

Belton City Council Meeting
July 12, 2022 – 5:30 P.M.

The Belton City Council met in regular session in the Wright Room of the Harris Community Center. Members present included Mayor Wayne Carpenter, Mayor Pro Tem David K. Leigh and Councilmembers Dan Kirkley, John R. Holmes, Sr., Daniel Bucher and Stephanie O'Banion. Councilmember Craig Pearson was absent. Staff present included Sam Listi, John Messer, Amy Casey, Mike Rodgers, Jon Fontenot, Tina Moore, Chris Brown, Matt Bates, Bob van Til, Paul Romer, Daniel Aguirre, Allen Fields, Charlotte Walker, Kim Kroll and Cynthia Hernandez.

The Pledge of Allegiance to the U.S. Flag was led by Mayor Wayne Carpenter, and the pledge to the Texas Flag was led by City Clerk Amy Casey. The Invocation was given by Mayor Pro Tem David K. Leigh.

1. **Call to order.** Mayor Carpenter called the meeting to order at 5:31 p.m.
2. **Public Comments.** *(Audio 1:53)*

There were none. Mayor Carpenter thanked City staff and Chamber staff for the great work on Belton's Independence Day celebration.

Consent Agenda

Items 3-5 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.

Each item was considered separately.

3. **Consider minutes of June 28, 2022, City Council Meeting.** *(Audio 2:38)*

Upon a motion by Mayor Pro Tem Leigh, and a second by Councilmember O'Banion, Consent Agenda Item 3 was unanimously approved upon a vote of 6-0.

4. **Consider an ordinance abandoning a portion of a sanitary sewer easement at 3080 Pecan Meadows and authorizing the City Manager to execute an Encroachment Indemnity Agreement.** *(Audio 3:06)*

This item was presented by Director of Planning Bob van Til.

Upon a motion by Mayor Pro Tem Leigh, and a second by Councilmember Kirkley, Consent Agenda Item 4, including the following captioned ordinance, was unanimously approved upon a vote of 6-0.

ORDINANCE NO. 2022-35

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELTON, TEXAS, PROVIDING THAT A 46 SQUARE FOOT PORTION OF A 20' WIDE UTILITY EASEMENT IN THE TUSCAN RIVER PHASE 1 ADDITION, BLOCK 2, LOT 5, BE CLOSED, ABANDONED AND VACATED

5. **Consider a resolution authorizing the submittal of an application to the Texas Parks and Wildlife Community Park Grant Program for the Water Standpipe Renovation and Community Event Park Project.** *(Audio 8:28)*

Upon a motion by Councilmember O'Banion, and a second by Councilmember Bucher, Consent Agenda Item 5 was postponed to July 26, 2022, by a vote of 6-0.

Planning and Zoning

6. **Z-22-22 Hold a public hearing and consider a zoning change from Agricultural (A) to Planned Development - Commercial-1 (PD-C-1) District on approximately 15.836 acres located at 2406 Lake Road, generally located west of FM 2271 and east of Sparta Road to establish an RV Park.** *(Audio 9:04)*

Planner Tina Moore presented this item.

Public Hearing:

- Brenda Howard, 5613 Hamlet Drive – spoke in favor.
- Scott Daniel, 3206 Wildcatter – spoke in favor.
- Rachel Ramesar, 1604 Sandbar – spoke against.
- Jason Williams, 6373 Eaglepoint Main Street – spoke in favor.
- Marion Taffolla, 3000 Amber Forest Trail – spoke against.
- Paul Strang, 3239 Lake Park Road – spoke in favor.
- Delpha Potter, 3532 Canyon Heights – spoke against.
- Macy Petru, 3007 Amber Forest Trail – spoke against.
- Kirby Kunze, 2603 Twin Ridge Court – spoke against.
- Jeff Howard, 5613 Hamlet Drive – spoke in favor.
- Piyusha Sharma, applicant – spoke in favor.
- Ann Kennedy, 3202 Breakers Cove – spoke against.

Upon a motion for approval of the rezoning by Councilmember Kirkley, and a second by Councilmember O'Banion, the rezoning was disapproved upon a vote of 3-3 with Councilmember Holmes, Mayor Pro Tem Leigh and Mayor Carpenter providing the dissenting votes.

ORDINANCE NO. 2022-36 (DISAPPROVED)

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF

BELTON BY CHANGING THE DESCRIBED DISTRICT FROM AGRICULTURAL TO PLANNED DEVELOPMENT – COMMERCIAL-1 DISTRICT ON APPROXIMATELY 15.84 ACRE PROPERTY LOCATED 2406 LAKE ROAD.

Budget

7. **Receive a report on the FY 2023 – FY 2027 Capital Improvements Program (CIP) and provide input on projects and scheduling for inclusion in the FY 2023 annual budget.** (Audio 51:10)

Director of Finance Mike Rodgers presented this item (see Exhibit A). No action, other than providing input, was required of Council.

8. **Discuss certain assumptions used in the development of the FY 2023 annual budget, including but not limited to health insurance premiums, sales tax, street maintenance and employee compensation.** (Audio 1:09:21)

This item was presented by Director of Finance Mike Rodgers (see Exhibit B). No action, other than providing input, was required of Council.

Councilmember Holmes left the meeting at 7:03 p.m.

Work Session

9. **Hold a work session to discuss short-term rentals in Belton.** (Audio 1:33:18)

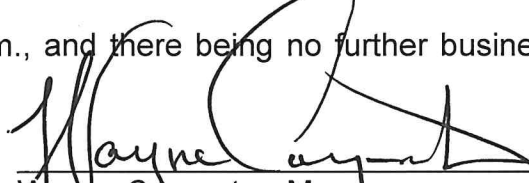
Director of Planning Bob van Til presented this item. No action, other than providing input, was required of Council.

Executive Session

At 7:33 p.m., the Mayor announced the Council would go into Executive Session for the following item:

10. Executive Session pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072, Deliberation Regarding Real Property.

The Mayor reopened the meeting at 7:58 p.m., and there being no further business, the meeting was adjourned.


Wayne Carpenter, Mayor

ATTEST:


Amy M. Casey, City Clerk

EXHIBIT "A"

FY 2023 — 2027 CAPITAL IMPROVEMENTS PROGRAM

Presented on July 12, 2022



1

WHAT IS A CAPITAL IMPROVEMENTS PROGRAM (CIP)?



- A Capital Improvements Program represents the City's plan for infrastructure development over a specific period – here, five years.
- Plan is reviewed annually to reflect changing priorities and to provide a framework for identifying capital requirements.
- The CIP consists of three sections:
 - Project name and cost estimate
 - Possible sources of funding
 - Effect upon future operations and maintenance costs



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WHY CREATE A CIP?

- Capital planning ensures that essential government services can be provided in the future.
- It represents a significant portion of City expenditures and exemplifies a government “Best Practice.”
- It implements capital components of the Strategic Plan.



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HOW IS A CIP DEVELOPED?

- Management assembles projects anticipated for the next five years.
- Costs are estimated and possible funding sources are recognized.
- Changes to operations and maintenance costs are projected.



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CHANGES FROM THE 2022-2026 CIP



- Most cost estimates were increased by 25% to reflect inflation and recent Opinions of Probable Cost.
- Certain projects were advanced or postponed due to anticipated development and/or availability of funding.
- Some new projects were added:
 - Fire and Public Works Equipment Replacement
 - Hubbard Branch Park
 - Mount Zion Methodist Church Rehabilitation
 - E Central Avenue Bridge Replacement
 - Capitol Way Extension
 - Finance Building Renovation
 - College Street Sewer

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GENERAL GOVERNMENT PROJECTS



Project Type/ Project Summary	Estimated Project Expenditures by Fiscal Year Ending					Total
	2023	2024	2025	2026	2027	
Public Safety Projects						
Police Department South Parking Lot	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Police Department Secured Parking	-	30,000	-	-	-	30,000
Fire Department Equipment Replacement	212,100	-	-	-	-	212,100
Total Public Safety Projects	242,100	30,000	-	-	-	272,100
Parks and Recreation Projects						
Heritage Park Amenities	-	1,000,000	-	-	-	1,000,000
Library Interior Renovation	250,000	-	-	-	-	250,000
Hubbard Branch Park	50,000	-	-	-	-	50,000
Standpipe Park	-	1,500,000	-	-	-	1,500,000
Historic Standpipe Restoration	-	335,000	-	-	-	335,000
Mount Zion Methodist Church Rehabilitation	-	500,000	-	-	-	500,000
Total Parks and Recreation Projects	300,000	3,335,000	-	-	-	3,635,000
Streets and Sidewalks Projects						
W Avenue D Extension	-	-	2,200,000	-	-	2,200,000
Southwest Pkwy Loop 121 to Huey Road	1,400,000	500,000	-	-	-	1,900,000
E Central Avenue Bridge Replacement	6,200,000	-	-	-	-	6,200,000
S Pearl and E Avenue J Reconstruction	1,300,000	-	-	-	-	1,300,000
Connell Street Reconstruction	1,200,000	8,200,000	-	-	-	9,400,000
Brenda Lane Reconstruction	-	-	-	-	1,250,000	1,250,000
E 13th Avenue Sidewalks	672,000	-	-	-	-	672,000
S Penelope Sidewalks	-	50,000	312,500	-	-	362,500
E 24th Avenue Widening at Main Street	-	-	1,250,000	-	-	1,250,000
Toil Bridge Road Reconstruction	-	7,000,000	-	-	-	7,000,000
Capitol Way Extension	-	-	-	-	3,800,000	3,800,000
Total Streets and Sidewalks Projects	10,772,000	15,750,000	3,762,500	-	5,050,000	35,334,500
Special and General Projects						
Public Works Equipment Replacement	346,430	443,700	-	115,440	-	905,570
Finance Building Renovation	150,000	-	-	-	-	150,000
Total Special and General Projects	496,430	443,700	-	115,440	-	1,055,570
Total Expenditures For All Projects	\$ 11,810,530	\$ 19,558,700	\$ 3,762,500	\$ 115,440	\$ 5,050,000	\$ 40,297,170

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GENERAL GOVERNMENT PROJECT FUNDING AND IMPACT UPON FUTURE BUDGETS



Sources of Funding	Estimated Funding Amount by Fiscal Year					Total
	2023	2024	2025	2026	2027	
Bond Issuances	\$ -	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000	\$ 2,500,000
Grants	5,342,000	575,000	-	-	-	5,917,000
Operating Fund Revenues	80,000	185,000	312,500	-	-	577,500
BEDC Funding	1,300,000	-	2,200,000	-	-	3,500,000
TIRZ Funding	3,400,000	12,700,000	-	-	3,800,000	19,900,000
Other Funding	1,688,530	6,098,700	-	115,440	-	7,902,670
Total Funding For All Projects	\$ 11,810,530	\$ 19,558,700	\$ 3,762,500	\$ 115,440	\$ 5,050,000	\$ 40,297,170

Departments with O&M	Operations & Maintenance (O&M) Expenditures by Fiscal Year					Total
	2023	2024	2025	2026	2027	
Fire	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (15,000)
Public Works - Streets	(7,000)	(6,000)	(5,000)	(10,000)	(11,000)	(39,000)
Parks and Recreation	1,000	6,000	6,000	6,000	6,000	25,000
Total Change to O&M Expenditures	\$ (9,000)	\$ (3,000)	\$ (2,000)	\$ (7,000)	\$ (8,000)	\$ (29,000)

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UTILITY PROJECTS



Project Type/ Project Summary	Estimated Project Expenditures by Fiscal Year Ending					Total
	2023	2024	2025	2026	2027	
Water Projects						
Old Golf Course Road Water Line	\$ -	\$ -	\$ 1,473,750	\$ -	\$ -	\$ 1,473,750
North Main Street Water Line Relocation	-	-	-	625,000	-	625,000
Mary Jane Water Line Replacement	-	437,500	-	-	-	437,500
E Central Water Line Upsize	-	-	312,500	-	-	312,500
S Pearl Water Line	-	-	187,500	-	-	187,500
N Blair/Flat/Walker Looped Water Service	-	-	-	375,000	-	375,000
Sparta Road Pump Replacements	937,500	-	-	-	-	937,500
Loop 121 Utility Relocations Phase II	-	-	2,500,000	-	-	2,500,000
Total Water Projects	937,500	437,500	4,473,750	1,000,000	-	6,848,750
Wastewater Projects						
Temple-Belton WWTP Phase II	8,250,000	-	-	-	-	8,250,000
IH-14/FM 1670 Sewer Extension	1,375,000	-	-	-	-	1,375,000
Continental Lift Station Offload	600,000	-	-	-	-	600,000
Main Belton Lift Station Force Main	1,125,000	-	-	-	-	1,125,000
College Street Sewer Replacement	-	-	-	-	812,500	812,500
Mary Jane and E Ave J Sewer	-	500,000	-	-	-	500,000
W Ave A Sewer Replacement	450,000	-	-	-	-	450,000
E Ave M Sewer Replacement	-	-	625,000	-	-	625,000
W Ave B Near Mitchell Sewer Line	-	-	312,500	-	-	312,500
Hilltop Sewer Replacement	-	-	-	312,500	-	312,500
Mitchell Branch Sewer Upsize/Interceptor	-	4,125,000	-	-	-	4,125,000
Total Wastewater Projects	11,800,000	4,625,000	937,500	312,500	812,500	18,487,500
Drainage Projects						
E 4th Ave/N Blair Drainage	-	-	-	1,406,250	-	1,406,250
Liberty Hill Subdivision Culvert	-	-	625,000	-	-	625,000
Mesquite Road Drainage	-	-	500,000	-	-	500,000
Total Drainage Projects	-	-	1,125,000	1,406,250	-	2,531,250
Total Expenditures For All Projects	\$ 12,737,500	\$ 5,062,500	\$ 6,536,250	\$ 2,718,750	\$ 812,500	\$ 27,867,500

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UTILITY PROJECT FUNDING AND IMPACT UPON FUTURE BUDGETS



Sources of Funding	Estimated Funding Amount by Fiscal Year					Total
	2023	2024	2025	2026	2027	
Bond Issuances	\$ 7,812,500	\$ 4,125,000	\$ 5,723,750	\$ -	\$ -	\$ 17,661,250
Grants	-	-	-	-	-	-
Operating Fund Revenues	2,550,000	937,500	812,500	1,312,500	812,500	6,425,000
BEDC Funding	1,375,000	-	-	-	-	1,375,000
TIRZ Funding	-	-	-	1,406,250	-	1,406,250
Other Funding	1,000,000	-	-	-	-	1,000,000
Total Funding For All Projects	\$ 12,737,500	\$ 5,062,500	\$ 6,536,250	\$ 2,718,750	\$ 812,500	\$ 27,867,500

Departments with O&M	Operations & Maintenance (O&M) Expenditures by Fiscal Year					Total
	2023	2024	2025	2026	2027	
Water	\$ (2,000)	\$ (3,250)	\$ (8,250)	\$ (11,250)	\$ (11,250)	\$ (36,000)
Wastewater	9,000	8,000	6,000	5,000	4,000	32,000
Drainage	-	-	(2,500)	(3,500)	(3,500)	(9,500)
Total Change to O&M Expenditures	\$ 7,000	\$ 4,750	\$ (4,750)	\$ (9,750)	\$ (10,750)	\$ (13,500)

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CONCLUSION



- Over \$68,000,000 of capital projects have been identified for the next five years, \$24,548,000 of which is scheduled in FY 2023.
- Cash-funding may come from many sources:
 - TIRZ \$21,306,000
 - City revenue 7,002,000
 - Grants 5,917,000
 - BEDC 4,875,000
 - Other funding 8,902,000
- \$20,000,000 of projects may be funded with bonds.

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EXHIBIT "B"



FY23 Budget Workshop Follow-Up July 12, 2022

Presented by:
Michael Rodgers, CPA
Director of Finance

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Topics To Be Discussed

- Health insurance assumption
- Sales tax revenue assumption
- Street maintenance funding assumption
- Compensation assumption

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General Fund FY23 Statement of Fund Balance

Projected Spendable Balance, Sept 30, 2022	\$ 6,213,119	35.5%
Increases/(Decreases) to Fund Balance:		
FY23 Revenue	21,198,970	
FY23 Expenditures	<u>(20,666,570)</u>	
Net Increase/(Decrease) to Fund Balance	532,400	
Spendable Fund Balance, Sept 30, 2023	<u>\$ 6,745,519</u>	32.6%

The City has adopted a fund balance policy with the goal of achieving and maintaining fund balance equal to 30% of budgeted expenditures. At no time, shall fund balance fall below 25% of budgeted expenditures.

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Health Insurance Assumption

- The preliminary proposed budget did not include any increase to health insurance premiums
- City management and staff met with our benefits consultant, Andrew Weegar with HUB International, on July 7, 2022
- Preliminary data reflects a 15% - 18% increase
 - General Fund expenditures increase by \$149,000
 - Water/Sewer Fund expenses increase by \$34,000
 - Other funds increase by a total of \$17,000
- An RFP will be released in August with City Council approval in November for January implementation

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Sales Tax Assumption

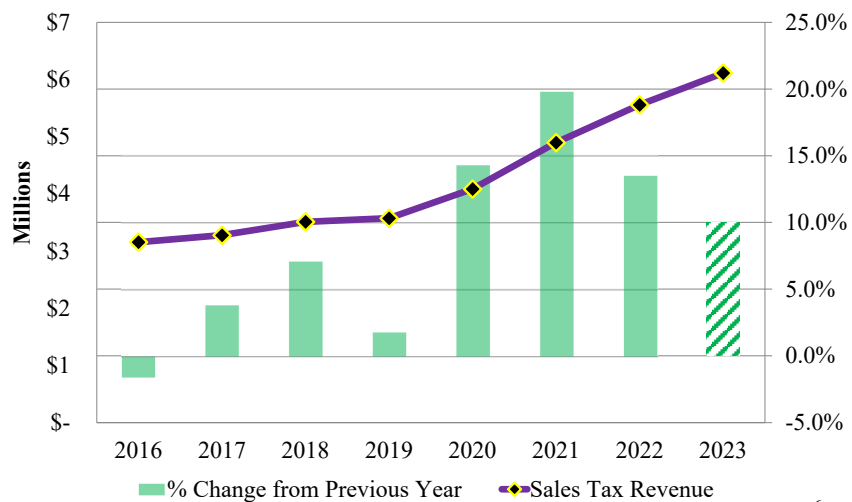
- Sales tax revenue is expected to grow by \$555,809 (10%) over the FY22 estimate
 - The average growth rate from 2020 to 2022 was 15.9%
 - The average growth rate from 2016 to 2019 was 2.7%
- Even if growth returned to 2016-2019 levels, revenue would still increase by \$150,066
- The projected increase to reserves in FY 2023 would be enough to cover the difference

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General Fund Sales Tax Revenue



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Street Maintenance Assumption

- The FY 2023 preliminary proposed budget includes \$1,000,000 for street maintenance
- Deferred in FY 2022 due to cost, \$650,000 was transferred into a capital project fund for use in FY 2023
- Council allocated \$1,500,000 of ARPA funding for street and sidewalk maintenance
- \$1,350,000 has been set aside for reconstruction of W 13th and N College
- A bid package totaling \$4,500,000 should draw a lot of interest from vendors

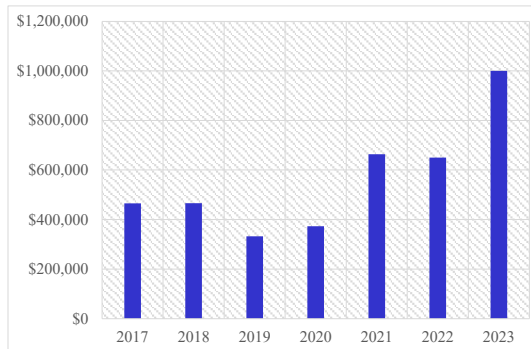
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Street Maintenance Funding FY16 to FY23

FY	Revenue
2017	\$465,000
2018	466,000
2019	332,130
2020	372,870
2021	663,342
2022 ^{Deferred}	650,000
2023 ^{Budget}	1,000,000



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Compensation Assumption

- Implementation of the recent compensation study adds more than \$1,000,000 to the budget
- A 2% cost of labor adjustment plus a 5% merit or a 2.5% civil service step increase boosts expenditures in the General Fund by \$454,000
 - Non-civil service employees would increase up to 7%
 - Civil service employees would increase by 4.5%

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Compensation Assumption

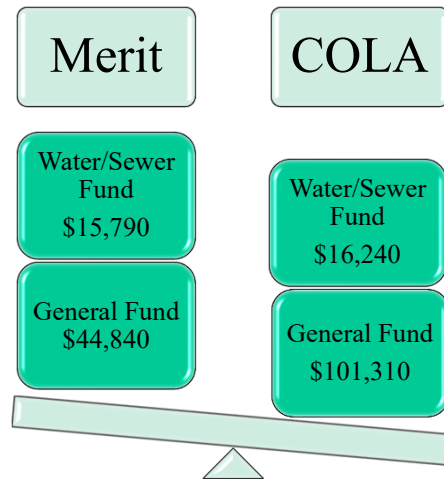
- Our personnel consultant, Lori Messer, points out that the COLA is an adjustment for the cost of labor not the cost of living
- Most organizations are not matching inflation due to fiscal constraints
- Market research shows that organizations are proposing pay increases of 5% on average
- Lori recommends maintaining our assumption of 2% COLA plus merit or step increases

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Compensation Assumption Cost of 1% Increase



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Recommendations

- A 15% increase to health insurance premiums should be assumed while various plan alternatives are being explored
- Sales tax revenue assumption should remain at 10% with projected reserves covering any shortfall
- Street maintenance funding for FY 2023 should remain at \$1,000,000 to meet the goal set by City Council given the ever-expanding street network
- A 2% cost of labor adjustment plus a 5% merit or 2.5% civil service step increase should keep our salaries in line with the market

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Questions/Comments?

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