

FLOWER MOUND CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEETING OF JULY 12, 2010

THE FLOWER MOUND CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEETING HELD ON JULY 12, 2010, IN THE FLOWER MOUND TOWN HALL, LOCATED AT 2121 CROSS TIMBERS ROAD IN THE TOWN OF FLOWER MOUND, COUNTY OF DENTON, TEXAS, AT 6:30 PM.

The Capital Improvements Advisory Committee met in a regular session with the following members present:

Nick Hollingshad	Chair
Tom Goss	Vice Chairman
Brian Millichamp	Committee Member
Mark Glover	Committee Member
Dennis McKaige	Committee Member
Mike McCall	Committee Member
Jim Ward	Committee Member
Jeff Whittaker	Committee Member
Mike Walker	Committee Member

Constituting a quorum with the following members absent:

Vacant	Committee Member
Vacant	Representative of the Real Estate Industry

And the following members of Town staff present:

Melissa Northern	Town Council Committee Member
Alan Lathrom	Town Attorney
Edith Marvin	Town Engineer
Doug Powell	Executive Development of Development Services
Fatima Arnett	Recording Secretary

A. CALL CAPITAL IMPROVEMENTS ADVISORY COMMITTEE REGULAR SESSION TO ORDER

Chair Hollingshad called the meeting to order at 6:59 p.m.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Committee Member Ward led the invocation. Committee Member McKaige led the Pledge of Allegiance.

C. CONSENT AGENDA

1. Consider approval of the minutes of the January 11, 2010, Capital Improvements Advisory Committee Regular meeting.

Committee Member Goss motioned to approve the minutes of January 11, 2010, Capital Improvements Advisory Committee regular meeting, and Committee Member McCall seconded the motion.

VOTE ON THE MOTION

AYES: Whittaker, McCall, Goss, Hollingshad, Walker, Ward

NAYS: None

ABSTAIN: Glover, Millichamp, McKaige

The motion carries 6-0 with three abstentions.

D. REGULAR ITEM

2. Consider the Semi Annual Impact Fee Report as of March 31, 2010, as required by Chapter 395 of the Texas Local Government Code.

Edith Marvin presented.

(Note: The power point presentation can be obtained from the Engineering Services office.)

Committee Member McKaige asked about the ability to move funds among the service areas A, B, and C zones, and if we were constrained by state law.

Ms. Marvin stated that when we do our impact fee updates and the 5-year we establish the impact fee book to follow for the next 10 years. We have a map that shows what projects are impact fee eligible based on what we're expected and which ones qualify for impact fees. Those are broken out by areas A, B, and C, and how much are eligible for collection on each one of those. We can spend on those projects within those areas.

Mr. Lathrom stated we are circumscribed in our ability to expend monies. We can only spend monies in an area that are collected in that area. Monies that we collect for service area A cannot be expended in service area C or B.

Committee Member McKaige asked if there is a situation where there is a surplus in a fund in a particular zone, is the solution to reduce the impact fees in that zone or can we carry a balance.

Mr. Lathrom stated we can carry the balance for up to 10 years. The impact fee statute imposes a 10-year limitation or window for us to spend funds from the date we received them on a first in, first out basis.

Committee Member McKaige said so no sharing across A, B, or C, and if you have a surplus you have 10 years to work it down.

Mr. Lathrom stated correct. If you don't spend monies that you collected over 10 years ago, you are required to refund those to the developer that paid those monies in.

Ms. Marvin said that the water is Town-Wide so we do not have the same constraint.

Committee Member Whittaker stated that in the roadway and wastewater impact fees slide, the history to date figures the revenue to exceed expenses which is a good thing but in the past six months in those two categories, expenses exceed revenues. Is that just a temporary timing that you were expecting.

Ms. Marvin said correct. We programmed out what we are going to get to spend some of the impact fees on. Sometimes we have to let that fund build up a little before we build the project that we want to use the funds for.

Committee Member Whittaker stated that this is one of those periods where planned expenditures temporarily exceed revenue but in the long run it catches up.

Ms. Marvin stated correct.

FLOWER MOUND CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEETING OF JULY 12, 2010

Vice Chair Goss moved to approve the Semi-Annual Impact Fee Report of March 31, 2010, as required by Chapter 395 of the Texas Local Government Code, and Committee Member McKaige seconded the motion.

VOTE ON THE MOTION

AYES: Whittaker, McCall, Goss, Hollingshad, Walker, Ward, Glover, Millichamp, McKaige

NAYS: None

ABSTAIN: None

The motion carries 9-0.

3. Presentation and discussion of the project updates to the water and wastewater master plan models.

Edith Marvin presented.

(Note: The power point presentation can be obtained from the Engineering Services office.)

Committee Member Walker requested to view the 'Results of Model Update' slide and inquired about the Phd model if it was the base run or calculation.

Ms. Marvin stated that there is a lot of technical information in the model that is not present on the spreadsheet. The spreadsheet is cut and dry. Your demands, it has the peak that is shown, where now goes back to 2006 then shows the building permits that have been issued since then. Beyond the peak that we have experienced, here is what has been built. It also reserves for the lots unbuilt so any lots that have been approved by plat but not developed on. It includes flows for that. It includes flows for your proposed project, in commercial likewise. It shows all the reserved non-residential and your non-residential flows demands are. For this first run, we did calibrate that model to bring it inline with the SMARTGrowth spreadsheet output. As we keep going, we will continue to look at the differences in what the model is calculating for certain developments that occur. We will continue to tweak the model and the way it calculates flows and demands so that we get those two in line with each other so that we are comfortable with the model functioning in place of the spreadsheets.

Committee Member Walker stated the water, treated water; wastewater methodology is similar for the three categories. It sounds like you are saying the model is smarter then when you start on the left side of the page and move towards the SMARTGrowth spreadsheet analysis. That actually produces the SMARTGrowth spreadsheet calculation.

Ms. Marvin stated it is kind of a global simulation of what is happening as opposed to the island that the calculation sheets produce data on. Ms. Marvin stated it is similar to a drainage model where you are looking at something upstream, it takes a while to get down stream. It's kind of the same thing working into the models. It's takes into account a more global town-wide look at the numbers. Our goal is to get those inline with what the output of the SMARTGrowth spreadsheets are that are more simple method of calculating. Again, we are using the master models to pick which projects we are building so it makes sense to put those two together so that you get a comparable answer. The wastewater treatment capacity calculation is a little different. What you are seeing is based on the ADD; it says Master Plan for a reason. It is really based on a population. It is that Long Prairie basin and Lakeside. There are a couple more spreadsheets that you don't generally see when we are doing

FLOWER MOUND CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEETING OF JULY 12, 2010

developments. We have a memo that covers it. It's the Wastewater interceptor capacity as well as the Lift Station capacities and would try to integrate those in another update or two.

Committee Member Walker stated he thought we were more confident with our projections as a result of the analytics and asked if this was a more accurate picture of the impacts of SMARTGrowth.

Ms. Marvin stated that we were working the models so that it simulates the spreadsheets. We used SMARTGrowth to make decisions whether development can proceed and it is tied to infrastructure and it tells you whether the infrastructure is adequate or not. You are making a decision as what infrastructure to build and that is really when we need to hit this information. The closer we can get the model to representing SMARTGrowth, the better we are off in making the decisions a year earlier as to which infrastructure to install. We are trying to work both those items together. We haven't done this before but it is a good idea and will help us in the planning infrastructure.

Committee Member McKaige asked if this model process was an in-house or out-of-house process.

Ms. Marvin said this is done out-of-house by Kimley-Horn and Associates, however the person feeding the information such as what developments are happening and what flows are coming out of SMARTGrowth, is provided by me.

Committee Member McKaige asked Ms. Marvin if she was the responsible executive.

Ms. Marvin stated yes.

Committee Member McKaige asked about one of the column headings 'Reserving 5%', and what is meant by "Reserving".

Ms. Marvin stated that the actual number is 41; so we take 5% out of that. That is what we have available, not using the reserves.

Committee Member McKaige asked if there was an update to the SMARTGrowth Implementation Manual that speaks to the Model and where to obtain a copy.

Mr. Dalton stated that it is on the flash drive and also online.

Committee Member Whittaker said the hospital was bringing in large projects; a very large medical office complex and some related senior housing that could be a very different forecast, a different product in two to three years and a very significant growth in non-residential commercial construction. Could that be so far out of your ability to project that this model wouldn't allow for that kind of change and we would have to do something unique or would this model project that kind of increase in water and wastewater treatment or is this even what it is meant to do.

Ms. Marvin stated that typically when entitlements are given with SMARTGrowth, it is with the platting of the residential and a site plan for non-residential. The River Walk development was a special deal. They were looking for a density increase. When they brought through the master plan zoning, we went through all the modeling at that point for Phase 1, 2, and 3, through build-out. With all of the traffic infrastructure, water and wastewater, they paid in advance for increases to Oak Street Lift Stations that we are building right now. All the River Walk development was taken in to account when they came through for master planning and zoning. That development is in the Master Plan so we consider that as existing just because it has such a heavy impact to the system. There is a development agreement where they paid

FLOWER MOUND CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEETING OF JULY 12, 2010

and will continue to pay as the phases go along for increases, improvements to infrastructure that were needed for their development to take place.

Committee Member Whittaker stated that you could see four significant non-residential commercial construction office complexes related to the hospital come up in the next two to four years. Has that type of growth that might not have been forecasted as recently as two years ago, is this model flexible enough to predict the impact on infrastructure and could that kind of explosion result in a shortage of treatment capacity, for example.

Ms. Marvin stated yes. The model is more than adequate to address that. If there was further increase or changes to what we Master Planned before, we would run it back through the models to check to see where any inadequacies were and address those before we went through with the approval process.

Chair Hollingshad said this type of update is something that you are going to do at our Capital Improvement Advisory Committee meetings. We thought every six months was the right frequency to get an update on this. As Ms. Marvin described, the general sense of what we are doing here is, we now have this very sophisticated model that provides a very flexible tool. It should also provide better accuracy in predicting the impacts of the projects that come forward because it actually works with the real critical inputs that come along with those models and according to the laws of physics and nature. The process that we are going through tonight, some of you were not here when we were hashing this out the last time but the point was we didn't want to just put aside the spreadsheets right away because they have served us well over the last decade. At the same time, we did want to move towards this model because we feel that in the long run it will be more efficient and more accurate approach, so we decided we would use this hybrid approach that Ms. Marvin referred to. The idea being, we would run both of them together and see how that goes and maybe couple years out, we will decide maybe we don't need to use the spreadsheets anymore to accomplish the goals of SMARTGrowth but this gives us a way to make sure that what we are getting is really giving us the result that we need to maintain the integrity of SMARTGrowth.

Committee Member Millichamp made a motion to adjourn and Committee Member McKaige seconded the motion.

The Motion carries 9-0.

Meeting adjourned at 7:41 p.m.