

**MINUTE RECORD OF THE CITY OF SAN ANGELO TAX INCREMENT REINVESTMENT ZONE MEETING HELD ON WEDNESDAY, December 16, 2015 AT 12:00 PM, MCNEASE CONVENTION CENTER, 501 RIO CONCHO DRIVE.**

**PRESENT:** Lee Pfluger, William Dendle, Dominic Santos, Bob Pfluger, John Klingemann, Nelly Perez, David Mazur, Johnny Calvert, Anne Converstson, Craig Kinney

**ABSENT:** Travis Stribling (AE), Mike Campbell (AE),

**STAFF:** Jon James, AICP  
AJ Fawver, AICP  
Sarah Tackett  
Rick Weise  
Morgan Chegwidden

I. Call to order, establish quorum.

The meeting was called to order at 12:00 pm. It was established that a quorum was present.

II. Public comment.

No public comment.

III. Consideration of approving the minutes from the September 16, 2015 TIRZ Board Meeting.

***Motion to approve the minutes from the September 16, 2015 TIRZ Board Meeting by Mr. John Klingemann, seconded by Mr. Craig Kinney and carried unanimously.***

IV. Presentation of the quarterly financial statement.

Mrs. Morgan Chegwidden presented the quarterly financial statement ending **September 30, 2015**. The ending zone balances were presented for the North and South (Downtown) TIRZ; and fund balance for the New Freedom Grant were presented.

	Dept	Original Budget	Current Budget	Month Actual	YTD Total	YTD W/Enc	Over/(Under) Budget	% Realized
<b>DOWNTOWN</b>								
*Beginning Fund Balance		277,766	277,766			277,766		
<b>REVENUES:</b>								
Interest Income		-	-	-	891	891	891	0.0%
Property Tax		345,401	302,138	-	319,523	319,523	17,385	105.8%
<b>Total Revenues</b>		<b>345,401</b>	<b>302,138</b>	<b>-</b>	<b>320,414</b>	<b>320,414</b>	<b>18,276</b>	<b>106.0%</b>
<b>EXPENDITURES:</b>								
Contract Services	2910	345,401	137,957	54	33,924	33,924	(104,033)	24.6%
Sales & Use Tax Rebate		-	441,947	-	30,397	30,397	(411,550)	6.9%
<b>Total Expenditures</b>		<b>345,401</b>	<b>579,904</b>	<b>54</b>	<b>64,321</b>	<b>64,321</b>	<b>(515,583)</b>	<b>24.6%</b>
Revenue Over/(Under) Expenditures		-	(277,766)	(54)	256,093	256,093		
<b>Ending Zone Balance</b>		<b>277,766</b>	<b>-</b>			<b>533,859</b>		

<b>NORTH</b>								
*Beginning Fund Balance		714,274	714,274			714,274		
<b>REVENUES:</b>								
Interest Income		-	-	-	2,673	2,673	2,673	0.0%
Property Tax		352,211	350,149	-	349,210	349,210	(939)	99.7%
<b>Total Revenues</b>		<b>352,211</b>	<b>350,149</b>	<b>-</b>	<b>351,883</b>	<b>351,883</b>	<b>1,734</b>	<b>100.5%</b>
<b>EXPENDITURES:</b>								
Contract Services	2920	352,211	225,804	100	19,533	19,533	(206,271)	8.7%
Sales & Use Tax Rebate		-	299,173	-	-	-	(299,173)	0.0%
New Freedom Local Grant Match		-	539,446	-	539,446	539,446	-	100.0%
<b>Total Expenditures</b>		<b>352,211</b>	<b>1,064,423</b>	<b>100</b>	<b>558,979</b>	<b>558,979</b>	<b>(505,444)</b>	<b>52.5%</b>
Revenue Over/(Under) Expenditures		-	(714,274)	(100)	(207,096)	(207,096)		
<b>Ending Zone Balance</b>		<b>714,274</b>	<b>-</b>			<b>507,178</b>		

<b>NEW FREEDOM GRANT</b>								
*Beginning Fund Balance		-	-			-		
<b>REVENUES:</b>								
Grants		-	506,583	-	506,583	506,583	-	100.0%
New Freedom Local Grant Match		-	539,446	-	539,446	539,446	-	100.0%
Reimbursed Expenses		-	-	-	-	-	-	0.0%
<b>Total Revenues</b>		<b>-</b>	<b>1,046,029</b>	<b>-</b>	<b>1,046,029</b>	<b>1,046,029</b>	<b>-</b>	<b>100.0%</b>
<b>EXPENDITURES:</b>								
Contract Services	2930	-	539,446	-	284,429	284,429	(255,017)	52.7%
Capital Outlay		-	506,583	-	506,583	506,583	-	100.0%
<b>Total Expenditures</b>		<b>-</b>	<b>1,046,029</b>	<b>-</b>	<b>791,012</b>	<b>791,012</b>	<b>(255,017)</b>	<b>75.6%</b>
Revenue Over/(Under) Expenditures		-	-	-	255,017	255,017		
<b>Ending Zone Balance</b>		<b>-</b>	<b>-</b>			<b>255,017</b>		
<b>Ending Fund Balance</b>		<b>992,040</b>	<b>-</b>			<b>1,296,054</b>		
<i>*Preliminary</i>								

Ms. Chegwiddden stated that all delinquent taxes have been entered; amounts have been reconciled. Ms. Chegwiddden added that the net impact on the North and South was a reduction. The 12/31/15 statement will reflect all reconciliations.

V. Discussion and possible action regarding the consolidation of the TIRZ Board and Downtown Development Commission.

Mr. Jon James started the discussion. He stated that late in the summer the discussion began regarding the possible decrease in the number of TIRZ Board Members from 15 to 9. Recently, the idea of merging the TIRZ Board and Downtown Development Commission (DDC) was discussed at City Council. Last week, staff took this idea to DDC for discussion. The commission seemed very positive regarding this idea. There are a few options for the merger. One option is to merge the two boards; then, through attrition decrease the board to a nine member board. Another option, that the DDC seemed to favor, start fresh with a new, nine member board. First question for you today is: are you comfortable with the merger? And, if so, which option do you prefer?

Mr. Bob Pfluger asked if staff was aware of any conflicts of interest between the TIRZ and DDC? Mr. Jon James stated that staff was not aware of any. Mr. Dominic Santos asked how many members serve on DDC? The DDC is made up of seven members. Mr. Johnny Calvert added that he was concerned that this merger would get rid of much experience that sits on the TIRZ Board. Mr. Jon James explained that is not the intent of the County or City Council. Mr. William Dendle said that it makes sense to meld the two boards together; Ms. Nelly Perez and Mr. David Mazur agreed. Ms. Anne Coverston stated she thought starting fresh with a new board was the way to go.

Mr. Lee Pfluger stated that his initial feeling is the TIRZ Board is primarily looking for incentives to develop and construct. The DDC is primarily looking at long-range planning; those are the skill-sets of that group; this is a tremendous group, they are exceptional. They have worked with some consultants with regards to long-range planning. The TIRZ and DDC require two totally different skill-sets. With regards to taking the board to nine; someone gave you that number. The TIRZ needs bankers, contractors, business owners in downtown, business owners in the north, and you need developers. ASU and Goodfellow definitely need to be represented; their buy-in is critical to the successful accomplishment of the TIRZ mission-the revitalization of San Angelo's Historic City Center. I feel it would be very negative to take them off the board. Most of our money is in the north. If we go with appointment from the SMDs, north Angelo is only going to have one vote on this board; they need about half the vote on this board. I feel that a nine member board is too small. You will not get an accurate representation with a nine member board. The size of the current TIRZ Board has been very effective. We are currently working with twelve members. The County, GAFB, ASU and SAISD have their appointees in place; City Council has not appointed their vacant members. If we go with SMD appointments maybe we could

integrate requirements that the SMD 1 appointee represents GAFB and the SMD 5 appointee represents ASU. I also recommend appointing 4 or 5 board positions by Tom Green County; one appointment by each County Commissioner and 1 by the County Judge.

Mr. Jon James stated there have been no decisions made. The idea has been taken to City Council. Seven members would be appointed by Council, one from each SMD; and two members appointed from the county. Staff has met with the county. Mr. Lee Pfluger added, he didn't think the county had agreed to this idea. Mr. Rick Weise stated that staff did meet with Judge Floyd. Staff did not just "come up" with the idea of seven; this idea mirrors most of the other boards. Mr. Lee Pfluger did say he does believe consolidation is a good idea; nine members is too small, not enough skill set to do the job of TIRZ and DDC- long range planning and representation of the north. Mr. John Kingemann stated that it makes no sense to minimize the board and expand the duties. Mr. Bob Pfluger felt like this was a great discussion; the two skill sets are very important. Duties, functions and representation of the north are also very important; GAFB and ASU definitely need to be part of the mix too. Mr. Dominic Santos agreed; representation of the north is essential. He asked how often does DDC meet? Mr. Jon James answered monthly. How often did DDC meet this last year? Mr. Rick Weise answered that most of the work of the DDC was spent with the Master Developer; so they did not meet every month, approximately 8 times this past year. Mr. Dominic Santos asked if staff was looking to phase out the DDC. Mr. Jon James explained that the idea is that the DDC is not completely done with their tasks. Most of their work has been on planning and long range planning. Now it is time to transition to implementation; makes sense to shift to one board. Mr. Jon James added that staff will be seeking input from the board regarding meeting frequency. In many other cities TIRZ Boards meet bi-monthly or quarterly.

Mr. Johnny Calvert agreed with Mr. Lee Pfluger; he believes that a nine member board is too small. Mr. John Klingemann and Mr. Craig Kinney concurred. Ms. Anne Coverston added that she feels that it is very necessary for staff to present the total picture of the merger; pros and cons to City Council and to the county.

Mr. Craig Meyers, with WTOS, stated that this idea seems premature; the north side has not been consulted. The TIRZ Board is very different from other boards. TIRZ was designed to help out low income businesses and areas. TIRZ is the only stream of income for people on the north side. There is a lot of skill set and life skills on this board, but not a survival mentality; like many people have. There is a myth that what is good for downtown is good for everybody- it's not. I feel that if you incorporate the TIRZ and DDC representation is going to be skewed. If you decide to incorporate the two boards there needs to be someone who is part of the new unit with the strict

responsibility of only spending the funds from the north in the north. The City also needs to take very seriously that the north has the same rights as downtown. City Council needs to make sure term limits are honored; and train themselves about what is needed- inform people that are appointed.

Mr. Jerry Sea, with WTOS, the reason the north and south was separated we needed representation to be equal. We do not need this merger. TIRZ job is to look at both sides. I feel you should rethink this idea. The north side would have even less power.

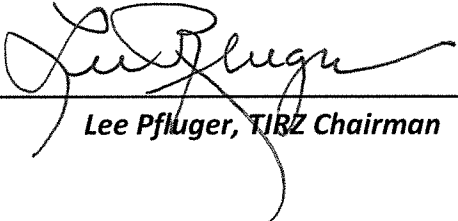
***No action taken.***

VI. Announcements and consideration of future agenda items.

a) Next Meeting – January 20, 2016

VII. Adjournment.

Motion to adjourn by Mr. William Dendle, seconded by Mr. Craig Kinney and carried unanimously. The meeting was adjourned at 12:59 PM.



---

**Lee Pfluger, TIRZ Chairman**