

**Belton City Council Meeting
August 8, 2017 – 5:30 P.M.**

The Belton City Council met in regular session in the Wright Room at the Harris Community Center with the following members present: Mayor Marion Grayson, Mayor Pro Tem Craig Pearson and Councilmembers David K. Leigh, Paul Sanderford, Dan Kirkley, Guy O'Banion and John Holmes, Sr. Staff present included Sam Listi, Gene Ellis, Amy Casey, Brandon Bozon, Bruce Pritchard, Chris Brown, Bob Van Til, Angellia Points, Judy Garrett, Matt Bates, Paul Romer, Charlotte Walker, Cynthia Hernandez and Kim Kroll.

The Pledge of Allegiance to the U.S. Flag was led Assistant City Manager/Chief of Police Gene Ellis, the Pledge of Allegiance to the Texas Flag was led by Mayor Marion Grayson, and the Invocation was given by Mayor Pro Tem Craig Pearson.

1. **Call to order.** Mayor Marion Grayson called the meeting to order at 5:30 p.m.

2. **Public Comments.**

Linda Hankins, 2607 N. Main Street, is a veterinarian who owns Belton Small Animal Clinic. The clinic has just begun an expansion. She noticed that HEB, which is close by, advertised for and is having a mobile pet vaccine clinic in their parking lot. She asked if a permit is needed or should be required for mobile clinics? She felt that it is unfair to those veterinarians who have invested in Belton with a permanent location.

Rucker Preston, 2013 Hilltop Street, spoke regarding recycling. He asked the Council to consider reviewing the demand for recycling to see if it is possible to have more recycling pickups and less garbage pickups.

Both items were referred to Staff for review.

3. **Presentation by Harker Heights Fire Chief Paul Sims of a life-saving award to Belton Firefighters for a rescue involving a vehicle accident in Harker Heights.**

Harker Heights Fire Chief Paul Sims recognized Belton Firefighters Cody Avants (unable to attend the meeting) and Josh Isbell for their quick actions and the life-saving rescue of a victim trapped in a burning vehicle following a traffic accident in Harker Heights. They were on their way with a patient to Seton Hospital when they came upon the accident. Belton Fire Chief Bruce Pritchard congratulated the two, and said their names will be engraved on the plaque hanging on the Wall of Honor at the Fire Station. The plaque recognizes those who go above and beyond the call of duty.

Consent Agenda

Items 4-5 under this section are considered to be routine by the City Council and may be enacted by one motion. If discussion is desired by the Council, any item

may be removed from the Consent Agenda prior to voting, at the request of any Councilmember, and it will be considered separately.

4. Consider the minutes of previous meetings:

- a. **July 25, 2017, City Council Meeting**
- b. **July 28, 2017, Special Called City Council Meeting/Retreat**

5. Consider appointments to the following Boards/Commissions:

- a. **Planning and Zoning Commission** – appoint Lewis Simms to fill Eloise Lundgren's position; appoint Michael Pressley to fill Jason Morgan's position
- b. **Zoning Board of Adjustment** – appoint Nelson Hutchinson to fill Lewis Simms' position; appoint Stephanie O'Banion to fill Michael Pressley's position as alternate; reappoint Zachary Krueger, Luke Potts, Michael Stock, Ted Smith (alternate) and Stephanie O'Banion (alternate) to another two-year term
- c. **Historic Preservation Commission** – appoint Diane Pressley to fill Nelson Hutchinson's position; appoint Ty Hendrick to fill Leo Camden's position; reappoint Diane Pressley and Ty Hendrick to another two-year term
- d. **Ethics Commission** – reappoint Mike Miller, Denise Whitley, Mark Fitzwater, Charla Peters, Larry Pointer, Craig Hammonds to another one-year term, and appoint Nicholas Rabroker

Upon a motion by Councilmember John Holmes, Sr., and a second by Councilmember Dan Kirkley, the Consent Agenda was approved upon a vote of 7-0. Councilmember Guy O'Banion abstained from voting on item 5b.

FY2018 Budget

6. Presentation of Belton Economic Development Corporation Annual Report and Budget for FY 2018.

Executive Director, Cynthia Hernandez, presented the BEDC Annual Report. She reviewed BEDC activities during FY 2017, projects that are underway and projects on the horizon. Ms. Hernandez also highlighted some specific budget requests for FY 2018. (See Exhibit "A")

Director of Finance Brandon Bozon said that the BEDC Board has established a Capital Projects Fund, and a budget amendment in the amount of \$4.1M is needed (item 12 on agenda).

Mr. Bozon reviewed BEDC's revenue projections and estimated operating expenditures through 9/30/17.

FY 2018 Budget:

Estimated Beginning Fund Balance		\$ 824,925
Projected Revenues	\$1,769,900	
Proposed Expenditures	<u>(\$ 805,151)</u>	
Net Impact of Proposed Budget		<u>\$ 964,749</u>
Projected Ending Fund Balance		<u>\$1,789,674</u>

Bozon reviewed the Incentive Fund that was established in FY2014, as well as cash flow projections for the Corporation. Transfer to the Incentive Fund in FY2018 totals \$95,000.

No action was required of the Council.

7. **Presentation of Tax Increment Reinvestment Zone (TIRZ) Fund Budget for FY 2018.**

Director of Finance Brandon Bozon summarized the Operating Fund, TIRZ Bond Fund, the TIRZ Capital Projects Fund and the purpose of each. He presented the proposed FY 2018 TIRZ Budget and reviewed the projected revenues and proposed expenditures for the TIRZ Operating Fund. Additionally, he listed the projects that had been granted a Façade Improvement Grant in FY 2017 and those that were in the pipeline for FY 2018.

Mr. Bozon reviewed the debt service schedule, and he discussed several capital projects that were completed in FY 2017, as well as those that were on the horizon for FY 2018 and beyond. He informed the Council that the TIRZ board approved the proposed TIRZ budget at their meeting on July 27, 2017.

Councilmember Holmes asked if the TIRZ Boundary had not been adjusted, could the General Fund have paid the local match for the South Belton Trail grant application. Mr. Bozon said that General Fund could pay the grant match. City Manager Sam Listi said that by amending the boundary of the TIRZ, it makes the County funds eligible for use as well, instead of funding 100% of the cost from the General Fund.

No action was required of the Council on this item.

8. **Receive a presentation and discuss the Ad Valorem Tax Rate, Debt Service Fund and proposed General Fund budget for Fiscal Year 2018.**

Director of Finance Brandon Bozon presented a comparison of the FY 2017 vs. FY 2018 certified tax roll. The FY 2018 total market value increased \$73.65M over FY 2017, and the taxable value increased approximately \$59.65M. He explained that the significant increase in Charitable Organizations is due to the sale of Stoney

Brook Assisted Living Center in April. The owners have converted it to a non-profit assisted living center. He added that in previous years, the only organizations that were able to claim this exemption were Helping Hands Ministry, Body of Christ Clinic and the Masonic Lodge.

Mr. Bozon discussed the historical ad valorem tax rate data. The highest tax rate in the last 25 years was \$0.8239 in 1995. He said that the FY 2018 Non-TIRZ growth is 5.45% and the annualized growth has been 5.54% since the creation of the TIRZ.

Bozon reviewed the definitions of the various tax rates including the effective tax rate and the rollback tax rate. He also presented the effective rate (\$0.6465), the current rate (\$0.6598) and the rollback rate (\$0.6599). He explained that the rollback tax rate calculation splits the tax rate into two separate components: the maintenance and operations rate and the debt service rate. The rollback rate is the effective M&O rate times 1.08 plus debt service rate. He added that the adoption of a tax rate above the rollback rate could trigger an election if petitioned by 10% of registered voters.

Mr. Bozon said that the City is buying down the debt service rate by using Debt Service Fund fund balance. This allows the City to increase the M&O rate to be able to fund more maintenance and operations projects. Should the Council choose not to buy down the debt service rate, then the tax rates shown would change. Councilmember Leigh asked about the funds being utilized from Debt Service Fund fund balance. Mr. Bozon explained that the funds in Debt Service Fund fund balance recognize a higher collection rate than the budgeted collection rate of 97%. Councilmember Holmes asked if the balance in the Debt Service Fund was healthy. Mr. Bozon said that there is approximately \$160,000 in that fund balance.

Bozon showed a comparison of Belton's ad valorem tax rate to other area cities' rates.

The proposed Debt Service Tax Rate is \$0.1053 for FY 2018. Mr. Bozon reviewed the outstanding GO Debt and the corresponding debt service schedule. He added that the projected annual tax roll growth is 3.75%.

Mr. Bozon said that the proposed budget includes \$166,000 for Year 4 of the Street Maintenance Plan, and there is another \$175,000 anticipated to be remaining following completion of the Year 3 Plan projects. A budget amendment to the FY2017 budget is required to allocate an additional \$240,000 to the project rather than putting that money in fund balance. Bozon asked for direction on allocating an additional \$150,000 from fund balance in the FY2018 budget. Councilmember Leigh asked if the \$240,000 is just a one-time shot, or if it will be included in the budget each year. Mr. Bozon said the \$240,000 is a one-time shot, but the \$166,000 budgeted for street maintenance is an increase over the prior year's \$125,000. Mr. Leigh said that the target is closer to \$1.0M. Mr. Listi said that Staff is trying to increase that amount progressively each year, but it cannot be done in one year. Mr. Leigh said that an increase of \$41,000 is not enough. He added that there

are other ways to pay for street maintenance, and not just from the General Fund. He said we need to make it a goal to hit the \$1.0M mark each year because there is a \$1.0M liability in street deterioration. Councilmember O'Banion agreed. Mayor Grayson said there may have to be some trade-offs in order to fund more street maintenance.

Councilmember Leigh suggested that the \$240,000 be put in fund balance, but then take some of that money each year to increase the budgeted amount for street maintenance. He said that after a few years, it will become part of the regular budgeted amount.

Bozon said that another budget initiative is related to Civil Service pay. A compensation study conducted by the Human Resources and Finance Departments showed that Belton is more competitive in certification pay and less competitive in base pay. The proposed budget includes a 5% increase to the Civil Service base pay steps.

A financial summary of the General Fund shows that the beginning fund balance proposed at 10/1/2017 is estimated at \$5.0M. Bozon reviewed the proposed revenues which show an increase from FY 2017 of 6.19%. The new proposed revenues, totaling \$781,210, will be used to fund Capital Equipment Replacement Funds, new personnel, and the increase in the refuse collection contract for the Three Creeks addition.

Next, Mr. Bozon discussed the proposed expenditures for the General Fund for FY 2018. He highlighted the use of new proposed revenues which include balancing the budget, civil service pay increases, street maintenance increase, new personnel, Bell County Communications contract increase, health insurance increase, and increased refuse collection contract. He also reviewed the FY 2018 Contributions that include AUSA Scholarship, Bell County Health District, Hill Country Transit District, HOT Defense Alliance, BISD Crossing Guard Program, Senior Citizens Center, and the Downtown Belton Merchant Association. Contributions for FY 2018 equal \$123,089.

Mr. Bozon summarized the FY 2018 Proposed Budget as follows:

- Budget as presented has no change to current tax rate (\$0.6598)
- Key budget initiatives:
 - Civil service pay scale adjustment: Increase base compensation by 5%
 - Street maintenance funding increase of \$41,000

He also added that future budget challenges include ongoing funding for the Street Maintenance Plan, loss of ambulance revenues, and funding the Capital Improvement Plan.

Councilmember Leigh asked if Staff has surveyed other cities to see what percentage of their budgets are allocated to Street Maintenance. He added that the City needs more of plan for street maintenance. Mr. O'Banion asked if the Capital Equipment Replacement Plan was phased in with fund balance. Mr. Bozon said fund balance was used in one year, and that is similar to what Staff is trying to do with street maintenance, but the amounts needed are much larger than the Capital Equipment Replacement Plan funding.

Councilmember Paul Sanderford said he understands where Councilmembers Leigh and O'Banion are coming from with needing to fund as much street maintenance as possible, but he said as long as we are moving toward the goal, then we are making progress. He has no preference on splitting up the \$240,000 or spending it all in one year.

Mr. Listi explained that Staff has put together a progressive plan to get fully funded for the Street Maintenance Plan. The total amount available for Year 4 funding is potentially \$731,000.

Councilmember Holmes commented about sales tax revenues. He said he is glad that we have contracted for a Retail Marketing Strategy because he does not want to lose business to neighboring cities. Mr. Listi said he is hopeful, and Staff will work to make sure that the retail plan is productive. Sales tax is a large component of the City's "three legged stool" of funding. Mayor Grayson said she receives calls every day from people wanting to be in Belton.

Councilmember Sanderford asked how much of the \$731,000 would be paid to a third party vendors versus in-house crews. Mr. Bozon responded that almost the entire \$731,000 will be paid to outside contractors. Mr. Listi said that Staff is always reviewing efficiencies to determine if it is more cost effective to do a project in-house or contract with a vendor.

Councilmember Sanderford commented that he was surprised by the few vendors that bid the Year 3 Street Maintenance Plan. Mr. Listi said a number of factors went into receiving the few bids with the primary one being timing.

Mr. Bozon said that Staff will be proposing changes to fees for ambulance services in order to make up some of the future loss of revenue. The proposed changes will be presented with the Fee Schedule at a meeting in September.

No action was required by the Council on this item.

9. **Conduct vote by the City Council to place a proposal to adopt a tax rate for Fiscal Year 2018 on the Tuesday, September 19, 2017, agenda.**

Councilmember Kirkley made a motion to place a proposal to adopt the current ad valorem tax rate of \$0.6598 on the agenda for the September 19, 2017, Special

Called City Council meeting. The motion was seconded by Councilmember Leigh and required a roll call vote.

City Council	For	Against	Present and Not Voting	Absent
Mayor Marion Grayson	X			
Mayor Pro Tem Craig Pearson	X			
Councilmember David K. Leigh	X			
Councilmember Dan Kirkley	X			
Councilmember Guy O'Banion	X			
Councilmember John Holmes, Sr.	X			
Councilmember Paul Sanderford	X			

10. **Call for two public hearings on a proposed tax rate for Fiscal Year 2018 to be held on Tuesday, August 22, 2017, and Tuesday, September 12, 2017, at 5:30 p.m. at the Harris Community Center, 401 N. Alexander Street.**

Councilmember Kirkley made a motion to set Tuesday, August 22, 2017, and Tuesday, September 12, 2017, at 5:30 p.m., at the Harris Community Center, 401 N. Alexander, for the public hearings on the proposed ad valorem tax rate. The motion was seconded by Councilmember O'Banion and carried unanimously upon a vote of 7-0.

Budget FY2017

11. **Consider an amendment to the FY2017 General Fund budget**

Director of Finance Brandon Bozon said that in order to fund Year 4 of the Street Maintenance Plan, the following budget amendment needs approval:

\$240,000 amendment to FY2017 budget

Upon a motion by Councilmember Kirkley, and a second by Councilmember Holmes, the budget amendment was unanimously approved upon a vote of 7-0.

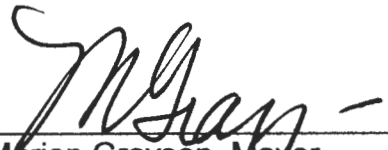
12. **Consider an amendment to the FY2017 BEDC budget.**

Director of Finance Brandon Bozon said this budget amendment is needed in order to establish the Capital Projects Fund which will fund four projects:

IH-35 Water Line Extension
Avenue D Extension
Rockwool Site Grading
East Street Improvements

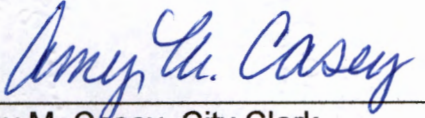
Upon a motion by Mayor Pro Tem Pearson, and a second by Councilmember Holmes, the budget amendment was unanimously approved upon a vote of 7-0.

There being no further business, the Mayor adjourned the meeting at 7:23 p.m.



Marion Grayson, Mayor

ATTEST:



Amy M. Casey, City Clerk



CHARMING, WALKABLE COMMUNITY



WELL CONNECTED



FUN, ADVENTUROUS OUTDOORS



ROOTED IN HISTORY



TALENTED, RELIABLE WORKFORCE



THRIVING BUSINESS CENTER



BEAUTIFUL, STATE-OF-THE-ART

BELTON ECONOMIC DEVELOPMENT CORPORATION

AUGUST 8, 2017 – BELTON CITY COUNCIL



Joe Shepperd
Board President



Griff Lord
Vice President



Barry Harper
Secretary



Steve Jones



Stevie Spradley

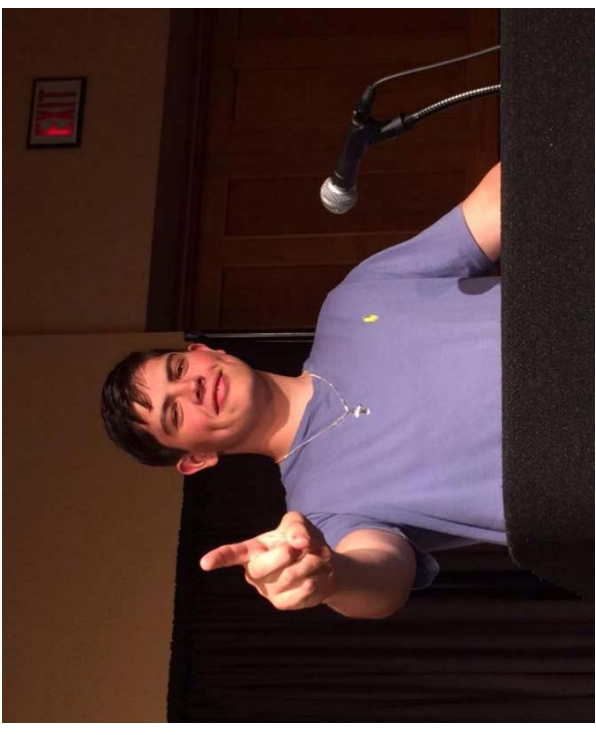
BOARD OF DIRECTORS



Cynthia Hernandez
Executive Director



Ana Borchardt
Director of Business
Retention & Expansion



Jacob Atkinson
Project Assistant

BEDC STAFF

Enhance the economy of the City of Belton by assisting primary industry expand or locate into the community, thereby facilitating new job opportunities.

MISSION

ACCOMPLISHMENTS

2017

MARKETING INITIATIVES

- Completed website redevelopment
- Completed Welcome to Belton video
- Updated Community Profile
- Subscribe to EMSI
- Grand Central Texas Partnership
 - Regional Video
 - 2 Trade Shows
 - 2 Marketing Trips
 - KWTX Partnership

CENTRALLY LOCATED. CENTRAL TO YOUR SUCCESS!

Belton's central location in the Temple-Silicon-Rt Hood MSA right at the cross roads of IH-35 and IH-14 offers quick and easy access to regional, state and international markets.



434,454
Population
Killeen-Temple MSA



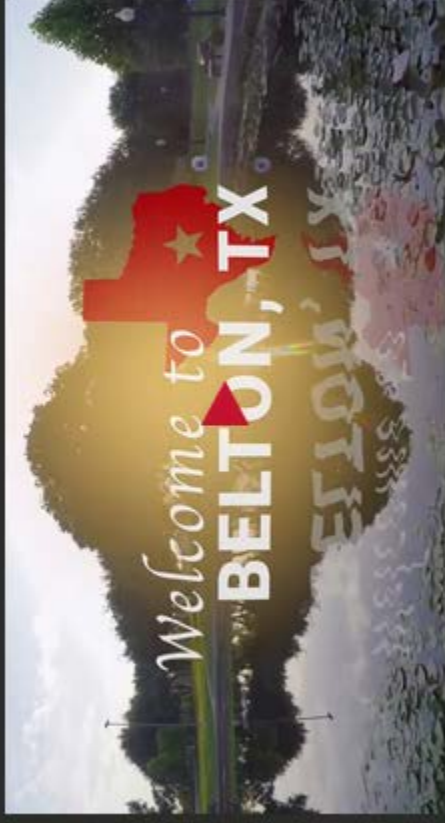
3.2%
Annual Job
Growth



180 MILES
Proximity to Major
Markets in Texas



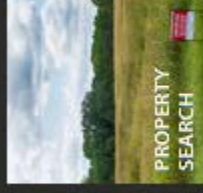
91
Cost of Living
Index



RETAIL DEVELOPMENT

Belton is a business friendly community committed to quality of life developments and supporting retail and existing businesses.

[READ MORE](#)



PROPERTY SEARCH

Check out the available commercial properties in Belton. There is always something new through our available properties search tool.

[VIEW PROPERTIES](#)



NEWS & EVENTS

Check out what's happening in and around the City of Belton. There is always something new always on going and we will keep you updated on what you need to know!

[READ NEWS](#)



INDUSTRIAL & BUSINESS PARKS

Strategically located along U.S. Highway 183 and Loop 181, just a couple of miles east of I-35, providing quick and easy access to major transportation corridors in the state.

[LEARN MORE](#)

AVAILABLE PROPERTY

- Rockwool lien released March 2016
- Developed marketing materials for the Rockwool site
- Belton Business Park flyer update
- Property listing at www.beltonedc.org
- LoopNet/Costar Subscription

HIGHWAY 93 INDUSTRIAL PARK



TAYLORS VALLEY RD.

Excellent location within 180 in. east of every major market in Texas. Belton is in the center of the rapidly growing high-tech corridor between Austin and the Dallas-Fort Worth area. The site features a total of 50.09 acres. The 13.76-acre tract is over 13 acres zoned Heavy Industrial (HI), the 36.326-acre tract is over 36 acres zoned Light Industrial (LI), and both the subdivided lots are part of a significant redevelopment in collaboration with LPA and L&L.

CENTRALLY LOCATED. CENTRAL TO YOUR SUCCESS!



- Best location on Highway 93 off I-35 within two miles of I-4
- Infrastructure within proximity to the site
- Lane Zoned Light and Heavy Industrial

- Federal Superfund Reuse Program
- Quick access to major markets, 1-hr. drive north of Austin and 2-hrs. south of Dallas

- Phase I ESA available

BeltonEDC
ECONOMIC DEVELOPMENT CORPORATION

300 E. 35th St.
Belton, TX 77913
Phone: 817.222.2701 Fax: 817.222.2702
www.beltonedc.org

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LEAD GENERATION

Local
Commercial
Brokers



Of the Inquiries received:

- 18% from Governor's Office of EDT
- 24% Brokers from Austin & Central TX
- 7 % starting a business
- 12% seeking existing buildings
- 23% seeking existing sites

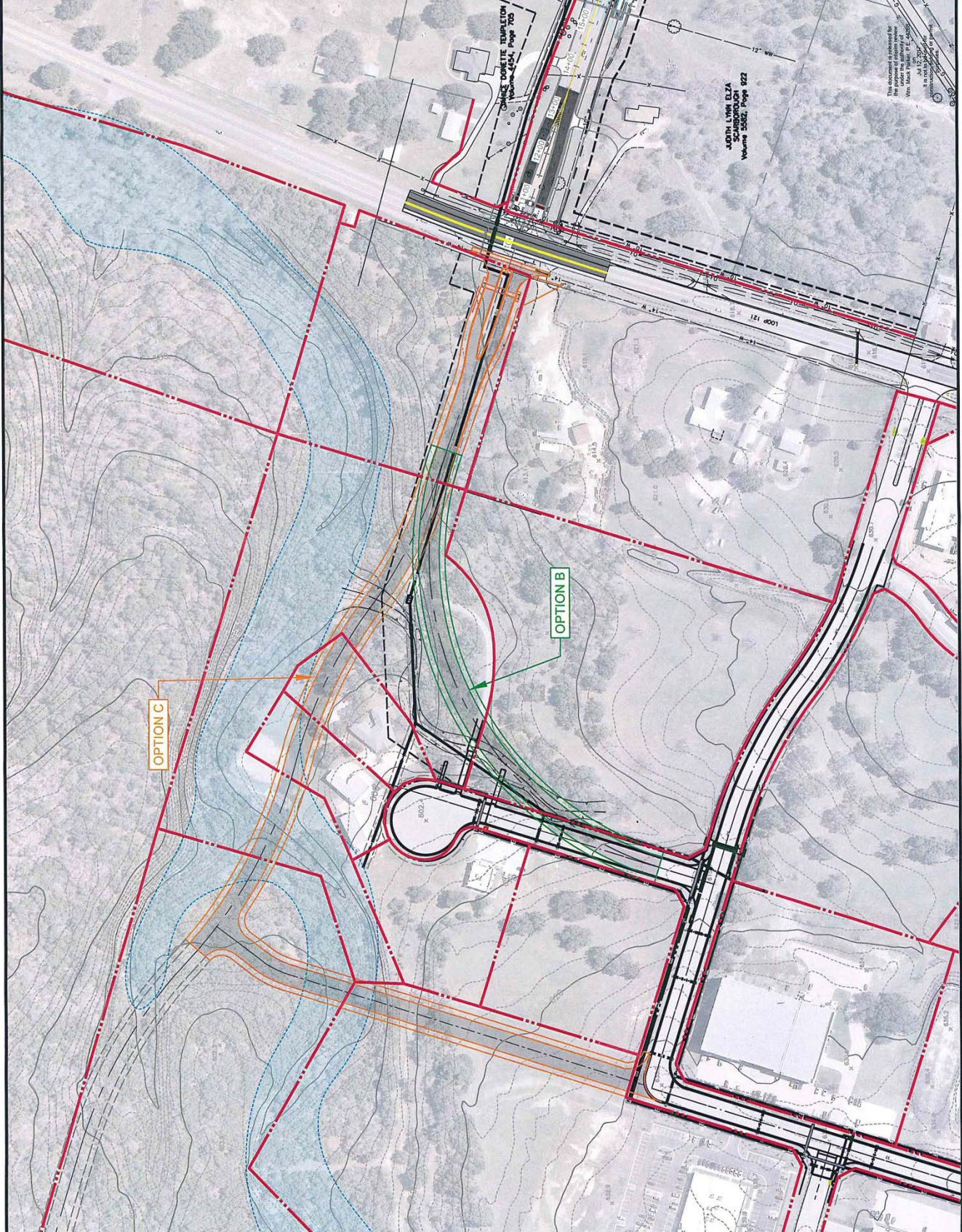
BR&E INITIATIVES

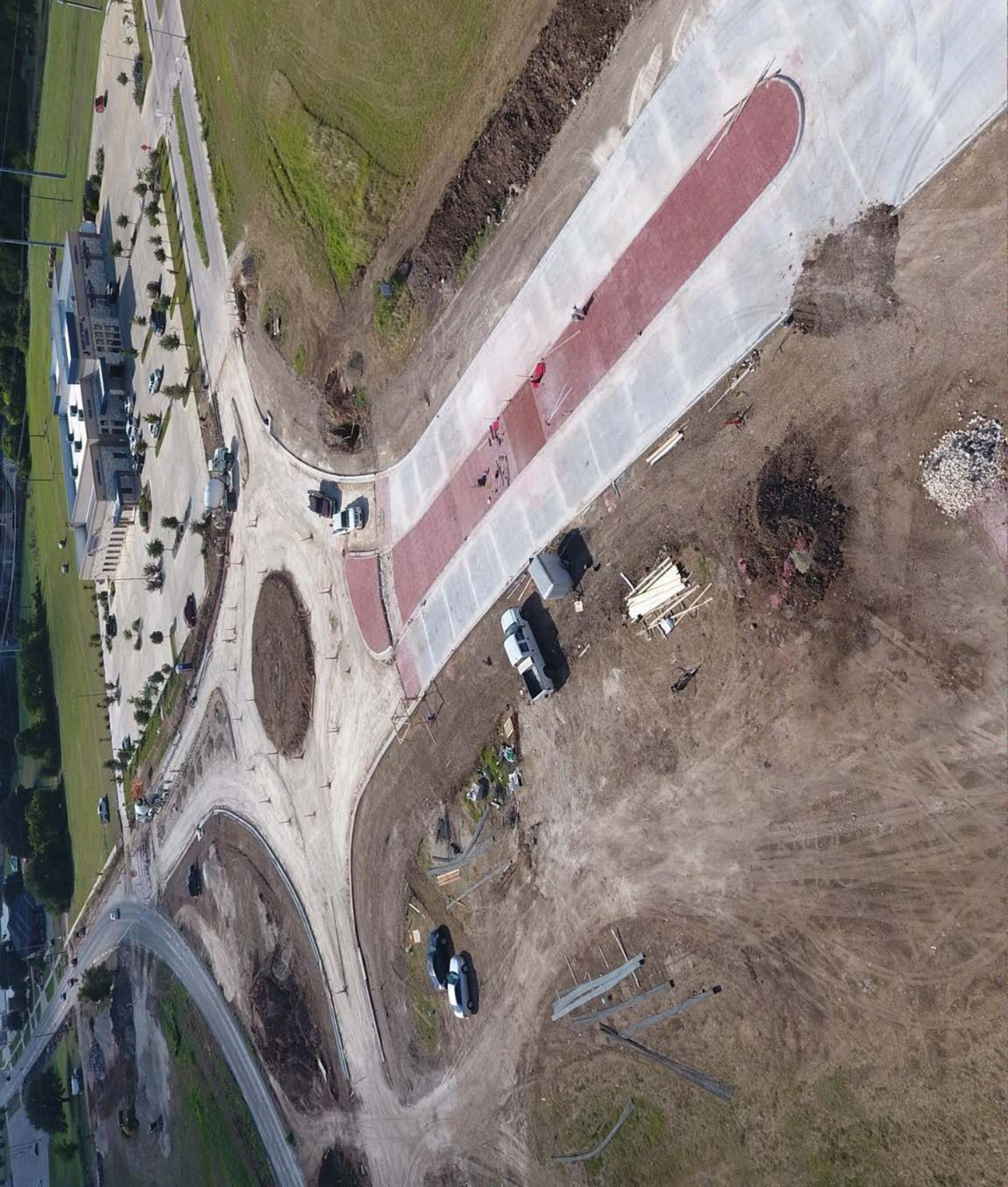
- Industry contacts and visits
- Industry Roundtable lunches (3)
- Team Texas Event – TRU Homes
- **Belltec Expansion \$2.5 million investment/10 new jobs**
- Liaison for community partners



ACCOMPLISHMENTS (CONT.)

Avenue D Design





ACCOMPLISHMENTS (CONT.)

\$190,000 contribution FY 2017 to
Sparta Rd.



ACCOMPLISHMENTS (CONT.)

Purchased building at 117 N. East
Street for BEDC offices.

ACCOMPLISHMENTS

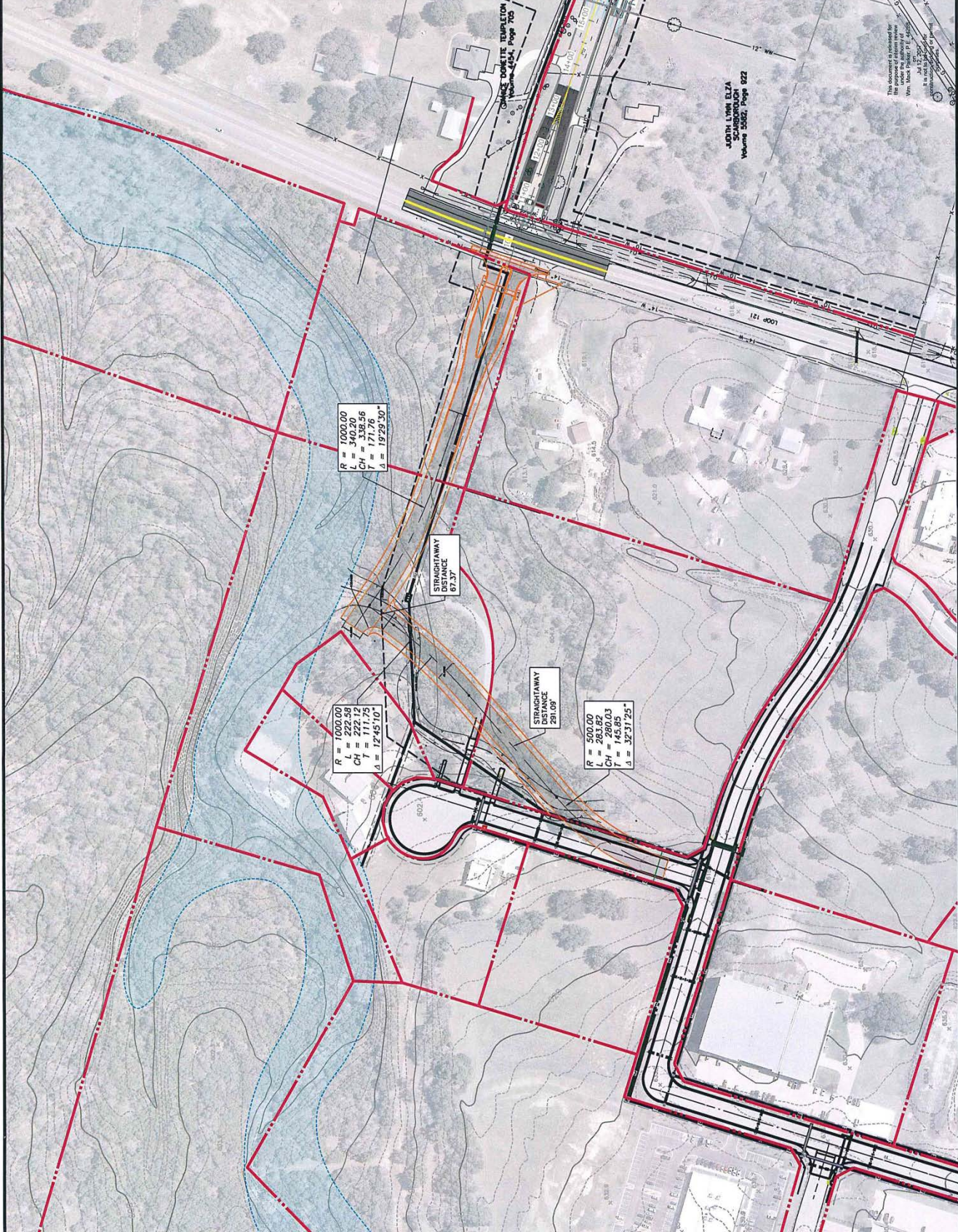
- BEDC/City Council joint meetings
- Support in City of Belton Retail Initiatives
 - EMSI access
 - Website presences/available property
 - Participating in Retail trade market analysis
 - Participation in Hotel and conference center initiatives
- Small Business Development Services
- Workforce Development Initiatives
 - CTHRMA
 - P20 Council
 - Workforce Solutions of Central Texas

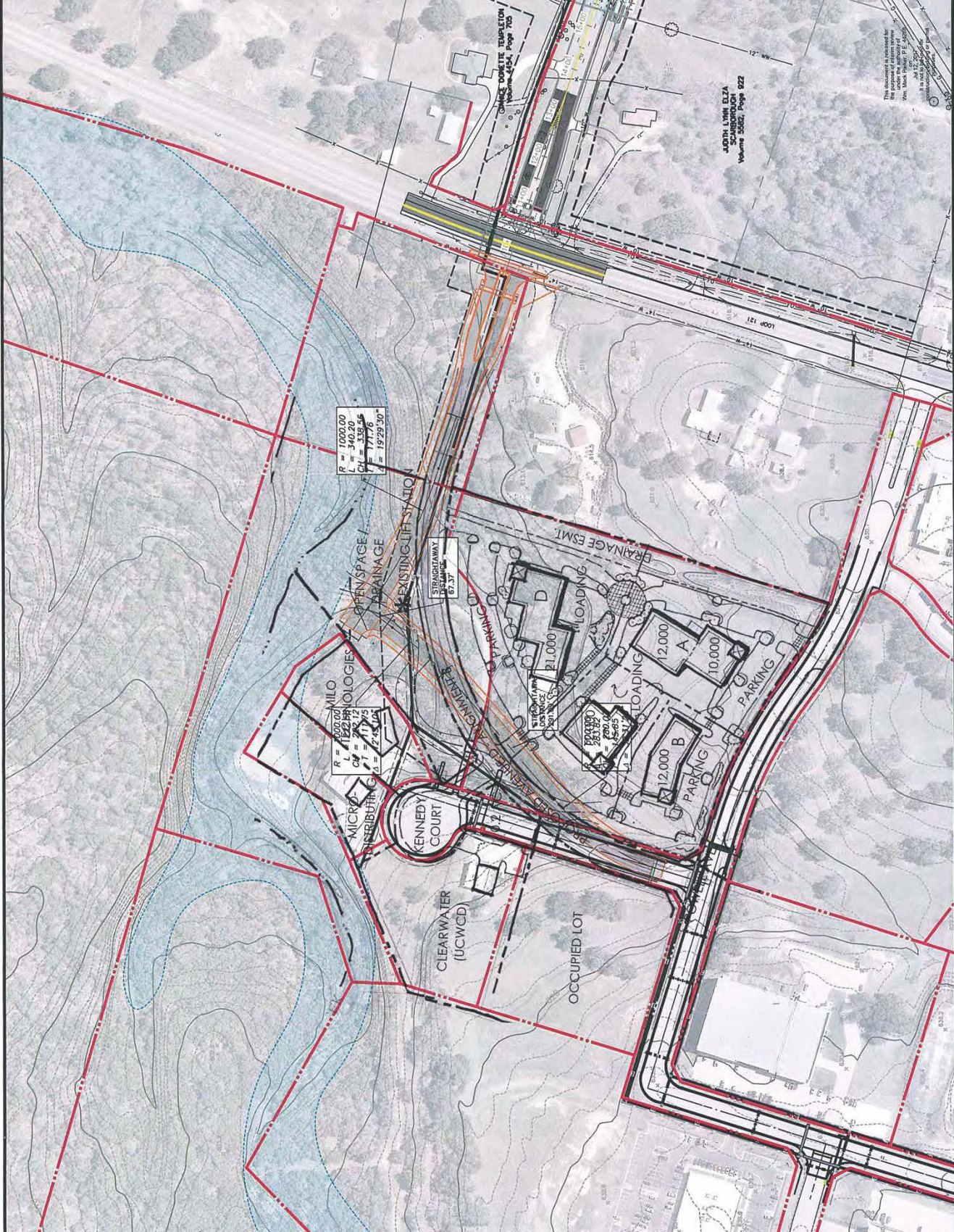
GOALS

2018

AVENUE D EXTENSION

\$1,885,310



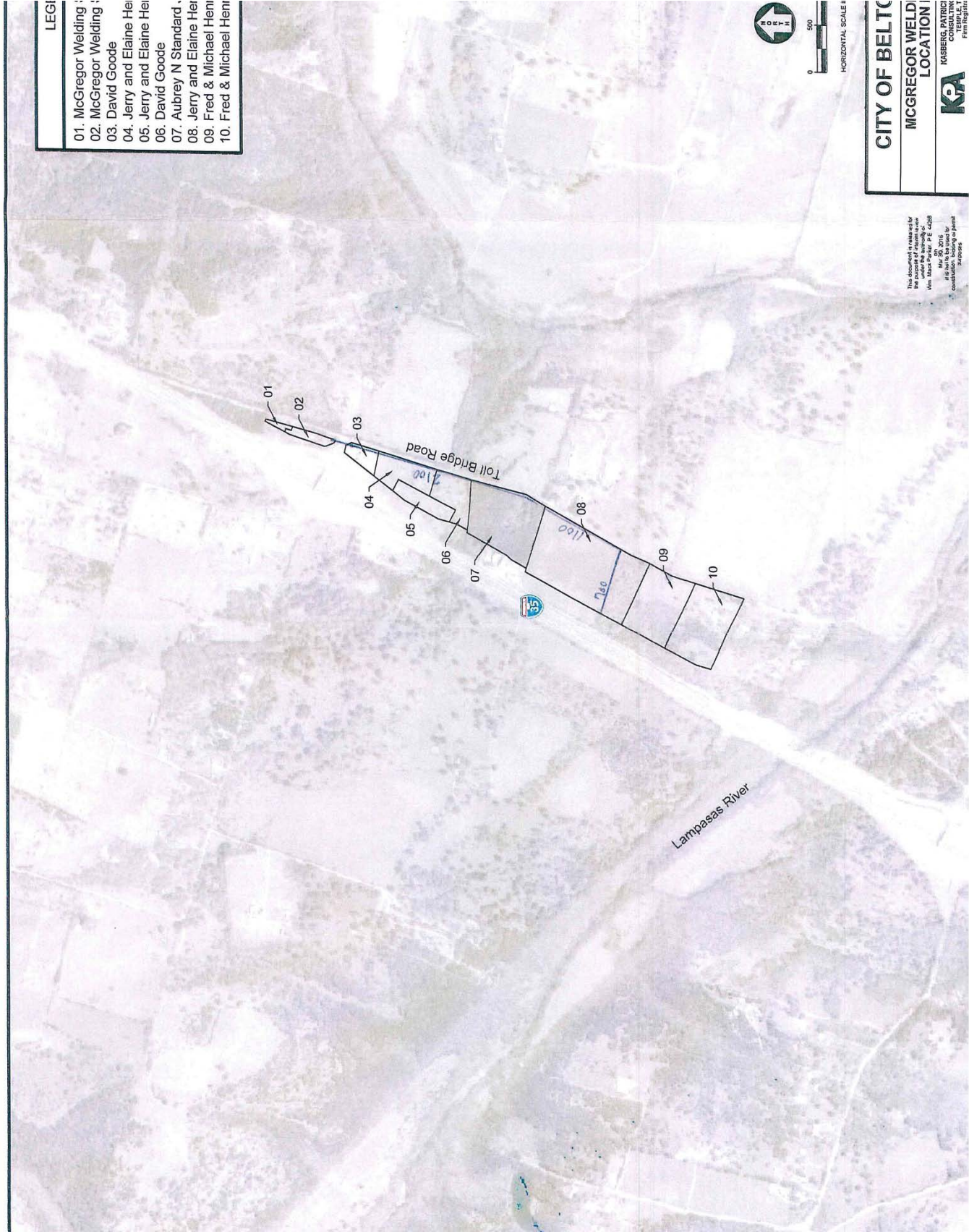


AVENUE D EXTENSION

\$1,885,310

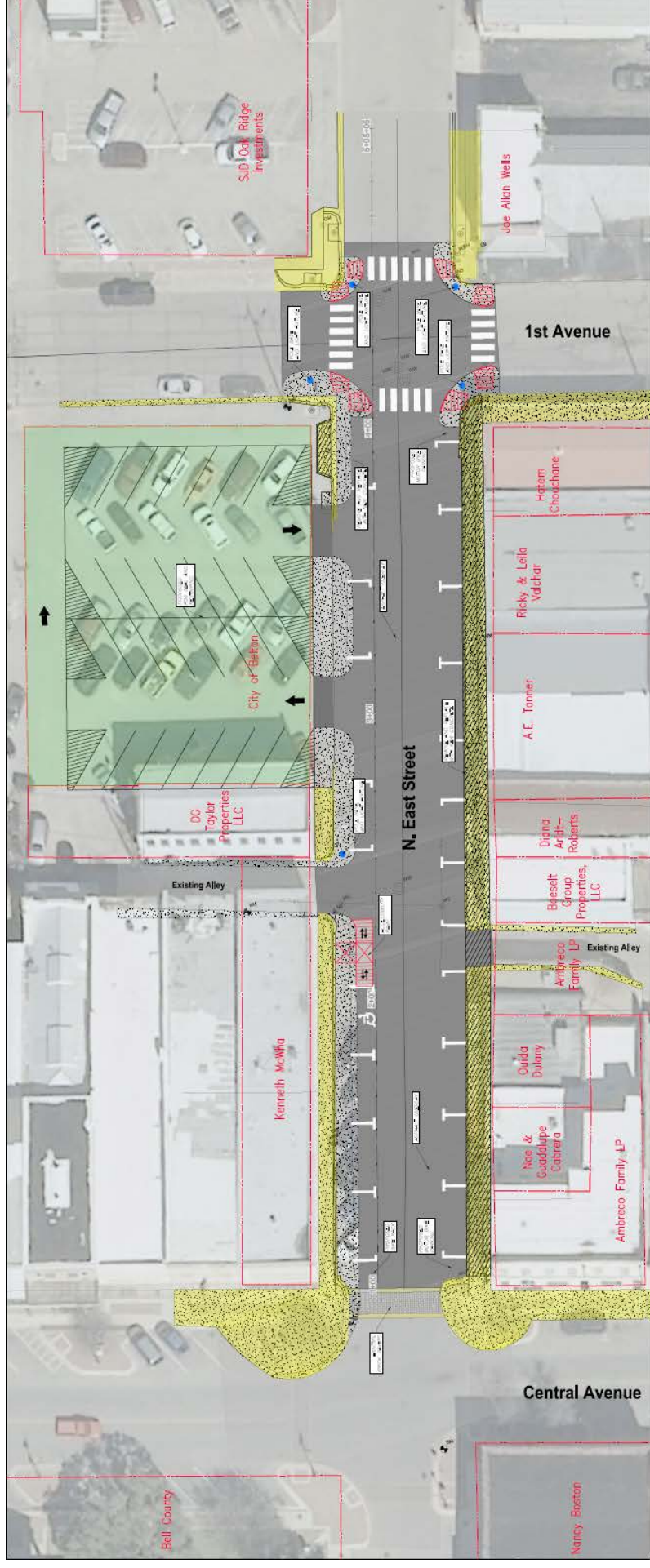
IH-35 WATER LINE EXTENSION

\$1,700,000



EAST STREET IMPROVEMENTS

\$100,000 BEDC Participation



CAPITAL PROJECTS

Project	FY 17 Cost	FY 18 Cost
Avenue D Design	\$200,000	\$108,000
Avenue D Construction		\$1,885,310
East Street Contribution		\$100,000
IH-35 Design		\$200,000
IH-35 Construction		\$1,500,000
Rockwool Fill		\$80,000

BEDC OFFICE RENOVATION

FY 2018 Budget \$250,000

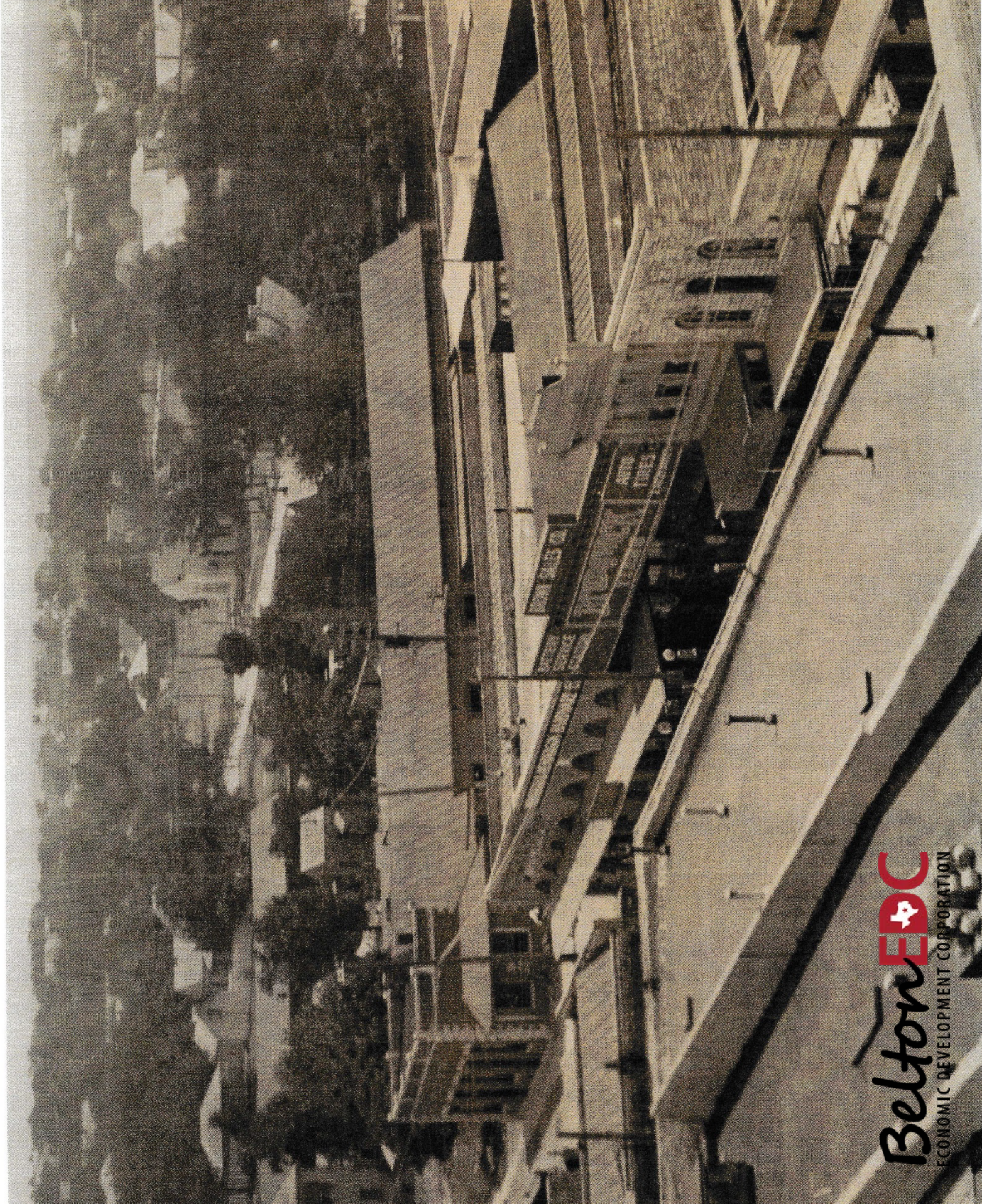
Work with a preservation consultant to establish eligibility for the Texas Historical Tax Credit Program.

Develop drawings for the building as is and drawings for proposed renovation.

Renovations cannot begin until THC has approved plans.

2400 sf renovation for BEDC offices

6200 sf not part of project scope at this time.



GOALS (CONT.)

- Joint meetings between BEDC Board and Belton City Council
- Continue to evaluate property sites and infrastructure needs for future development.
- Enhance marketing initiatives with Grand Central Texas and Team Texas.
- Continue collaboration with the City to assist with marketing for retail development initiatives.

BEDC BUDGET

2018