

MINUTES  
CAPITAL IMPROVEMENTS COMMITTEE  
October 1, 2009

Members present Mayor Raeanne Presley, City Administrator Dean Kruithof, Alderman Stan Barker, Alderwoman Cris Bohinc, Bob McDowell and Michael Pinkley. Also present were Public Works Director, Larry VanGilder, City Engineer, David Miller, Public Relations Director, Jerry Adams, Finance Director, Lori Helle, and Mike Ray.

Mayor Presley called the meeting to order at 1:00 p.m.

**Item No. 3: Discussion of Five Year Capital Improvements Plan.** Dean Kruithof explained that this is a work in progress. The plan is to take large Capital projects and work them into a 5 year program by looking at needs and funds available. He explained that David Miller has created a spreadsheet for the next 5 years and added projects from the strategic plan. As part of this program, the city has to also consider maintenance items and include them in the capital improvements projects (CIP), i.e. street maintenance, and pedestrian improvements. He further explained that the city does not have huge sources of money and that some funds are restricted. We need to define projects and purchases and need a formal process for doing CIP every year and have this done months before operating budget is put together.

Mayor Presley stated that historically capital was the funds left over after operating was budgeted, but now the city wants to do the opposite? Administrator Kruithof replied that the city will use projected revenue and as long as we have a good CIP, we will know what dollars are available. Bob McDowell stated that doing capital first lets us monitor the general fund better. Administrator Kruithof informed the committee that on Friday, October 2<sup>nd</sup>, the Finance Committee will continue this dialogue and work towards a formalized 5 year plan. Mayor Presley inquired if a formalized capital budget is more effort than it is worth. David Miller replied that this will help and this is what Branson should have been doing. Larry VanGilder stated that the city always had a 5 year plan, but entire focus was only one year. Administrator Kruithof stated that the city needs to gear to new reality of economics. Larry VanGilder stated that the city has to plan for replacement.

Bob McDowell made the suggestion that all department heads work together as a group in prioritizing fairly with all departments input. David Miller stated that first we need council input and then will go back to department heads with recommendation from council. Administrator Kruithof explained that staff will have a series of meetings in discussing the capital budget.

Cris Bohinc inquired as to where the neighborhood enforcement and sidewalks came into play in this capital program. Administrator Kruithof replied that Code Enforcement is in operating budget and is not a capital budget item. Cris Bohinc stated that she wanted to make a stand for it and thought it would fall within the capital list. Administrator Kruithof replied that \$200,000 is included in Planning Department operating budget. If there is a project like overlays, that is considered a capital item and the budget for that is under Street Repair and Maintenance in the amount of \$500,000. The specific streets have not been identified in regards to pot hole repair, etc. We start identifying the projects but some of the monies are restricted. Administrator

Kruithof stated that Priority A's on the spreadsheet are needed, so we need to look at lower priorities and if funds are available, they may move up.

Finance Director, Lori Helle passed out her "Program Summary" and explained that each fund is listed with the beginning balance, revenues, expenditures, transfers and totals. The Capital Expenditures Priority A & B are also listed and then included in the fund summary as an expenditure. She also explained that the \$500,000 for street repair is actually in the operating budget. Administrator Kruithof stated that if we are talking about things we want to achieve, he wants the committee to know the assets the city has. Director Helle further explained that each year the total funds remaining at the end of the year are listed. The "Reserve" for General, Parks and Water & Sewer is listed in their operating budget since reserves aren't required. Other than general fund, the reserve is listed. She stated that the summary assumed no revenue growth over 5 years and also assumed no expenditure growth. Bob McDowell stated that in 2011, the general revenue is negative. Administrator Kruithof explained that the police expansion is listed and causes the negative balance. Bob McDowell stated that these projects aren't building up if you do Priority A&B every year. Administrator Kruithof stated that we can take things out and put in as needed and see if we are good fiscally. The Finance Director will insert the different decisions over 5 years.

Director Helle explained that every year we will do a capital budget request and a 5 year book. She passed out a document. She explained the definition of capital assets (passed out document) She stated that it will also include a schedule wherein we will start in March and finish in June. Mayor Presley inquired about the process of getting the big picture of the big things such as the bus system. Administrator Kruithof replied that through this process, the council's strategic focus comes in and put all the pieces in place with the staff's priority. We'll make sure our projects meet the Alderman's strategic plan. Bob McDowell stated that the alderman will make a case for their projects. Mayor Presley stated that no alderman are proponents for sewer tanks, but you need the "have to do's" from staff and "want to do" from alderman. Bob McDowell stated that he appreciate staff starting the process and getting dialogue to move us in the right direction. He also stated that it may create debate and be very tough.

Administrator Kruithof stated that David Miller has sidewalk plans but is it enough? Do we need to add more money? Director Helle passed out a document on the 5 year capital plan and stated that it ties into GFOA but that they don't give a template. Alderman Barker inquired as to who determines the priority of the capital requests. Administrator Kruithof replied that staff will put it together and alderman can accept or reject the plan. He went on to state that in future years, we will add new programs and add to priority, i.e. MoDOT, do major project if we had local share and we'll use this to decide if we want to delay something. Director Helle stated that just because we show a 2011 item doesn't mean the alderman will budget it that year. This is a "plan" and guideline only.

Alderman Barker inquired if a depreciation fund is budgeted. Director Helle replied that it should be funded in the capital equipment fund but this year it wasn't replenished. Bob McDowell stated that that is very important. Mayor Presley stated that this committee needs to be involved in recommendations for projects. Administrator Kruithof stated that this will be presented a study session and this is a way to do business.

Mayor Presley stated that prior to the capital improvement committee meeting on October 12<sup>th</sup> at 10:30 the committee needs to review priorities. Alderwoman Bohinc stated that she likes what staff did and likes the layout and the color code. Alderman Barker stated that he appreciates the priorities. Mr. McDowell stated that the layout makes it easy to see the choices and make a decision. Administrator Kruithof stated that staff is energized. He went on to say that a lot of discussions including mundane things that have been put off, but the discussions can let us know whether they are within the financial projections.

Mayor Presley inquired if the comments section could state whether payback or cost savings. Administrator Kruithof recommended adding the payback savings information to chart. Director Larry VanGilder suggested adding the energy contracts for performance to the chart. Administrator Kruithof commented that the county sewer fund projects should go to the highest priority due to the fact funding is secondary to the priority.

Mayor Presley suggested discussion of the bus system. Administrator Kruithof suggested joining the Springfield MPO.

Mayor Presley inquired if there were any more items for discussion. The utility rate study status was brought up. Director Helle stated that her department has been the hold up for sharing of information with the consultant. City Engineer Miller stated the RFQ for energy contracting has been sent out in the mail to consultants. Administrator Kruithof explained how an energy performance contract is structured and how energy savings funds and guarantees savings. He stated that many cities across the country are looking into energy savings. Mayor Presley informed the committee that starting October 15<sup>th</sup>, the council meetings will start an hour early for a presentation on sustainability.

Administrator Kruithof advised the committee that the Fall Creek Road Extension ribbon cutting is set for Saturday, October 10<sup>th</sup>.

Mr. McDowell stated that in fairness to Alderwoman Bohinc, the board needs to make a decision on sidewalks so that she knows where she stands and can tell her voters. Administrator Kruithof replied that we are trying to formalize the process so Alderwoman Bohinc can explain to the voters in her ward. Mr. McDowell stated the voters don't care and that they think the City has a lot of money. Alderwoman Bohinc stated that the city performed the customer survey and that she is concerned that when we don't get a response and if the alderman struggle, so do the citizens. The sidewalks were on the survey and if a project didn't get done, she needed to understand why. Mr. McDowell stated that the citizen hotline should be used and that the voters need to call in. Alderwoman Bohinc stated that she needs help pushing things along.

Administrator Kruithof thanked staff for putting the information together and for presenting to the committee.

There being no further business, the meeting was adjourned at 2:15 p.m. The next regularly scheduled meeting is Monday, October 12, 2009 at 10:30 a.m.