

Belton City Council Meeting
June 14, 2016 – 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 David K. Leigh and Councilmembers Guy O'Banion, Dan Kirkley, Jerri Gauntt and Paul Sanderford. Councilmember Craig Pearson was absent. Staff present included Sam Listi, John Messer, Gene Ellis, Amy Casey, Brandon Bozon, Erin Smith, Bruce Pritchard, Chris Brown, Aaron Harris, Byron Sinclair, Angellia Points, Matt Bates, Susan Allamon, Ed Bandas, Paul Romer and Cynthia Hernandez.

The Pledge of Allegiance to the U.S. Flag was led by Councilmember Jerri Gauntt, the Pledge of Allegiance to the Texas Flag was led by Fire Chief Bruce Pritchard, and the Invocation was given by Mayor Pro Tem David K. Leigh.

1. **Call to order.** Mayor Marion Grayson called the meeting to order at 5:30 p.m.
2. **Public Comments.** There were none.
3. **Proclamations and Recognitions:**
 - A. **Receive recognition from Leadership Belton for Generous Guardian sponsorship of the Belton Police Memorial.** Angellia Points presented Mayor Grayson with a plaque recognizing the City as a major donor to the Belton Police Memorial.
 - B. **Texas Association of Municipal Information Officer's TAMI Award for the RUOK? Program.** Public Information Officer Paul Romer presented the TAMI award, received by the City for the Police Department's RUOK? Program video, to Assistant City Manager/Police Chief Gene Ellis.
4. **Receive a presentation on the budget process and offer input on key policies and initiatives.**

Director of Finance Brandon Bozon provided an overview of the FY 2017 budget process and policy as shown in Exhibit "A." Mr. Bozon explained that personnel represents 67% of the City's budget. He reviewed changes made in the personnel structure over the last few years. He added that six full-time positions have been requested in FY2017, but only three of the requests are being recommended for funding.

Mr. Bozon discussed the City's Capital Equipment Replacement Funds that will fund replacement of vehicles, computers and HVAC systems. He is recommending \$421,325 in FY2017 as the initial amount for the General Fund for this key initiative. He is also recommending \$388,636 for the Water & Sewer Fund.

He stated that fund balance at September 30, 2016, for the General Fund is estimated at \$1.5M-\$1.6M in excess of the minimum required.

The Water & Sewer Fund FY2017 budget includes adjustments to the water and sewer rates as outlined in the five year rate plan adopted by the Council. Water rates will increase \$0.50 on the base rate and will increase \$0.21 on the volumetric rate. Sewer rates will increase \$0.50 on the base rate and will increase \$0.50 on the volumetric rate. Mr. Bozon reviewed water and sewer projects on the horizon and the estimated costs for each.

Mr. Bozon said there is no change to the drainage rate proposed for FY2017.

Mayor Grayson asked what Mr. Bozon thought was the highest priority of the items discussed. Mr. Bozon said that he felt that the Capital Equipment Replacement Fund will put the City in a better position by planning for replacement instead of just replacing or trying to repair equipment as equipment breaks. Councilmember O'Banion said that he felt it was important to fully implement the Capital Equipment Replacement Plan as quickly as possible. He asked if the plan was initiated using fund balance in FY2016. Mr. Bozon said that \$250K of fund balance was used to replace public works, parks and police vehicles. Mr. O'Banion said he feels it is important to fund the plan fully each year, even if some of the money comes from fund balance.

City Manager Listi complimented Mr. Bozon and the Department Heads for all the effort they put into creating the Capital Equipment Replacement Plan. He said it is an important step forward in planning and funding our needs.

Mr. Listi pointed out the utility rate adjustment, and said that staying true to the five year plan will help fund the important utility projects that are in the works.

Mayor Pro Tem Leigh asked about the debt funding levels. He asked if Bell County WCID will come back to us for additional funding. Mr. Bozon said that they have discussed it with Bell County WCID who has assured City Staff that they do not have any plans to do that. There may possibly be some smaller projects coming forward in 2-3 years, but the City should have the ability to fund them.

Mr. Leigh asked about sales tax projections. Mr. Bozon said that the City should end the year about where it budgeted for sales tax revenues. He said that the proposed FY2017 Budget includes a 1.9% sales tax growth.

Consent Agenda

Items 5-6 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.

5. Minutes of the May 24, 2016, City Council Meeting.

6. **Consider appointments/reappointments to the following boards and commissions:**

A. **Parks Board**. Josh Pearson and Daniel Bucher were reappointed.

B. **Zoning Board of Adjustment**. David Jarrat and Lewis Simms were reappointed.

Upon a motion by Councilmember Dan Kirkley and a second by Councilmember Guy O'Banion, the Consent Agenda items were unanimously approved upon a vote of 6-0.

Planning and Zoning

The Mayor read items 7 and 8 to be discussed together.

7. **Consider authorizing the purchase of 3.546 acres of land from Don and Billie Cameron for Lake-to-Lake Road right-of-way.**

8. **Consider a preliminary/final plat for Cameron Hills II, a 19.393 acre tract of land, located on the north side of Sparta Road, west of Lake to Lake Road right-of-way and west and south of Dawson Ranch, Phases 5 and 6.**

City Manager Sam Listi reminded Council that these items were tabled at the June 14, 2016, City Council meeting. He said that the Council expressed a couple of concerns which were addressed in a revised offer letter to the Camerons dated May 26, 2016. Mr. Listi met with the Camerons who agreed to the proposed changes and signed the revised offer letter.

Mr. Listi stated that revisions included clarifying that the City will construct Spur 2271 and the looped water line when needed in conjunction with Lake to Lake Road construction. Additionally, if the remaining Cameron property is redeveloped before the Spur 2271 connector road is needed for access between the Lake to Lake Road and Sparta Road, the connector road and water line extensions will be the responsibility of the developer. He said that within 90 days of closing, the City will set two water meters on Sparta Road, extend a 2-inch water line for Cameron domestic service, and relocate a gate to the new Cameron property line. Total acquisition cost is \$103,239.

Mr. Listi also recommended approval of the Cameron Hills II subdivision plat with the two conditions recommended by the Planning and Zoning Commission. The conditions include: (1) a variance for public street access for the interior lot which does not abut a public street and will be served by an access easement, and (2) a variance to the park fee since no additional lots are being created.

Upon a motion by Mayor Pro Tem Leigh and a second by Councilmember Kirkley, item 7 was approved upon a vote of 6-0.

Upon a motion by Mayor Pro Tem Leigh and a second by Councilmember Kirkley, item 8 was approved upon a vote of 6-0.

9. **Consider authorizing a Façade Improvement Grant to Libery Church of Bell County, 302 East Central Avenue.**

Director of Planning Erin Smith stated that Liberty Church of Bell County has submitted a Façade Improvement Grant (FIG) application to complete exterior repairs and renovations on the primary façade facing East Central Avenue and the northern façade facing the alley at 302 East Central Avenue.

The proposed improvements include:

Primary Façade (facing Central Avenue):

- Install 3 metal awnings;
- Replace the existing glass doors and windows;
- Install Liberty Church wall sign;
- Lime wash the existing brick façade; and
- Install two sconces and five gooseneck lights.

Rear Façade (facing rear alley):

- Paint the existing stucco;
- Replace the siding around the door with hardi board;
- Install a metal awning above the door; and
- Install two sconces.

Mrs. Smith said that the total projected cost is \$24,168 (\$19,195 for primary façade and \$4,973 for rear façade). The FIG application requests the maximum match amount of \$12,084.

Upon a motion by Councilmember Kirkley and a second by Councilmember O'Banion, item 9 was approved upon a vote of 6-0.

10. **Consider authorizing a Façade Improvement Grant to Cedon Realty, 209 East Central Avenue.**

Director of Planning Erin Smith stated that the building located at 209 East Central Avenue was built in 1930 and is located in the Downtown Belton Commercial Historic District. Don Ringler has submitted a Façade Improvement Grant (FIG) application to complete exterior repairs and renovations on the rear exterior façade of the building located at 209 East Central Avenue.

The proposed improvements include:

- Construct a limestone façade on the western wall;
- Install cedar siding and trim on two framed walls;

- Paint the exterior cedar walls and storage building; and
- Install new electrical wiring and plugs.

Mrs. Smith explained that the applicant is proposing other exterior renovations that are not eligible for FIG funding, but did require Historic Preservation Commission (HPC) approval. At their June 9th meeting, the HPC recommended approval of the FIG request and the other proposed exterior renovations.

Mrs. Smith said that the total projected cost on the application is \$8,749. The FIG application requests the maximum match amount of \$4,374.

Upon a motion by Councilmember Paul Sanderford and a second by Mayor Pro Tem Leigh, item 10 was approved upon a vote of 5-0. (Councilmember O'Banion had stepped out of the room during this item, and returned shortly after the vote.)

Miscellaneous

11. Consider a Resolution establishing a policy regarding annexation of land into the Belton city limits.

Director of Planning Erin Smith said that at a recent Texas Municipal League (TML) Annexation Conference, TML recommended that each city adopt an annexation policy prior to beginning any annexation proceedings. Adoption of an annexation policy is not a legal requirement, but Mrs. Smith explained that, from a policy perspective, it is important to have a clear purpose for annexation. The annexation policy provides background on issues, objectives, and policies to be considered when determining areas to annex into the Belton city limits.

She pointed out that one of the goals of the FY2016 Strategic Plan is development of a growth management strategy, and she said that Staff is working on that at this time.

Mrs. Smith stated that the City has the authority to annex areas within its ETJ that are contiguous with the existing city limits. As required by law, the City adopted an annexation policy in 1999 that states the City will not annex areas that contain more than 100 residentially developed tracts.

She reviewed the components of the proposed policy including:

- Purpose and Intent
- Annexation Authority
- History
- Strategies
- Policy Statements

Councilmember Gauntt stated that the policy seems to be common sense questions the Council would ask whether or not this policy is in place.

Councilmember Sanderford asked if Mrs. Smith was asking for direction to prepare a policy, or if what had just been presented was the policy. Mrs. Smith responded that what had been presented is the recommended policy. Mr. Sanderford said that he did not feel that he had enough of an understanding of what needs to be in the policy to be able to vote on it at this time.

Mayor Pro Tem Leigh suggested that Staff schedule a work session to discuss the proposed policy, and he made a motion to table the item to the June 28, 2016, Council workshop and meeting. The motion was seconded by Councilmember Sanderford and was approved upon a vote of 6-0.

12. Consider a resolution authorizing the City Manager to sign an Advance Funding Agreement with the Texas Department of Transportation for Phase II of the Chisholm Trail Hike and Bike Facility funded through the Transportation Alternatives Program, and authorize a local funding share.

Grants and Special Projects Coordinator Aaron Harris reminded the Council that the Texas Department of Transportation allocated \$2,136,492 in federal funding to Belton for the Chisholm Trail Hike and Bike project. This project will extend the City's hike and bike network and provide a north-south connection.

Mr. Harris stated that the City's match for this grant is \$534,123. In May 2015, the original City match was increased from \$333,000 to \$534,123 due to BNSF's position indicating it would not permit an "at-grade" crossing but would support an "underpass" crossing. This revision increased the total project cost by \$1,185,615. Mr. Harris reminded Council that Staff had been instructed to seek community financial support for the increased match. He stated that UMHB and Mayor Pro Tem Leigh had each generously pledged \$100,000 for the project.

Mr. Harris said that the next step is to procure an engineering firm. He added that the planning process is estimated to take 24 months with the construction beginning in approximately the summer of 2018. He added that no action on a budget amendment is needed at this time; an amendment to dedicate the City's portion of the local match will go before the Council later this fiscal year.

Mayor Grayson thanked Mayor Pro Tem Leigh and UMHB for their contributions.

Councilmember Sanderford asked if the Hike and Bike Trail would extend down Sparta as a part of the improvements being made to Sparta Road. Mr. Harris said that the Sparta Road project will be completed before this project will be under construction.

Councilmember Gauntt said that she hasn't been supportive of the project in the past because of the funding requirements, but she said that it is hard not to support it now when there is such support from the community. She made a motion to authorize the City Manager to sign the Advance Funding Agreement and authorize

the City's local share. Councilmember O'Banion seconded the motion which passed upon a vote of 6-0.

13. **Consider award of bid and authorizing the City Manager to execute a construction contract for the River Fair Road Widening Project, and any change orders associated with the contract, not to exceed the amount authorized under state law.**

Director of Internal Services/City Engineer Angellia Points said that the River Fair Road Widening Project has been on the TIRZ project list for some time, and funding became available this fiscal year. She pointed out that River Fair Drive is a collector street, but the lanes are too narrow. There is also a drainage issue causing water to pond with any measurable precipitation.

Mrs. Points explained that the City contracted with Clark and Fuller to design improvements to River Fair Road. These improvements include widening the lanes, correcting the drainage issue, and improving the aesthetics of the median.

She stated that on May 19, 2016, the City received five (5) bids for this project. The low bidder was Holy Contractors from Hewitt, Texas, in the amount of \$136,288.87. Mrs. Points explained that the road would be closed during construction. However, construction will not commence until the start of school, since traffic volumes to restaurants and businesses in the area will be less after the summer break.

This project will be paid with TIRZ Capital Project Funds.

Mayor Pro Tem Leigh stated that he agrees with the need for a longer median. He suggested a brick pocket for the median that allows for the contrast of the brick against the concrete. He also suggested using the same light poles as are used in the downtown area and recommended including conduit for the light poles as a part of this project.

Upon a motion by Councilmember O'Banion and a second by Councilmember Kirkley, item 13 was approved upon a vote of 6-0.

14. **Consider authorizing the City Manager to execute an amended professional services agreement to design Phase I and Phase II improvements to the Temple-Belton Wastewater Treatment Plant.**

Director of Internal Services/City Engineer Angellia Points reminded the Council that the Cities of Belton and Temple have shared ownership of the Temple Belton Wastewater Treatment Plant (TBWWTP). She stated that, in the Fall of 2015, KPA Engineers was contracted to design Phase I of the improvements to the plant. Phase I addressed the condition of the older units at the plant including the headworks and the Orbal unit. Phase II has not been authorized at this time, but it addresses adding additional treatment capacity to the plant. Mrs. Points added that Phase III addresses items downstream from the plant.

Mrs. Points discussed changes that are proposed to the original design contract authorized on October 15, 2015. The original scope of services consisted of three tasks organized as follows:

- Task 1: Basis of Design - Hydraulic analysis, Orbal aeration design, phosphorus removal, and geotechnical
- Task 2: Phase I Final Design - Headworks, odor control, address Orbal capacity
- Task 4: Phase I Bid Services

Mrs. Points said, that after further discussions between the Cities of Temple and Belton and KPA, an amendment to the design contract is recommended to modify Task 2 to remove the Orbal improvements and add design of an equalization basin, include Task 3 Phase II design, and add Task 5 to bid Phase II improvements. (See attached Exhibit "B")

This amended contract costs are:

Task Description	Original Contract Amount	Amendment No. 1 Changes	Total Revised Contract
Task 1 – Basis of Design	\$244,200	\$50,358	\$294,558
Task 2 – Final Design Phase I	\$1,065,290	\$(132,745)	\$932,545
Task 3 – Final Design Phase II	(Additional Services: \$943,205)	Move to be authorized: \$2,086,947*	\$2,086,947
Task 4 – Bidding Phase I	\$32,065	No change	\$32,065
Task 5 – Bidding Phase II	Not in scope	\$32,550	\$32,550
TOTAL	\$1,341,555* (25% = \$335,388.75)	+\$2,037,110 (25% = \$509,277.50)	\$3,378,665 (25% = \$844,666.25)

*Total amount does not include Task 3. Total for the Additional Services (Task 3) was not authorized in Original Contract. See Page 2 of KPA Contract Dated September 18, 2015.

^The amount shown is the total amount requested to perform Task 3. Additional funding for the Additional Services amount of \$943,205 is \$1,143,742 to equal \$2,086,947. However, Task 3 was not yet authorized in the original contract.

The fiscal impact of this amendment is \$509,277, which represents Belton's share of the increase in the professional services contract with KPA from its current amount of \$335,389 to \$844,666.

Mrs. Points said that we have reached 85% of plant capacity. Mayor Grayson asked if the increased flows are due to the heavy rains that we have experienced lately. Mrs. Points said that the weather was a contributing factor, but Temple and Belton are growing which is the main reason for the increased flows.

Councilmember Sanderford asked if there was a limit on the amount of a contract amendment similar to the 25% limit on a construction contract change order. Mr. Listi and City Clerk Amy Casey said that they are not aware of a limit to a professional design contract amendment.

Upon a motion by Mayor Pro Tem Leigh and a second by Councilmember Kirkley, item 14 was approved upon a vote of 6-0.

15. **First Reading – Set Public Hearing - Consider ordinances granting a one year extension with two additional one-year automatic extensions, unless rescinded by City, of a franchise to operate and maintain a non-emergency ambulance transfer service within the public streets and highways of the City of Belton:**

- A. **Acadian EMS**
- B. **Scott & White EMS**
- C. **Serenity EMS, LLC, dba Ameristat Ambulance**

Fire Chief Bruce Pritchard told the Council that there are currently four non-emergency ambulance services operating in our City with a franchise agreement. They are Skyline EMS, Acadian EMS, Scott & White EMS and Serenity EMS. To simplify the management of these franchises, Staff requested all agencies renew their franchise agreements at the same time. Additionally, we are proposing to extend the term of the agreements from one year, to one year with two automatic one-year extensions, unless the City rescinds the franchise. Chief Pritchard added that Skyline and Serenity EMS have not made runs in Temple in the past year; however, Serenity has requested another franchise in order to keep the option available to them, and Skyline did not return our multiple calls regarding renewal.

Upon a motion by Councilmember Kirkley and a second by Councilmember Gauntt, item 15 was approved upon a vote of 6-0.

Executive Session

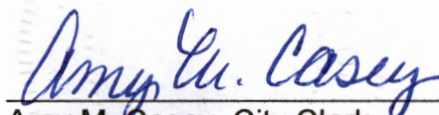
16. **Executive Session pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, consultation with attorney.**

The Mayor announced that the Executive Session was not needed, and there being no further business, she adjourned the meeting at 7:20 p.m.



Marion Grayson, Mayor

ATTEST:



Amy M. Casey, City Clerk

PROCESS & POLICY

FY 2017 Budget Discussion

Exhibit "A"



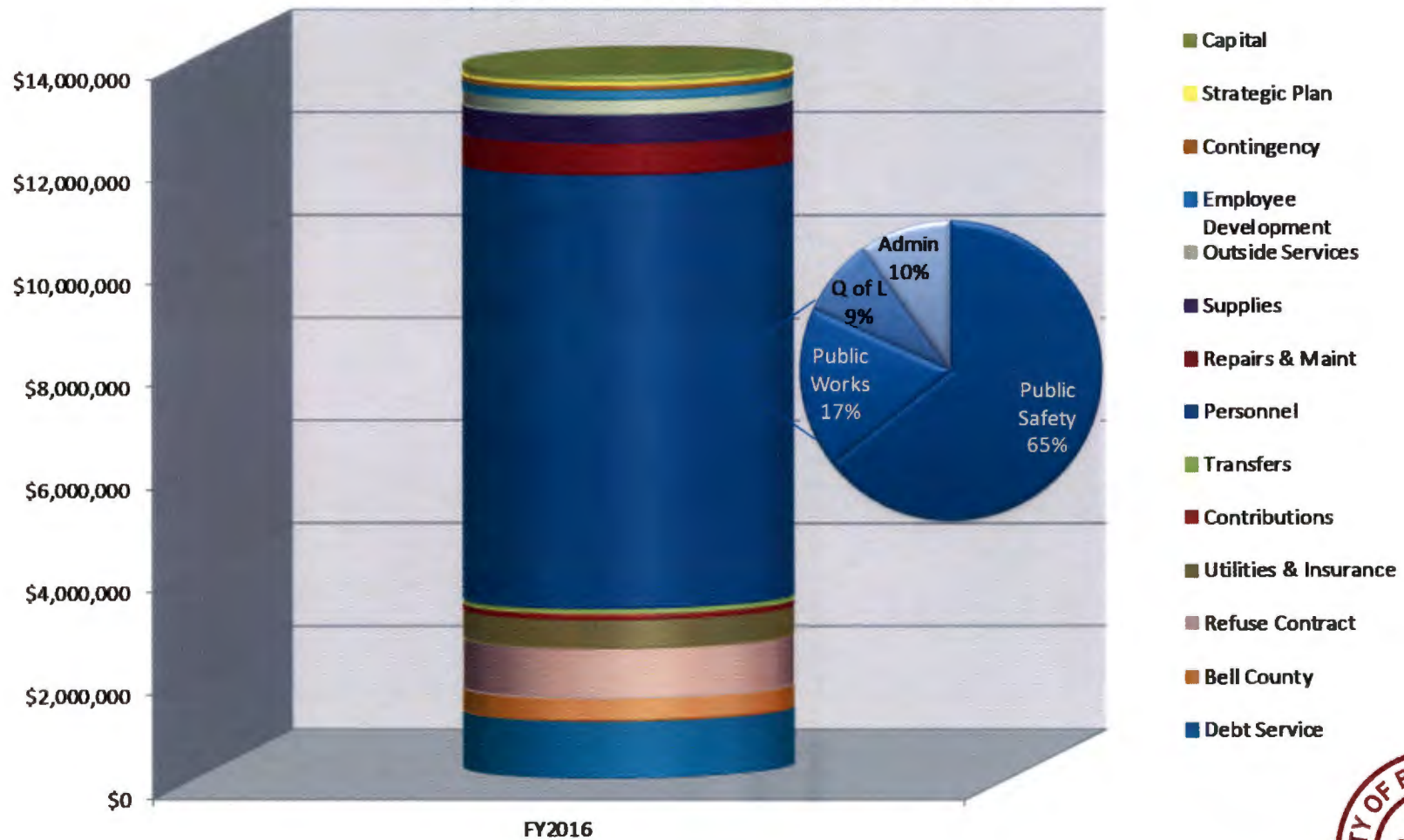
2017 Budget Calendar

- March – May
 - Department budget development
 - Revenue projection development
- June
 - Department budget review with City Manager and Finance
 - Council input on policy directives
- July – August
 - Budget presentations to Council
 - Strategic Plan review and update
 - Proposed budget filing
- September
 - Public hearings
 - Strategic Plan adoption
 - Budget adoption



FY 2016 Review

General Fund & Debt Service Fund



Personnel Review: FY 15 – FY 16

- Created School Resource Officer Sergeant position
- Created two Patrol Officer positions
- Created Fire Marshal/Training Officer position
- Created Assistant Construction Inspector position
- Created Drainage Maintenance Worker position
- Created Retail Development Coordinator position (TIRZ)
- Created three part-time positions
 - Public Works administrative assistant
 - Police Department custodian
 - BEDC administrative assistant
 - Utilized UMHB Work Study
- Implemented results of Compensation Study



Personnel Review: FY 15 – FY 16

- Eliminated full-time Recreation Coordinator position
- Eliminated full-time Court Clerk position
- Eliminated full-time Human Resources Assistant position
- Eliminated Meter Reader position
- Redefined Public Works Director position
 - Net reduction of one full-time position
 - Workload division among parks, internal services and public works
- Revamped Fire Department rank structure
 - Clarified Captain v Lieutenant duties; scalable model
- Restructured Health Insurance Benefits
 - Removed zero-deductible plan



Personnel Pressures: FY 2017

- New personnel request
 - Assistant Planner
 - Crime Scene Technician
 - Fleet Mechanic
 - Librarian Assistant(s) – Part Time
 - Parks Maintenance Worker
 - Police Cadet
- Pay-Scale requests
 - Base pay increases
 - Evaluation of assignment pay
- Benefit costs
 - TMRS Contribution rate increase of 10%
 - Anticipate 10%+ increase in health insurance from 2016 rates



General Fund Budget Initiatives

- General Fund Capital Replacement Plans
 - Public Works & Parks vehicles and equipment
 - Police Department vehicles
 - Fire Department vehicles and equipment
 - Computers and MDTs
 - HVAC
- Plan Costs: FY 2017
 - Full Implementation: \$599,345
 - Phased-Implementation: \$421,325
- Preventative Street Maintenance Plan
 - Years 1 & 2 out for bid
 - Estimated ongoing annual cost of \$1.5 million



General Fund Budget Forecast

- Revenues

- Estimated increase of \$677,513 over FY16 (5.37%)
- 4% tax base growth; 1.9% sales tax growth; 3% franchise tax growth
- \$200,000 in revenues from effluent sales



General Fund Budget Forecast

- Expenses

Type	Initial Request	Draft Budget	Reductions
New Personnel	\$ 258,468	\$ 95,570	\$ 162,898
Other Operating	\$ 12,764,867	\$ 12,695,552	\$ 69,315
Capital	\$ 1,070,988	\$ 510,273	\$ 560,715
	\$ 14,094,323	\$ 13,301,395	\$ 792,928

- Budget Comparison

- Personnel and Other Operating
 - FY 2016 - \$12,453,007
 - FY 2017 - \$12,791,122 (2.7% Growth)
- Total
 - FY 2016 - \$12,621,507
 - FY 2017 - \$13,301,395 (5.38% Growth)



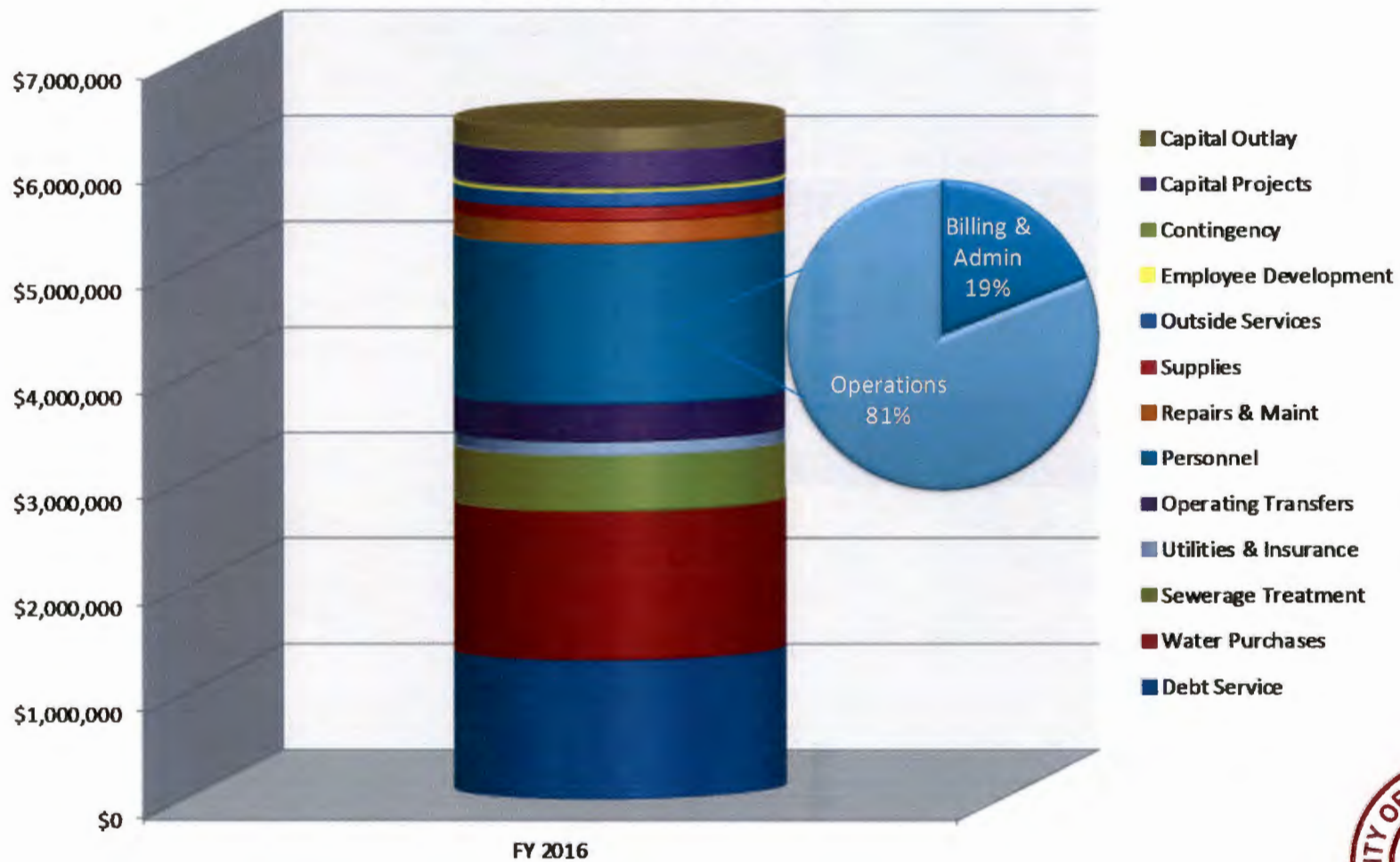
General Fund Policy Direction

- Fund Balance
 - Ended FY 2015 with fund balance of \$4,774,571
 - Balance in excess of minimum \$1,697,067 at 9/30/15
 - FY 2016 uses to date
 - Commitment to Trail project
 - \$57,915 – Lake to Lake ROW purchase (Sendero Estates)
 - FY 2016 expected revenues over budgeted
 - \$300,000 - Effluent sales
 - \$100,000 - Strong franchise tax receipts and charges for service
 - Estimate balance in excess of minimum of \$1.5M - \$1.6M at 9/30/16
- Last budgeted use of fund balance was in FY 2014
 - \$100,000 for capital equipment
 - \$136,817 for strategic plan elements



FY 2016 Review

Water & Sewer Fund



Water & Sewer Budget Initiatives

- Water & Sewer capital replacement plans:
 - Water & Sewer vehicles
 - Water & Sewer equipment
 - Water Meters
 - Costs:
 - Ongoing Implementation: \$228,600
 - Year 1 (FY17) Implementation: \$388,636
- Debt Funded Capital Projects



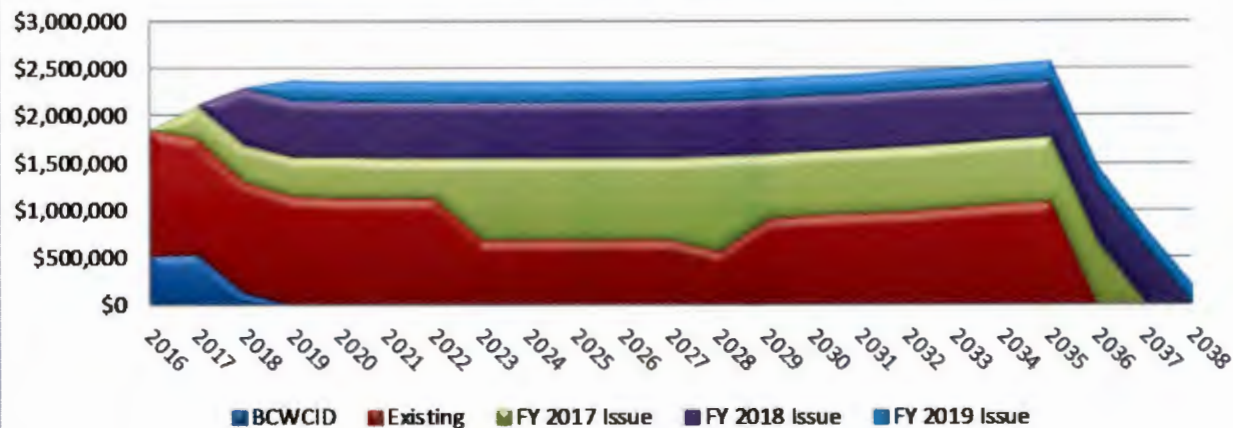
The Plan:

Project	Timeframe	Cost
Wastewater Plant Rehabilitation Phase I	2015	\$2,800,000
Nolan Creek Sewer Trunk Line Replacement	2015	\$1,200,000
South Belton Sewer Service	2015-2016	\$5,000,000
AMI	2015	\$4,300,000
Wastewater Plant Rehab/Expansion Phase II - IV	2017 -2019	\$8,000,000
Main Replacements	2015-2019	\$1,250,000
Sewer Truck Replacement	2017	\$350,000
North Water Tank	2017	\$3,000,000
TOTAL:		\$25,900,000

The Plan: Update

Debt Funded Projects	Project Cost	FY 2017	FY 2018	FY 2019
South Belton Sewer	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -
North Belton Water Tank	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
Waco Road Sewer Main Replacement	\$ 300,000		\$ 300,000	
Lift Station Main Replacements	\$ 700,000		\$ 700,000	
WWTP Phases II	\$ 7,500,000	\$ -	\$ 7,500,000	\$ -
WWTP Phases III-IV	\$ 3,000,000			\$ 3,000,000
Issue Costs (2017)	\$ 135,000	\$ 135,000	\$ -	\$ -
Issue Costs (2018)	\$ 125,000	\$ -	\$ 125,000	\$ -
Issue Costs (2019)	\$ 45,000			\$ 45,000
Total	\$ 20,805,000	\$ 9,135,000	\$ 8,625,000	\$ 3,045,000

Anticipated Debt Service Cost



Policy Direction – Utility Rate Plan

Table 1: Recommended Water Rates

	2015	2016	2017	2018	2019
Minimum Bill	\$15.00	\$15.50	\$16.00	\$16.50	\$17.00
Volumetric Rate					
(Per Thousand Gallons)	\$3.49	\$3.49	\$3.70	\$3.70	\$3.70

Table 2: Recommended Wastewater Rates

	2015	2016	2017	2018	2019
Minimum Bill	\$12.00	\$12.50	\$13.00	\$13.50	\$14.00
Volumetric Rate					
(Per Thousand Gallons)	\$4.00	\$4.50	\$5.00	\$5.00	\$5.00

- Anticipated FY 17 Revenue Impact - \$420,000
- Anticipated Debt Service Cost for FY 17 Issue - \$345,000



Policy Direction – Utility Rate Plan

FY 2017 Monthly Customer Impact

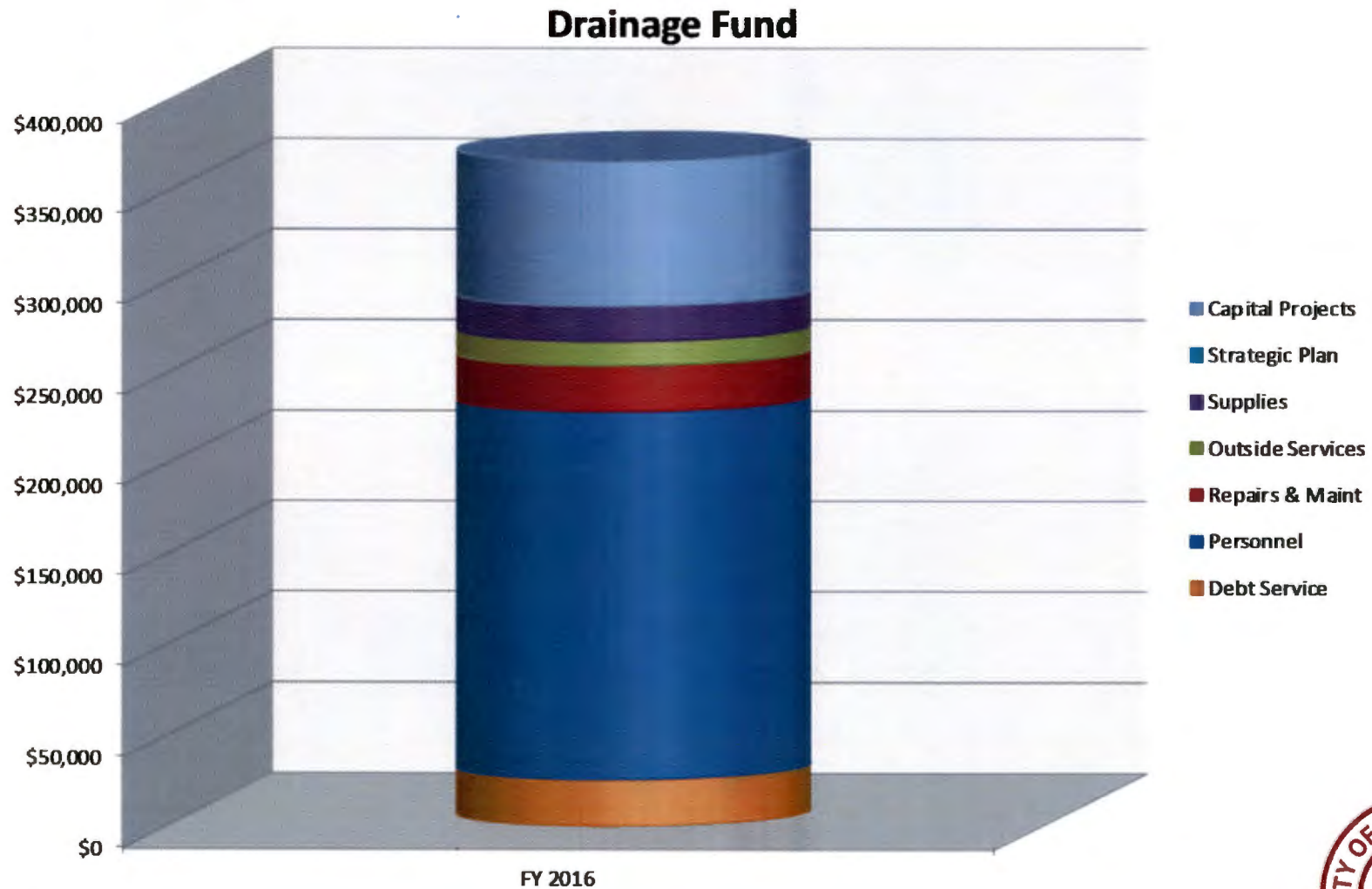
Water	2016	2017	Increase
5,000	\$25.97	\$ 27.10	\$ 1.13
15,000	\$60.87	\$ 64.10	\$ 3.23
25,000	\$95.77	\$101.10	\$ 5.33

Sewer	2016	2017	Increase
5,000	\$26.00	\$ 28.00	\$ 2.00
15,000	\$71.00	\$ 78.00	\$ 7.00
25,000	\$71.00	\$ 78.00	\$ 7.00

Water & Sewer	2016	2017	Increase
5,000	\$ 51.97	\$ 55.10	\$ 3.13
15,000	\$131.87	\$142.10	\$ 10.23
25,000	\$166.77	\$179.10	\$ 12.33



FY 2016 Review



Drainage Fund

- Connell Street Project nearing completion
- Master Plan Update in-progress; priorities under review
- No change in rate structure proposed at this time



Recap

- Budget Initiatives & Council Direction
 - Response to Personnel Pressures
 - Capital Equipment Replacement Plans
 - Water and Sewer Capital Projects
 - Water and Wastewater Rate Plan



Contract Amendment to TBWWTP Design and Bid Phase Services

City Council

June 14, 2016

Exhibit “B”

TBWWTTP

- ◆ Temple-Belton Wastewater Treatment Plant
- ◆ Serves 70% of Temple and 100% of Belton
- ◆ Permitted to treat 10,000,000 gallons/day (10 MGD)
- ◆ Temple's flow is 75% of total; Belton makes up 25% of total → Cost Share



Engineering

Preliminary Engineering

- ◆ TCEQ requires a WWTP to be under the planning stages of design when influent flows exceed 75% of permitted capacity in 3 consecutive months.
- ◆ Trigger was met in 2010
- ◆ KPA was authorized to perform a Preliminary Engineering Report to plan the plant expansions in 2011.

Design Phase

- ◆ In Oct 2015, KPA was authorized to begin Phase I Design and Bid Phase Services
 - ◆ New headworks, odor control at the headworks, Orbal aeration design, evaluate phosphorus removal, and perform geotechnical analysis.
 - ◆ Addressing capacity: Design/evaluate aeration required for the Orbal to treat concentrated organics during the summer months

Engineering - Continued



- ◆ Phase II Design not yet authorized:
 - ◆ 4 MGD IFAS Train, clarifier, sludge pumps, sludge processing units, etc.
 - ◆ Bid Phase Services
- ◆ Future: Phases III and beyond, Schedule TBD
 - ◆ Disinfection
 - ◆ Filters
 - ◆ Post-aeration, etc.

Contract Amendment Proposal

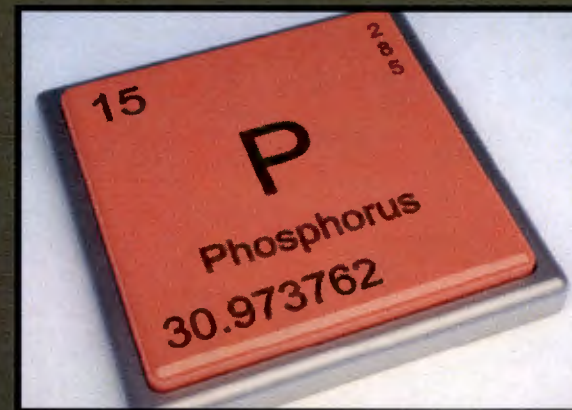
Phase I – Orbal and EQ

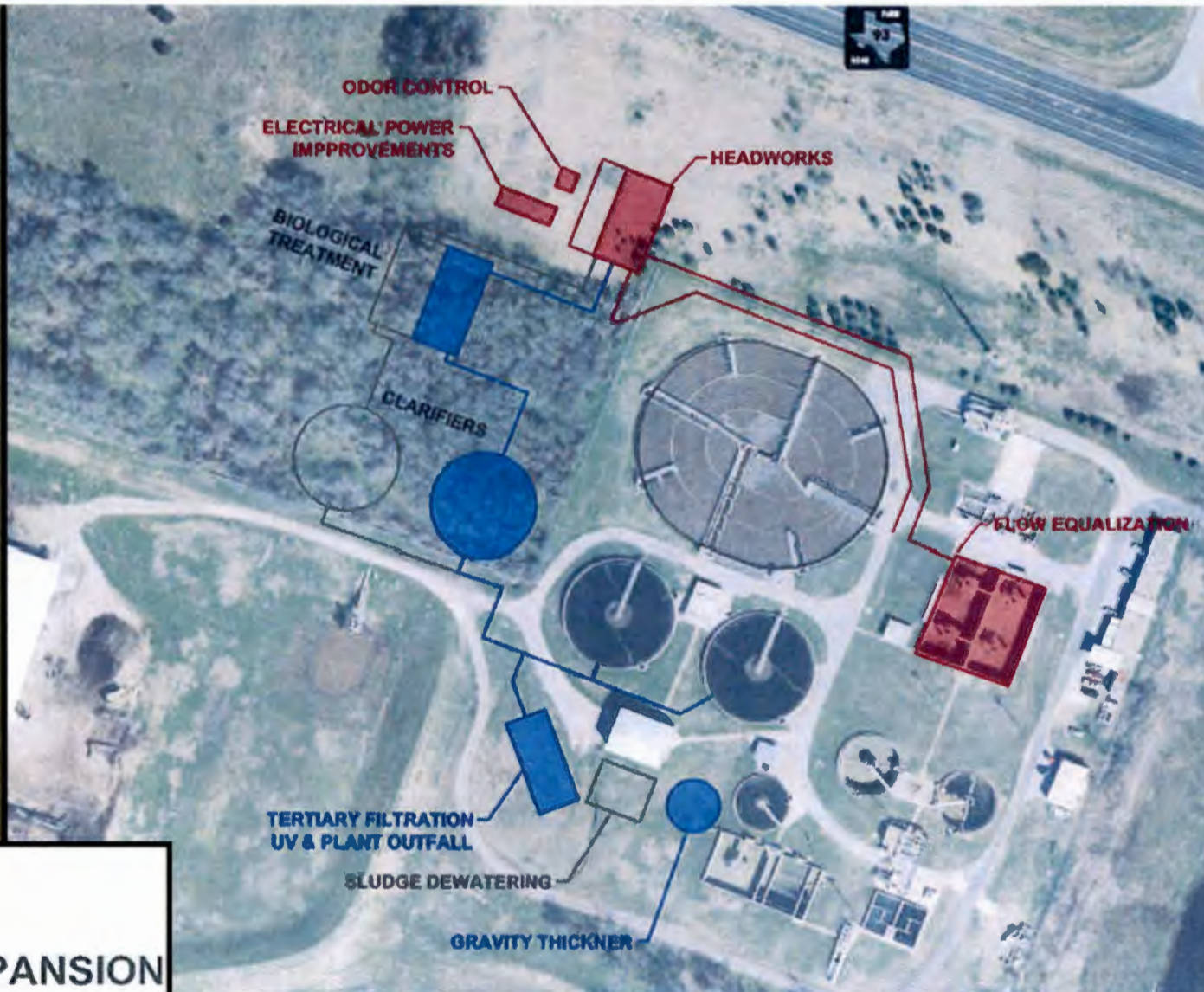
- ◆ Need better air transfer efficiency and capacity
- ◆ Dissolved oxygen decreases as the water temperature rises; summer is critical
- ◆ Solution: Cities worked with BRA to add more air to the Orbal to meet the demand. Convert abandoned aerobic digesters to equalization basins.
- ◆ Result: Net reduction in engineering services and construction costs



Contract Amendment Proposal – Cont.

- ◆ Capacity of the plant needs to be addressed as the flows have reached and exceeded the 75% TCEQ trigger.
- ◆ Flows are reaching 85% of permitted capacity and climbing.
- ◆ **Phase II expands the plant capacity to meet the demand.**
 - ◆ *TCEQ's total phosphorus limit will determine the level of treatment/improvements required.*





Financial Summary

- ◆ Changes in Phase I, accelerating Phase II Design and Bid Services, results in a net increase in costs for design and projected construction costs:

Funding/Expenditure	Revised Contract	Belton's 25%
Basis of Design	\$294,558	\$73,640
Phase I Engineering and Bid Phase Services	\$964,610	\$241,152
Phase I Construction Cost <i>Estimate</i>	\$7,290,000	\$1,822,500
Phase I Construction Administration <i>Estimate</i>	\$485,000	\$121,250
<u>Phase II Engineering and Bid Phase Services</u>	<u>\$2,119,497</u>	<u>\$529,874</u>
TOTAL	\$11,153,665	-
Belton's <i>Estimated</i> 25% Share	\$2,788,416	
2014 CO Funding	\$2,760,000	
<i>Estimated</i> Difference	-\$28,416	

Fiscal Impact

- ◆ Increase in professional services contract with KPA from \$335,389 to \$844,666.
- ◆ Today's proposal is to increase professional services by \$509,277 to include Phase II Design.
- ◆ Funding available from the 2015 CO issue
- ◆ However, increase in authorized professional services is \$28,416 over the 2015 CO amount.
- ◆ Recommendation: No budget action is proposed at this time. Staff will return to Council with a recommendation on funding the shortfall once the projects have been bid and the final amount is known.

Schedule

(Estimated Completion Date)

- ◆ Basis of Design – Original Scope Completed (July/August 2016)

- ◆ Phase I Design – No change in schedule (November 1, 2016)

- ◆ Bidding and Award – 3 to 4 months (Spring 2017)
- ◆ Construction Phase – 10 to 14 months (Completed Summer 2018)

- ◆ Phase II Design – 12-15 Months to Complete (Dependent upon TCEQ Approval – Summer/Fall 2017)
- ◆ Bidding and Award – 3 to 4 months (Late 2017/Early 2018)
- ◆ Construction Phase – 15 to 18 months (Early 2018 – Summer 2019)



Staff Recommendation

- ◆ Authorize the City Manager to execute an amended professional services agreement to design Phase I and Phase II improvements to the Temple-Belton Wastewater Treatment Plant.