacramento and Montgomery County Maryland. Those three franchise areas contain more than 600,000 homes making the joint venture with the Tribune the industry's largest franchise.

Mr. Berlin said his goals for United Cable of Abilene are: 1) to upgrade the systems technically--he is proposing to replace old cable, upgrading the system to 30 channels, and adding another satellite dish to give an even greater programming supply. The project would cost about \$400,000. 2) Improve internal operations--streamline paperwork flow and increase productivity. For the past two years, plans have been made to modernize the TV Cable's facilities. The remodeling will cost approximately \$250,000. 3) community involvement--the annual Toys For Tots campaign is currently underway and has already raised \$1,499 for Goodfellow and \$1,470 for the NOAH Project. Also numerous toys have been collected for Goodfellow, Salvation Army and Dyess' Operation Warm Heart. He suggested a public access channel to be made available for productions of SingSong, sports, public school activities or available to every member of the community.

Mr. Berlin updated the Council on the copyright rate increases. The copyright royalty Tribune recently added a 3.75 percent charge against basic revenues for each distance signal carried by a cable system which was not grandfathered under the old rule. In Abilene, three such signal systems are carried--KXXIX, KVTV, and WTBS, two of which were grandfathered. He said it was possible the TV Cable will be subjected to an almost \$10,000 a month additional charge for carrying a third service, however, since TV Cable previously carried KMUC, their attorneys are of the opinion that they are entitled to a third signal without additional charge, therefore, because many subscribers enjoy the third signal, TV Cable will continue to try to carry the third signal. He said KMUC is an independent station outside of Dallas that went out of business, however, since TV Cable did carry KMUC, it is allowed to substitute it with another channel--WTBS which was the only channel left that was not grandfathered. He said TV Cable has great confidence that it will be able to have the three signals without incurring a great additional expense.

Mayor Fall asked who Mr. Berlin has contact with of the City Staff to talk over problems or information. Mr. Berlin said Mr. Seegmiller was initially contacted when he came to TV Cable--he has also met with Mr. McDaniel and Mr. Hawk. Mayor Hall asked if TV Cable has problems with piracy, disconnecting, servicing, etc. Mr. Berlin said piracy was a big problem because people tamper with converters or hook up the basic cable illegally, but hopefully, more legislation will help prevent the problem. Mayor Hall asked if SMAT was a problem in Abilene. Mr. Berlin said the Satellite Master Antennae Television was not a big problem in Abilene.

Mayor Fall asked what kind of regulation TV Cable was subject to. Mr. Berlin said there appears to be a misunderstanding that he has been informed by United Cable Television that the City has not indicated any desire to control converter rental rates or pay service rates. He said the franchise states that the service is regulated by the City. The misunderstanding probably lies in what is regulated and what is not. Mayor Hall asked if the City has regulatory control over the basic rates but not over converter rental or pay service.

Mayor Hall asked when TV Cable wants to have a franchise with an area or a city, do they compete with bids for that franchise and if those bids include a certain number of public channels, access, municipal channels, etc. Mr. Berlin said the large municipalities require those specific contents in a bid offer. However, in Abilene and other older systems, United Cable has been willing to upgrade from 12 to 22 channels and to provide public access even though it is not required under the current franchise.

Mayor Fall asked how could the City benefit from the United Cable's services. He also asked if there were other cities who used Cable's services for training, alert or security. Mr. Berlin said there are some experimental systems regarding security, banking from homes, etc., however those systems are purely experimental and have not proven to be viable yet.

Mayor Fall asked Mr. Berlin if he had ever worked in an area with an advisory board to the Cable franchise. Mr. Berlin said that he had never experienced an advisory board to a franchise.

Mayor Fall said the City was pleased with the United Cable system and hoped that the citizens of Abilene felt the same way.

Mayor Fall said the City has noticed where United Cable's trade association has been trying to remove cities from regulatory power and transfer that power to Federal authorities. Mr. Berlin said there were many cases in litigation currently stating that Cable should not be granted an exclusive franchise because it is violating the rights of people to have a choice of a different cable system. However, Cable is a natural monopoly in terms of using public easements and the general nature of the industry.

Mayor Fall asked if Mr. Berlin had ever been in a city where there have been two cable franchises. Mr. Berlin said he knows of a couple of cities where there are two cable franchises.

Mayor Fall asked if United Cable was sponsoring the bill in Congress that would transfer regulatory control to the Federal Government. Mr. Berlin said that was right.

Mr. Berlin suggested that Abilene contact other cities the same size and find out what problems those cities have had or receive information about specific services, rates, etc.

Councilman Hilton asked if the City has regulations regarding the installation of Cable, such as having wires go across from one building to another or having lines laid across lawns. Mr. Berlin said there are FCC rules that specifies the signal that is required at the set, and he said one of the major complaints Cable receives is that they do not leave much cable length at the hook up. He said one of the FCC regulations specifies that only a certain amount of cable can be left at the hook up. Councilman Hilton asked why a new hook up was used each time cable was installed into the same location. Mr. Berlin said that was unusual and anytime something out of the ordinary took place, just give him a call and he would investigate.

Mr. Albert Scarborough said cable television is regulated by the National Electric Code regarding installation, therefore, is part of the City's Code.

Mayor Hall asked if Mr. Berlin would provide a map or a plat of cable installations in the City's neighborhoods. He was concerned that the cable would only go where neighborhoods looking more likely to pay for it. He did not want to see part of Abilene neglected of cable service.

Councilman Rodriguez asked if the property owner requested cable service and a certain fee was charged for that service, could the property owner request an outlet in other rooms of his home. Mr. Berlin said that was possible but it would be an additional charge for each of the outlets--approximately \$4.00 per month. Councilman Rodriguez told Mr. Berlin of a situation where a family had two outlets, but were being charged the normal fee for two separate hook ups. Mr. Berlin said when a problem like that comes up to be sure and report it to him or the Staff at TV Cable.

Councilman Fogle said the Council would like to keep the lines of communication open with TV Cable and Mr. Berlin so if problems arise, solutions may be found promptly.

Mr. Seegmiller said the Staff and Council wanted to look at some alternatives to the annexation area so the proper documents could be prepared by January 13, 1983. The metes and bounds of the boundaries must be written and presented to the Council before action can be taken.

Mr. Seegmiller said originally the entire 12.5 square miles of land was considered, specifically the north western edge because of the water extension requests. He said the Staff presented the entire area to the Council for consideration to find out if it was sufficient to be annexed. So far, several property owners have voiced their objections to the annexation of the area, however, the responsibility for the citizens of Abilene requires the Council's review of the entire area. Therefore, the Staff reviewed the statistics of the growth, facilities, utilities, development, subdivisions, the make up of the land use, etc. He said the next time the Council reviews the area, much more growth and land use will be seen. He said the Council's purpose of considering annexation of the area was not to try to annex every piece of property available because that would cost the City valuable time and money servicing a large area. He wanted to inform the persons living or owning property in the proposed area that the services provided by the City would be services like those being offered in a like area.

Mr. Seegmiller presented a map depicting an alternative of the priority of the proposed area. Another alternative presented would simply annex into the City areas where the highest level of development is taking place which encompasses an area where the City's water line extends. A 1,000 foot section of property has been included in the alternative from the water lines on the western edge of the proposed area along with a small section in the northeast portion of the area. Also, a portion in the southern section of the proposed area would be included in the alternative. However, he said the Council may not want to include the property on the southern section of the area, because water lines extend to three persons in one of the southern sections.

Councilman Hilton asked where the property was located that the owner requested the City annex. Mr. Brad Stone, City Planner, indicated on a map the location of Mr. Truett Lambert. Mr. Lambert's 1,400 acres are located in the southern section of the proposed area.

Mayor Hall asked if the alternative was to annex only the areas with existing water ties. Mr. Seegmiller said that was the purpose of the alternative and the area along the water line would be the only portion annexed. Mr. Cargill said by annexing the areas served by water along the western edge of the Lake, the northeastern edge of the Lake and the southern section of the area (the alternative area), the question of similarly situated would not apply because those areas not included in the annexation would not be on the water line anyway.

Councilman Bridges asked if the Council were to annex all of the gold-colored areas indicated on the map (the alternative area), the Council would include everyone currently being served by water. Mr. Seegmiller said that was correct.

Mayor Hall asked if someone were to request water in the excluded area of the annexation, would that someone be able to say he was similarly situated. Mr. Cargill said that currently, if the Council annexed only the gold-colored areas (the alternative area), there should be no way the question of similarly situated would apply because no one is being provided water service in the excluded area.

Councilman Hilton suggested annexing the gold-colored areas plus the City owned area in the southern portion of the proposed area and the acreage owned by Mr. Lambert.

Mayor Hall asked if the annexation area had to be contiguous. Mr. Cargill said it does have to be contiguous, but it is contiguous with the current City limits.

Councilwoman Webster asked if by annexing the southern portion of the area and subsequent development occurred, would that create problems with the lift station. Mr. Seegmiller felt it probably would create some problems. Mr. Hargeshimer, Director of Water Utilities, said in the future when the population becomes more dense, the problem with the lift station could be solved but at a great expense--probably \$7 or \$8 million.

Councilwoman Webster asked if a subdivision was developed in the southern portion of the area, would the City be able to service it. Mr. Lee Roy George, Director of Planning and Community Development, said Quail Valley already abuts that portion, so it should be no problem to service it. Mr. Brad Stone said Mr. Griffith owned the property on the west side of FM 2833 and Mr. Max King owns the property on the east side of FM 2833.

Mayor Fall asked if the alternative area was the area 1,000 feet along the water line. Mr. Seegmiller said that was correct. Councilman Fogle said the 1,000 feet could be measured from the right-of-way line of FM 600 (FM 600 runs parallel to the water line). However, there have been a few places where the 1,000 feet boundary has been extended to include some areas that have been developed.

Councilwoman Webster asked where the water line was in relation to FM 600. Mr. Seegmiller said the water line parallels FM 600.

Councilman Rodriguez asked how the northeastern portion received water. Mr. Seegmiller said the City serves the area to a point in the southwestern edge of the portion.

Councilman Bridges asked if Mr. Lambert, the property owner who requested annexation, was currently being served by City water. Mr. Seegmiller said he is not being served water presently.

Councilwoman Proctor said she got the impression that Mr. Lambert wanted to develop his land. Mr. George said he thought Mr. Lambert was using the term subdivision to mean 5 to 10 acre lots.

Mayor Fall said if the alternative area--the gold-colored area on the maps--was what the Council wanted, then, the Staff needs to provide the Council with the appropriate metes and bounds so the Council may consider the area on January 13, 1983.

Councilwoman Webster said it would be difficult to accomplish the main objective of the Staff and the Council (the annexation of property with water service) if the alternative area was condensed any further.

Councilman Hilton said by annexing the alternative area it would allow the City to refuse water service to others and not have the similarly situated problem.

Councilwoman Webster asked why a small piece of property was tacked onto the alternative area between FM 1082 and FM 600. Mr. George said the City limits were on the north and south side of the property and it is owned by the City and purchased for the Clear Fork Pump Station.

Councilman Rodriguez said he realized that one of the main reasons the City is considering annexing the Lake Fort Phantom Hill area is to have some control over the development, however, he was also concerned that after the area is annexed, the City may not be able to provide the proper service. Even if the proposed area was reduced to just the alternative area, he felt that the City would not be able to service it. Also, he felt that the Council should consider again the possibility of annexing the property owner who wanted to be annexed. He suggested finding some other alternative for solving the water service problem without annexation.

Mr. George said the Staff considered using contracts. However, the City has found that it cannot obtain the kind of controls necessary dealing with building, plumbing and electrical problems by contract. So far, that would be the only other alternative.

Councilman Bridges asked Mr. George if he thought there would be additional requests for water service in the proposed area. Mr. George said he was sure there would be additional requests for water service and probably other services also.

Councilman Rodriguez asked if the City had problems in the area because of the issue of similarly situated property when the City first started allowing the extension of water lines outside the City limits into the area. Mr. George said when the lines were initially extended, the issue of similarly situated property never came up. Only since about 1978 or 1979 has the City worried about when and where to extend water and establishing some type of policy for water extension.

Mr. Seegmiller said at a previous Council meeting, the Staff recommended the denial of water service outside of the City limits in the Tye area. However, the Council directed the Staff to not allow the water service.

Councilman Rodriguez asked if it would be possible to change the policy of allowing water extensions to not allow water extensions outside the City limits. Mr. George said, unfortunately, that is what the City would like to do in the Lake Fort Phantom Hill situation. Mr. Cargill said Abilene was not alone in the problem of similarly situated. When the City extends water service outside the City limits, it is almost the same as creating a water supply corporation. The City must supply customers under those circumstances. The City of El Paso tried to change a policy of allowing water extensions outside of the city limits. However, because of the similarly situated rule, other persons were allowed water outside of the city limits.

Councilwoman Proctor asked how a person would be able to require the City to furnish water if located outside the City limits. Mr. Cargill said if that person is similarly situated with someone else receiving water, then the court would force the City to furnish water to him.

Councilman Rodriguez asked exactly how much development has been recorded in the area and if the Staff could predict what the growth would be like in the next few years. Mr. George said there was really no way of collecting growth indications, because building permits are not issued outside of City limits nor are other permits, etc. Mr. Brad Stone said approximately 1/3 of the housing in the area is made up of mobile homes. He said development trends of the area has never been recorded.

Councilwoman Proctor asked how many requests for water service has the City received along the west water line within the last year. Mr. Hargeshemer said only one person received water service since the moratorium. He said only about 5 to 10 have actually requested water service in the last year. The moratorium was set sometime in 1979 and since that time, the Staff has told persons requesting service that the City is no longer providing water service for property outside the City limits. Normally, the Staff never receives a second response from those persons.

Councilwoman Proctor asked what moratorium Mr. Hargeshemer was referring to. Mr. Cargill said the moratorium was basically just a policy that the Council established sometime in 1978 or 1979. Councilwoman Proctor asked when El Paso had the problem with the similarly situated issue. Mr. Cargill said that happened in 1978, but Texas law has stated the similarly situated rule for many years. Councilwoman Proctor asked why the issue of similarly situated has not come up until this time. Mr. Cargill said the City had not been aware of what its needs would be in the future regarding distribution, operating costs, shortages, etc., until recently. Mr. George said until 1979, the Staff had not been requesting the Council's input for land uses, development, growth, etc. Mr. Seegmiller said in 1979, the City's engineers gave the Council an idea of how much water the City had and how much capacity the City had for water storage. Also, the engineers revealed that sources of water the City had always assumed was for its use had really been dedicated for obligation outside the City. The Council at that time decided that it was time to stop the rampant growth and water use otherwise the City would have to find other sources of water for itself and the other water corporations it supplies. That is how the moratorium came about. However, at the same time, the Council realized the rule of similarly situated applied to most water requests. Most of the growth and development has occurred along water lines, therefore, the Council has studied the possibility of annexation in those areas. At one time, contracts were

used so annexation would not be necessary, however, after further research contracts were not found to be the answer.

Mayor Fall said evidently the City thought water could be provided to outside areas, but it has found that water cannot be provided outside the City limits. He said the only alternatives that the Council has is to either annex the area or allow water service outside the City limits. He said he would like to see the Council handle the problem by doing the least.

Councilwoman Webster asked by annexing only the gold-colored area (the alternative area) would the Police Department or other City departments providing service still have a problem with where the City limits are. Mr. Seegmiller said the alternative area should be much easier to determine where the City limits are.

Councilman Bridges asked if the City provides water to the Hamby Water Supply Corporation or to the Hawley Water Supply Corporation. Mr. Seegmiller said yes. Councilman Bridges asked if that fact would be an incentive to consider annexing those areas. Mr. George said those water supply corporations have contracts with the City and in those contracts, certain things are specified. He said the supply corporations have to meet the City's subdivision regulations, therefore, a certain amount of control is obtained over the supply corporations.

Councilman Hilton asked if the property owners receiving water from supply corporations were limited to a certain amount of water they could receive. Mr. George said the property owners are limited to a certain size lot; they could not have commercial lots, extensive residential, nor can a certain number of residences be served. Primarily supply corporations are used to supply rural type developments.

Councilman Bridges asked if the City had more control over development with supply corporation contracts than it does over the development around the City's own water lines. Mr. George said the City probably does not have as much control over development with supply corporation contracts because any time control is tried through another entity, it usually develops into a problem. He said even though the City's water lines may extend outside the City limits, persons developing still have to submit plats to the City rather than those persons having to go through a water supply corporation. Otherwise the City would have to rely on the supply corporations to tell those persons about certain City codes and ordinances they must comply with on those water supply corporation lines. Mr. Seegmiller said the City's lines have been built to deal with insurance problems, have more pressure and more extensive development may be expected than can be expected in the rural supply corporations. Mr. George said in order to receive water from a supply corporation, a person would have to go to the water supply corporation, however, in order to receive water from Abilene, the person would have to go to the City.

Mr. Cargill said the public hearing will be held on January 13, 1983. That is the last public hearing and the date of final action. There are no other scheduled meetings between this meeting and the public hearing.

Mayor Hall asked if the Staff could get the alternative plan ready for Council's action. The other Council members agreed that the alternative plan should be considered at the public hearing. Mr. Seegmiller said the field notes would be provided to the Council of the gold-colored areas (alternative area).

Councilman Rodriguez asked if the Council decided on the alternative area, would that cause the service plan to be changed. Mr. Brad Stone said the basic services would be provided---just on a smaller scale.

Mayor Hall asked if the service plan was sort of a contract on the part of the City to perform certain services. Has the service plan been prepared for those people affected by the annexation or to give the City an idea of the costs that will be expected. Mr. George said the plan will give the affected property owners an idea of when and where those services will be provided. Mayor Hall asked if it were possible to change the service plan just enough so that it would be more specific. He felt that the plan may promise more than the City intends to provide.

Mayor Hall said he did not want to annex any more than the alternative area provided.

Councilman Hilton said he thought it would be a good idea to go ahead and have the Staff develop the field notes and other documentation necessary for the Council to review on the alternative area. He said he would consider annexing less if it would solve the water problem. However, there has been no other solution.

Councilman Rodriguez said he would also like to review the alternative area.

Councilman Hilton said the area has been cut down and there should be a reduction in the services anticipated. Mr. Seegmiller said many services are already in place, such as fire protection, police protection, parks, water, etc., and most of the time City employees use FM 600 as a route.

Councilman Rodriguez said even though services have been provided to the area, the property owners living there say the services have been very poor. Mr. Seegmiller said the City has never offered those services--those services have just been there outside of the City limits. He said there are areas that are in the City limits on the edges of Lake Fort Phantom that are being provided with services yet those services have been poor. He said that was a topic the Council would have to discuss at a later time. He said some of that property around the edges of the Lake belongs to the City and the Council will need to decide what to do with that property--sell it, lease it, etc. He said development is expected around the Lake--it will be more cost effective to take care of some of the services now with annexation than to wait until development has already taken place, then try to provide services.

Councilwoman Webster mentioned that annexing the area around the Lake and providing services for that area will take a long time and the Council and property owners needed to realize that few services will be implemented in a short time.

Mr. Billy Vinson, a property owner, mentioned several things he felt the Council should consider: 1) The water line has been in the area for over 25 years. That should tell the Council how little the area has been growing. 2) He asked that if only 1,000 feet of his property is to be annexed, he wants all of his property to be annexed. 3) He also felt that the City would not be able to furnish any of the services it will be required to after annexation. 4) He would also like to see a voting box placed in the area. 5) The roads will probably not be improved or maintained. 6) Finally, property owners would have to get an oil permit from the City.

Mr. Roy McDaniel, Assistant City Manager of Fiscal Resources, presented the financial plan and course of action to the Council regarding the Floodwater Management Plan. Mr. Seegmiller said the recommendations from the Finance Committee of the Floodwater Management Task Force included a course of action that the Council needs to review. He said this year in the operating budget, the Council approved several hundred thousand dollars in equipment and manpower to begin a more aggressive cleaning program. The Staff is in the process of purchasing that equipment and hopefully by spring the equipment will be available for implementation. The cleaning program will then follow the guidelines the Committee recommended. He said the Committee's recommendations included financing the project through bonds. He said the Council may decide to combine the Floodwater Management Plan with other capital project needs at the same time in one bond package for perhaps a 5 year plan or a 10 year plan.

Mr. McDaniel said basically the Committee recommended an ordinance to set out future growth in the floodway areas, certain capital and physical improvements to stream channels to alleviate the present flooding problem and a first phase involving a 25 year flood protection that will take approximately 11 years to achieve based on the maximum amount that the City could finance on its own. He said the Staff has tried to update the 1982 Capital Improvements Plan that the Planning & Zoning Commission approved last summer and included the first phase of the Floodwater Management Plan. The Floodwater Management Plan is an 11 year plan where the rest of the CIP is a 5 year plan.

Mr. McDaniel said the entire list of CIP projects and the Floodwater Management Plan totals \$58 million. All but \$28 million (Floodwater Management Plan) is proposed over the next 5 years. The \$28 million has been proposed for an 11 year period. The recommendations of the Floodwater Management Task Force totaled \$44 million for an 11 year period. Those recommendations were based on the City's ability to issue up to \$4 million a year indefinitely. He said the Council will need to decide if it wants to stretch the period of time out to cut the amount down.

Mr. McDaniel said all of the Staff's projections on tax rates and sale dates involving the \$44 million previously mentioned involved an August, 1983 sale date. If an August, 1983, sale were scheduled, the bond election would have to be held sometime by late May or early June in order to allow the time to sell in August. If the sale were scheduled later, around November, that would cause no problem for the Staff, however, to schedule the sale forward would mean running the risk of the bond sale interfering with the City Council election in April or the annexation issue. He said under the new law, the Tax Reform Act, requires all tax exempt bonds to be sold in a registered form as opposed to the present barrier form. Therefore, the cost will be higher in interest rates and issuance costs plus additional costs in house can be expected to keep up with the additional requirements. The Tax Reform Act is scheduled to be in effect January 1, 1983. The Staff has been exploring the possibility of trying to get that part of the law repealed.

Mayor Fall asked if the CIP projects could be presented separately. He asked if some of the bridge requirements came from the Floodwater Management Task Force's recommendations. He asked if the bridges listed on the CIP projects were different than those recommended by the Task Force. Mr. McDaniel said the streets and bridges listed on the CIP projects are different from those recommended by the Task Force. He said those improvements involve plans to pave all gravel streets within the City limits, the rebuilding of certain streets, to widen certain streets, to rebuild or widen certain bridges, etc.

Mayor Hall asked if the CIP projects list was a consolidation of the capital improvements scheduled that is kept current each year. Mr. McDaniel said the CIP projects list is an update of the plan approved by the Planning & Zoning Commission last summer, plus items that have occurred since that time, such as the work involved around Hwy 277 and Arnold Boulevard area.

Mr. McDaniel went over the list of the prioritized projects on the CIP project list. He said the 10th item, T & P Railroad Crossing Improvement, will be the first project involving a future bond sale. He said there are a few items listed that were considered in the 1979 bond sale and turned down.

Councilman Fogle asked if a feasibility maximum had been placed on the bond issues of \$44 million. Mr. McDaniel said the \$44 million would be stretched over an 11 year period and that maximum had been based on an approximate average of \$4 million per year. Councilman Fogle said previously the projects other than the Floodwater Management Plan had been estimated to be \$16 million, however, the projects now total \$29,850,000. He asked if the City could or could not afford the \$58 million bond package. Mr. McDaniel said the City could afford the \$58 million and pay for it in several ways. The Floodwater Management Plan of \$44 million had been developed with several assumptions in mind--the City did wish to maintain its good, high credit rating--the City would allow the AISD to sell bonds in the future. That is how the \$4 million per year recommendation was developed. Bonds sold with a 16 year equal maturity and in those 16 years the City would be recapturing a \$4 million a year debts. The City could sell \$4 million a year indefinitely and not impair its credit rating. He said the Council will need to decide which projects listed will need to be implemented within the next 5 to 10 years.

Councilman Fogle asked if the Council needed to establish the priorities of the project list. Mr. Seegmiller said that the Council did need to try to prioritize the list because the Staff has listed every project brought to its attention. Councilman Fogle said it would be a good idea to be considerate of the AISD's needs because it will have to sell bonds also. If the Council does not encourage growth within the school district, then the growth is encouraged in other school districts--not in the City's schools.

Councilman Hilton said if the City looks ahead much further than 1987 the voters would probably not vote for a 12 year list of items. He said the Task Force has given the Council a list of priorities of projects to be implemented through 1987 on Floodwater Management--the Planning & Zoning Commission has given a prioritized list of projects through 1987. He suggested that some other committee should prioritize the items through 1987 that should be packaged in the bond sale. He said the Finance Committee of the Floodwater Management Task Force recommended a \$24 million bond issue through 1987 with \$10.5 million available for projects other than Floodwater. That means the list presented will have to be cut considerably in order to have the \$10.5 million other projects. However, he felt that amount would probably be only as much as the voters would accept anyway.

Mayor Hall said the Council approved the Floodwater Management Plan, however, the Council will not know what the voters will think of the plan until the bond election. If the Council implements the Floodwater Management Plan in the first 5 years, then the Council could get some committee to prioritize the amount which the Council could afford to include in the rest of the 5 year program.

Councilman Bridges said he would like a committee to provide input for the Council. He thought it would be very helpful to have persons with expertise advise the Council of the priorities of the projects.

Mayor Hall asked what group of City Staff would be asked to provide input about the priorities of the projects. Mr. Seegmiller said the directors of the departments would probably form a task force to deal with the priority and then those directors could work with their staffs and appropriate boards. Mayor Hall asked Mr. Seegmiller to take the responsibility of organizing a task force to prioritize the projects for the 5 year plan. He also asked if the task force would prioritize the projects that will be left out of the 5 year plan. Mr. Seegmiller asked if the various boards should look at the projects first and offer their suggestions before the task force reports back to the Council.

Councilman Hilton said the Planning & Zoning Commission had already prioritized the projects, however, the task force will need to pull out the projects that will have to be implemented through bonds.

Councilwoman Webster said the task force could go through the priorities set out by the Planning & Zoning Commission, and perhaps the Parks and Recreation Board and the Civic Abilene Board would be able to provide input for the task force. Mr. Seegmiller said the Library Board may also have some input for the task force on their Library Master Plan.

Councilman Bridges asked if the task force could break down the immediate needs of the Police Department, particularly, the proposed police training facility, to provide the Council with additional information.

Mr. McDaniel said that item will come to the Council from the Police Management Study and the figure expected will be subject to change. He said the facility will have to be built before the communication equipment can be installed. Councilman Bridges said the Council will probably receive some sense of priority from the Study.

Mayor Hall said he would like to see some citizen input regarding the priorities of the projects, and that will have to be accomplished by February or March if the bonds are scheduled for sale around August. Mr. Seegmiller said the task force could probably come up with the priorities by February.

Mr. McDaniel said the Council will receive a detailed break down of the priorities of projects. Mr. Seegmiller pointed out to the media and citizens in the audience that the Council and Staff will be pulling out of the CIP projects list the items that are marked for bonds as opposed to those considered in the operating budget and revenue sharing. Mr. McDaniel asked if the Council wanted to pursue the line of a bond election and sale.

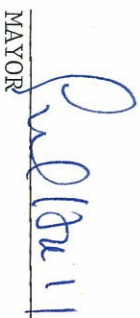
Councilman Hilton said the Council may find that there is a difference between what the task force may recommend and what the voters may accept.

Councilwoman Webster said some of the projects listed with an amount of \$400,000 should have been budgeted on an annual basis instead of being included in a bond package. Mr. McDaniel pointed out that most of those items have been considered and the funding source is the operating budget.

The Council went into executive session to discuss the possible FAA installation in Abilene.

Mayor Fall announced that the Council took no action regarding the FAA installation while in executive session. He adjourned the meeting at 5:30 p.m.


ASSISTANT CITY SECRETARY


MAYOR