
PLANNING & ZONING COMMISSION
February 14, 2011
Minutes

Members Present: Tim McClarty
 Bruce Bixby
 Gary Glenn
 Clint Rosenbaum
 David Todd

Members Absent: Oveila Campos
 Fred Famble

Staff Present: Jon James, Director of Planning and Development Services
 Ed McRoy, Assistant Director of Planning and Development Services
 Dan Santee, City Attorney
 Ken Dozier, Fire Chief
 Tony Neitzler, Assistant Director of Community Services
 Mindy Patterson, Director of Finance
 Debra Hill, Secretary II, Recording

Others Present: Dave Boyll
 Carolyn Cockerell
 Dawn Wayne
 Justin Reed
 Dennis Miller
 Bill Minter

Item One: Call to Order

Mr. McClarty called the meeting to order at 1:30 p.m. and declared a quorum present.

Item Two: Invocation

Mr. McClarty gave the Invocation.

Item Three: Capital Improvements Program (CIP)

Public Hearing and possible vote to consider recommendation to the City Manager regarding the 2011-2015 CIP.

Mr. McRoy presented the information regarding the Capital Improvement Program.

The City of Abilene's Capital Improvements Program (CIP) is a 5-year plan used to identify needed capital projects and to coordinate the financing and timing of these projects. CIP projects are long-term investments rather than day-to-day operating expenses. Typical items include infrastructure and assets that are relatively costly, (\$25,000+) and that are expected to have a long life, (15+ years). Projects in a CIP can vary widely, but typically they include the acquisitions, upgrading or major repair of streets, water lines, sewer lines, drainage facilities, large vehicles, buildings, parks, major equipment or similar projects. The first year of the CIP (2011) is the Capital Budget. Projects approved in this first year (2011) will be authorized for funding. Projects scheduled for the subsequent years (2012-2015) are included in the CIP for planning purposes only.

Capital Projects represent a significant allocation of public resources. The CIP is a planning tool used to forecast, prioritize, coordinate and strategically invest those resources in an efficient and effective way that balances needed improvements with available financing. This long-term approach allows the City to more accurately anticipate and prepare for future needs. The City can also use the CIP to help achieve goals of the Comprehensive Plan. The type of projects chosen, their location, their timing, and the amount of expenditures can compliment the Comprehensive Plan directly or they can make certain goals more achievable.

The Process begins with the distribution of instructions to department heads requesting projects for consideration for the next five-year CIP period. Department heads are responsible for reviewing the most recent CIP to determine the funding necessary for projects that are currently programmed in the CIP and the Strategies identified in the Comprehensive Plan. Based on this review and a review of the new requirements for capital improvements for the next five-year period, the department head completes a Project Sheet. Once the Project Sheets are completed and prioritized, the five-year Plan is submitted to the Planning and Zoning Commission (P&Z) for review and recommendation to the City Manager. During the process, appropriate funding is determined for each of the first year projects, and a proposed capital budget and five-year plan is submitted by the City Manager to the City Council for their consideration and approval. The Finance Department conducts an analysis each year to determine that projected capital projects cost and the projected estimates for available debt instruments are reasonable and in accordance with existing standards. Upon Council adoption, the final CIP document is produced and distributed to the Departments for implantation of the program.

The CIP projects receive funding from various sources but primarily rely on Certificates of Obligation (C.O.). Other sources of funding include General Obligation (G.O.) Bonds, General Fund Revenue, Water and Sewer Utility Fund Revenues and State and Federal funds in the form of grants.

Mr. McClarty asked where the CO funds come from.

Mindy Patterson (Director of Finance) stated CO funds are sold as a piece of debt. The City applies for a loan and the loan is paid off over a fifteen year period. Ms. Patterson stated that in this years CIP budget, the fund amount could be 1.5 million dollars, this it the amount the City can sell to stay within the current tax rate. Ms. Patterson explained the certificate of obligation history for fire apparatus purchases from 1992 to 2009. She stated the program actually started in 1991 with the first fire apparatus purchased in

1994 and consistently thereafter until 2001. The next purchase was not until 2006 and 2007. The total expenditure for that time period was \$4,940,000.00. The total for the CO program was \$84,200,000, this equates to 5.9% of the total program spent on fire apparatus. She added that if these purchases had been done through the General Fund, it would mean an 11.4 cent increase to the tax rate. Ms. Patterson stated this would cost the average home owner, almost one hundred dollars in increased taxes, based on this current years tax levy. She stated Mr. Gilley has instructed Finance to find alternative ways to fund the replacement of future fire equipment, such as continuing with the CIP program, adding more to the self insurance fund for large losses, or adding these purchases to the Fleet Replacement Program and others to be discussed. She explained the CIP program is the only option for funding the current fire apparatus.

Mr. Bixby asked if CO's are related to the CIP funding. Ms. Patterson stated that when the CIP is approved by the City Council the CO's are then sold to fund the CIP program.

Mr. Bixby stated that based on the CO history from 1992 to 2009, the average funding for fire equipment was roughly six percent. He added that six percent of the current CIP budget would equate to approximately \$90,000.00 for this years replacement of the fire apparatus.

Ms. Patterson explained that in years past, the replacement of the fire equipment was not needed on a yearly basis, the equipment was replaced as needed.

Mr. Glenn asked how long it would take to incorporate any of the options Mr. Gilley has instructed the Finance Department to provide. Ms. Patterson stated that not funding this as a CIP program would be a philosophy change. This would have to be presented to the City Council. She noted that the budget for 2011 and the tax rate have already been set. She added it would be a complete year before the funds could even begin to be contributed to the Fleet Replacement or Self Insurance Funds. She added that as part of the five year plan, there is not another fire truck replacement scheduled until 2015. This would give the City four years to add to that fund for future purchases.

Mr. Bixby asked the balance in the Fleet Replacement Fund. Ms. Patterson stated approximately \$2.5 million is the balance for the Fleet Replacement Fund. She stated that in her opinion, this would not be appropriate. Each month, money is set aside based on the annualization of the cost of that equipment. If money was used to fund the fire truck this would mean the contributing equipment could not be replaced. Ms. Patterson explained that under the City Charter, you can not use money from one division's fund to pay for another division's equipment.

Mr. Glenn asked the balance in the Self Insurance Fund. Ms. Patterson stated, that fund has been in the negative for the last three or four years, stating that in the past, money has been transferred from the General Fund to the Self Insurance Fund to make it balance. She added that in the prior year, the General Fund has transferred approximately \$300,000.00 to the Self Insurance Fund and the year before, approximately \$100,000.00. Ms. Patterson explained that Finance has had to transfer funds to the Self Insurance Fund just to keep it in balance. She added that with liability claims, health insurance claims and other claims being paid from the Self Insurance Fund, it is probably back to zero.

Mr. Santee explained that replacement of vehicles does not come from the Self Insurance Fund unless it is to pay for a liability claim. The Fleet Replacement Fund is to pay for vehicles that have been contributing throughout the year.

Mr. James stated that the fire truck in this CIP budget was at the end of its lifespan and would have had to have been replaced in the next five years even if it had not been wrecked.

Mr. Glenn asked if the Fire Dept was using a reserve fire truck. Ken Dozier (Fire Chief) stated that the Fire Department has three reserve engines and one reserve ladder truck. He added that they are using one of the reserve fire engines at the present time.

Mr. McClarty opened the public hearing.

Ms. Cockerell (president, Abilene Downtown Association) spoke in favor of the South Downtown District (SoDA) improvements and expressed her appreciation.

Ms. Patterson stated the correct totals for the Fleet Replacement Fund is five million dollars and is scheduled to replace four million dollars worth of equipment. She added the Self Insurance Fund has a balance of 1.8 million dollars. The City Council has adopted policies on the fund balances for each divisional fund. Ms. Patterson explained the Fleet Replacement Fund should be one year of equal replacements, which it is not at this time, and the Self Insurance Fund should be one year worth of claims, which it is not also.

Mr. McClarty closed the public hearing.

Mr. Bixby questioned the life of the three reserve fire trucks. He also inquired if a partial amount could be paid from the CIP project for the fire apparatus or does it need to be paid for all at once. Ms. Patterson answered that the City could not legally enter into a contract unless the money is available. Mr. Bixby then suggested to use \$200,000.00 from the CIP funds for the fire equipment and to move selected projects from 2012 to 2011.

Mr. McClarty questioned the use of CIP funds to replace the fire truck, adding the Fire Dept could use the reserve engines for the remainder of the year until the City Manager could find the funds to replace future fire equipment.

Chief Dozier explained the Fire Dept had three reserve engines and one reserve ladder truck until the recent accident involving one of the fire trucks. The department is now using one of those reserve engines to replace that fire truck. He added that the reserve engines are always in rotation, meaning that when an engine is in for repair, one of the reserve engines is in the rotation. The reserve engines are also used when a multiple alarm fire is called. Chief Dozier explained that when ordering a fire truck it will take twelve to fourteen months to receive it and a ladder truck will take eighteen to twenty months. He added that the City receives a significant discount when ordering the engines if they are paid in advance.

Mr. Todd stated recommending a policy change to the City Manager to remove replacement of public safety improvements from the CIP budget.

Mr. Bixby agreed, stating that he understands the City Manager has already asked Finance to consider alternative means of funding public safety improvements.

Mr. James stated that what Ms. Patterson had said was the Finance Department would be looking at alternative options including the continuation of the CIP funding the public safety improvements.

Ms. Patterson stated that Mr. Gilley has instructed the Finance Department to consider alternative options in the funding of the Public Safety improvements. She added that it would be Mr. Gilley's and the Councils recommendation as to how that project would be funded.

Mr. McClarty asked if the CIP was still an option for the funding. Ms. Patterson stated that the recommendation that the Planning and Zoning Commissioners make will go to the City Manager and the City Manager will make his recommendation to the Council. It is then that the City Manager and City Council could suggest that the CIP program be one of the options for this funding.

Mr. Bixby made the recommendation to allocate \$200,000 to the fire apparatus, and move the Hardison Lane repave, Maple to FM 1750 from 2012 to 2011 (25,000), move the bicycle plan from 2012 to 2011 (80,000) move the athletic field lighting project from 2012 to 2011 (42,000) and provide \$200,000 for infill as related to the SoDA recommendation which would leave \$6,000 which could be added to the \$200,000 for the fire apparatus.

Mr. McClarty recommended leaving the current fire apparatus in this CIP program and removing the \$659,000 in 2015 from the future CIP Program. He also asked about creating incentives for developers and builders to take care of infill development which would make our city operate more efficiently.

Mr. McRoy explained that in the CIP budget the project labeled Infill development is limited to capital infrastructure, meaning projects like drainage improvements, street improvements or curbs and gutters.

Mr. James stated the City Council has discussed steps involving infill development in recent workshops. The first step was a fee reduction, then possibly tax abatements for development in certain areas. He added that this is a multi-year plan looking at all the options.

Mr. Bixby stated that currently there are three infill projects on the Unfunded List that would qualify for CO's. He added that his recommendation is to start moving those projects on the Unfunded List to the funded list.

Ms. Patterson explained that as part of the bond covenant, the money funded into the CIP program, has to be spent within a certain time frame. The Finance Department has to report every year to the government how much of that money was spent for each project or the City would have to pay arbitrage fees and interest back to the government.

Mr. Rosenbaum asked if the Commissioners had the authority to designate certain projects for infill development. Mr. McRoy answered by saying it is their recommendation to the City Manager on how this money should be spent. He added that does not mean the City Manager and City Council will agree with their recommendation. Mr. Rosenbaum asked clarification on the progress of the SoDA project. Mr. James answered that one of the primary recommendations was to create another TIF (Tax Increment Financing) district much like the one that ended several years ago. He added this would create opportunity for funding to make many of those improvements in the South Downtown plan.

Mr. Rosenbaum made the following motion:

- **Change Project 3010-03-06 on the Unfunded List that is titled Infill Development, to read South Downtown Area improvements(SoDA);**
- **In 2011* allocate \$200,000 to the Fire Apparatus Replacment project # 5575-01-06.**
- **Move the Hardison Lane repave, project from Maple to FM 1750 Project # 4040-04-08 from 2012 to 2011 (\$25,000)**
- **Move the Bicycle Plan Implementation Project # 3010-01-07 from 2012 to 2011 (\$80,000)**
- **Move the Athletic Field Lighting Project # 7010-08-05 from 2012 to 2011 (\$42,000)**
- **Provide \$200,000 for infill in the newly named SoDA project (3010-03-06) in 2011**
- **Add the remaining \$6,000 in 2011 to the Concrete Pavement & Sidewalk (CBD) repairs project #4020-11-05.**
- **The balance of funds left from moving projects from 2012 to 2011 would then be added to the new line item for the SoDA District Project (3010-03-06) in 2012.**
- **Leave 2013 and 2014 as is**
- **In 2015 add the Bicycle Plan Project # 3010-01-07 (\$79,000), the Sidewalk Construction Program Project # 4020-04-07 (\$300,000), the Ball Field Concession Building Project # 7010-01-06 (\$280,000)**
- **Remove the Fire Apparatus Replacement Project # 5575-01-06 (\$659,000) from 2015.**

Mr. Glenn seconded the motion. The motion to approve carried by a vote of four (4) in favor (Bixby, Glenn, Rosenbaum, and McClarty) and one (1) opposed (Todd)

Item Four: Adjourn

The Planning and Zoning Commission meeting was adjourned at approximately 2:35 P.M.

Approved: _____, Chairman