

BELTON CITY COUNCIL MEETING
November 10, 2014

The Belton City Council met in regular session with the following members present: Mayor Marion Grayson, Mayor Pro Tem David K. Leigh Councilmembers Craig Pearson, Jerri Gauntt, Dan Kirkley, Guy O'Banion, and Paul Sanderford. Staff present included Sam Listi, John Messer, Jana Lewellen, Brandon Bozon, Gene Ellis, Francisco Corona, Mike Huber, Erin Newcomer, Denny Lassetter, Byron Sinclair, Paul Romer and Aaron Harris.

The Pledge of Allegiance to the U.S. Flag was led by City Manager Sam Listi, the Pledge of Allegiance to the Texas Flag was led by Councilmember Guy O'Banion, and the Invocation was given by Pastor Andy Davis, First Baptist Church, Belton, Texas.

1. Call to Order: The Mayor called the meeting to order at 5:30 p.m.
2. Public Comments: Mark Mahler, 353 Claremont Drive, Belton, Texas 76513, spoke regarding the City's handling of cross access easements in retail zones areas, and requested review of this process by Council at the next meeting.

Consent Agenda

Mayor Grayson pulled items 4 and 5 from Consent Agenda. Upon motion by Mayor Pro Tem Leigh and seconded by Councilmember Pearson, item 3 was unanimously approved.

3. Minutes of previous meetings. Minutes were approved as presented.

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4. Consider appointment to the following boards and commissions:

A. Electrical Board

Reappointed Jamie Sanderford and Bill Barge for an additional two-year term.

B. Library Board

Reappointed Lindsay Dubberly and Cindy Meredith for an additional three-year term.

Councilmember Sanderford requested to abstain from item 4 (A). Upon motion by Mayor Pro Tem Leigh and seconded by Councilmember Gauntt, the following item was approved by a vote of 6-0 with Councilmember Sanderford abstaining.

5. Consider a resolution authorizing the City Manager to execute an amended Development Agreement between the City of Belton, Carothers Development, LLC, and Regatta Oaks/Dawson Ranch Homeowners Association, Inc. regarding Highland Estates, Phase II and Dawson Ranch, Phase V.

Mayor Grayson requested to abstain from this item. Upon motion by Councilmember Kirkley and seconded by Councilmember Sanderford, the amended Development Agreement between the City of Belton, Carothers Development, LLC, and Regatta Oaks/Dawson Ranch Homeowners Association, Inc. was approved by a vote of 6-0 with Mayor Grayson abstaining.

Budget Items

6. Consider an ordinance amending the FY 2014 budget.

Finance Director presented this item to Council, and provided a brief summary of the known budget amendments to date for FY 2014. Mr. Bozon recommended approval of the ordinance amending the FY 2014 budget as presented.

Councilmember Gauntt commended the departments for working together, and made a motion to approve the ordinance as presented. The motion was seconded by Councilmember Pearson and carried unanimously. The following captioned ordinance was adopted:

ORDINANCE NO. 2014-51

AN ORDINANCE AMENDING THE ANNUAL BUDGET OF THE CITY OF BELTON FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014.

7. Consider and ordinance adjusting the Fee schedule Sec. 8-71 Solid Waste Collection Rates – Residential and Sec. 8-72 Solid Waste Collection Rates – Commercial Cart effective January 1, 2015.

Finance Director presented this item to Council, and stated on September 10, 2013, the City of Belton and Waste Management entered into a Municipal Solid Waste Collection and Transportation Agreement granting Waste Management exclusive rights to operate and maintain the service

of collection and transportation of residential and commercial hand-collect garbage and trash and recycling. Mr. Bozon stated on October 29, 2014, Waste Management notified the City that rates would be adjusted upwards by 2.09% as of January 1, 2015 based on the September 2013 – September 2014 adjustment in the CPI.

Mr. Bozon stated the revenue and expenditure figures within the FY 2015 budget were estimates based on historical trends, and stated while this rate change will have some effect on those estimates, should Council adopt the ordinance amending the fee schedule to match the rates put forth by Waste Management, the overall budget impact should be de minimis, and noted we are not proposing an amendment to the FY 2015 budget at this time.

Mayor Pro Tem Leigh asked if the CPI were to go down, would the rates go down? Mr. Bozon stated the contract was written where this would be Waste Management's decision on whether to trigger these adjustments.

Councilmember Gauntt asked when these rates went in to effect. Mr. Bozon stated January, 2014. Councilmember Gauntt stated Waste Management made it less than one year before adjusting the rates after being awarded the contract. Councilmember Pearson stated this was in accordance with the contract.

Councilmember Pearson made a motion to approve the ordinance as presented. The motion was seconded by Councilmember O'Banion and carried unanimously. The following captioned ordinance was adopted:

ORDINANCE NO. 2014-52

AN ORDINANCE AMENDING THE FEE SCHEDULE OF THE CITY OF BELTON FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015.

Miscellaneous

8. Consider authorizing the City Manager to execute an Interlocal Assistance Agreement with the Central Texas Council of Governments (CTCOG) to continue funding for the volunteer coordinator position for the Belton Police Department's RUOK? senior adult outreach program for a six-month renewal.

Assistant City Manager/Chief of Police Gene Ellis presented this item to Council. Chief Ellis stated in May of this year, the City entered into a partnership with the Area Agency on Aging of Central Texas, a subdivision of CTCOG, to enhance the Belton Police Department's RUOK? program.

Chief Ellis noted our initial agreement ended on September 30, 2014, and stated we are seeking to renew our interlocal agreement with CTCOG for another six months to continue this program, and retain the volunteer coordinator for senior citizen outreach through the RUOK? program. Chief Ellis recommended authorizing the City Manager to execute an Interlocal Assistance Agreement with the Central Texas Council of Governments (CTCOG) to continue funding for the volunteer coordinator position for the Belton Police Department's RUOK? senior adult outreach program for a six-month renewal.

Upon motion by Councilmember Sanderford and seconded by Councilmember Kirkley, the following agreement was unanimously approved.

9. Consider authorizing the City Manager to sign a no cost "license" agreement with HEB Grocery Corporation for the use of a vacant store front space in front of the Belton HEB store by the Belton Police Department.

Assistant City Manager/Chief of Police Gene Ellis presented this item to Council, and stated HEB has offered a vacant store front space in front of the current HEB store on N. Main to the Belton Police Department to be used as a substation at no cost with an understanding that BPD will vacate the space if a paying tenant is found for the store front. Chief Ellis recommended authorizing the City Manager to sign a no cost "license" agreement with HEB Grocery Corporation as presented.

Councilmember Sanderford asked what the set up cost would be. Chief Ellis stated the estimated cost would be less than \$1000 for signage, and minimal cost for the addition of phone lines.

Upon motion by Mayor Pro Tem Leigh and seconded by Councilmember Pearson, the following agreement was unanimously approved.

10. Consider a resolution determining the necessity of transferring real property and authorizing its transfer to the Belton Economic Development Corporation for a public purpose and authorizing the City Manager to take all steps necessary to accomplish the transfer of portions of the former Rockwool property, located east of the intersection of IH 35 and FM 93.

City Manager Sam Listi presented this item to Council. Mr. Listi provided a chronology regarding the history of this Rockwool plant and site, and Belton's long term interest in it. Mr. Listi stated it has been the City's intention to convey the property to BEDC to market and develop the sites within the parameters of the city charter, state law, and the existing restrictive covenants and institutional controls placed on the properties.

Mr. Listi stated the action needed by the Council includes approval of a resolution that:

1. Determines the necessity to transfer the property to BEDC for the public purpose of creating economic development for projects, rather than bidding the property for sale.
2. Authorizes the City Manager to take all steps necessary to accomplish the transfer.

Mr. Listi stated the BEDC Board of Directors and its Executive Director, Cynthia Hernandez, has been involved in discussions about this conveyance, supports this action, and once approved by Council, an agenda item approving the conveyance will be presented to the Board, and this action is expected within 60 days. Mr. Listi recommended approval of resolution as well as the authorization to take all steps necessary to accomplish the transfer as presented.

Mayor Pro Tem Leigh stated it was a great day to see this moving forward, as this is a really good time for development.

Councilmember Pearson made a motion to approve the resolution and as presented. The motion was seconded by Councilmember Kirkley and carried unanimously. The following captioned resolution was adopted:

2014-34-R

A RESOLUTION DETERMINING THE NECESSITY OF TRANSFERRING REAL PROPERTY AND AUTHORIZING ITS TRANSFER TO THE BELTON ECONOMIC DEVELOPMENT CORPORATION FOR A PUBLIC PURPOSE AND AUTHORIZES THE CITY MANAGER TO TAKE ALL STEPS NECESSARY TO ACCOMPLISH THE TRANSFER.

11. Hold a work session and receive a report from the Siemens Industry Inc., on Performance Contracting for the City of Belton.

Public Works Director Mike Huber provided a brief summary of the Performance Contracting project, and introduced Deval Allums, Account Executive, and Chad Nobles, Team Leader Partner, with Siemens Industry Inc.

Mr. Huber noted early this year, the City began a process to develop recommendations for Energy Performance Contracting to consider implementing needed infrastructure improvements throughout the City. Mr. Listi stated the City solicited RFQ's, and selected Siemens Industry

Inc., on April 8, 2014 to implement a detailed energy audit in conjunction with Texas Local Government Code Chapter 302.

Mr. Huber stated over the past several months, Siemens has conducted a comprehensive infrastructure systems analysis with the objective of reducing operational costs, addressing needed infrastructure costs, and enhancing municipal services. Mr. Huber stated systems analyzed are summarized by Belton's Project Summary, and included these elements:

- Water Meter System Upgrade – Automatic Metering Infrastructure (AMI)
- Voice Over IP Phone Upgrade System
- HVAC Upgrade and Energy Management Control System
- Lighting Efficiency Upgrade
- Domestic Water Upgrade
- SCADA Water System Management Improvements
- Water Irrigation Upgrades

Mr. Huber stated in the end, while enhancements were possible in each area, we are presenting only the AMI project for immediate Council consideration.

Ms. Allums and Mr. Noble presented the Performance Contracting Process, and the proposed scope of work regarding the Water Meter System Upgrade to include the following:

- ❖ Implement Neptune R450i AMI Fixed Base System
- ❖ Replacing 5,243 water meters city-wide over 3-years old
- ❖ Retrofit 983 water meters city-wide less than 3-yrs old

Ms. Allums stated this was a turn-key project and stated the AMI project would include the following:

- ❖ Provide interface to City's billing software
- ❖ Data transfer and integration
- ❖ Seven (7) Data Collectors and Poles
- ❖ Necessary AMI Server and Software
- ❖ AMI Field Service Tool
- ❖ Training
- ❖ Ancillary Materials as Needed

Ms. Allums also provided a summary of the Water Meter System Dashboard and a summary of the collector tower locations.

Ms. Allums provided a summary of the benefits to the citizens as well as operational benefits to include the following:

- Accurate meter read – Citizens only pay for what they actually use
- Access to usage data – daily, weekly or monthly
- Clear picture of usage – promotes conservation
- City can set up warnings/alerts for unusually large usage or constant usage
- Transition from manual meter reading
- Reduce operational costs
- Update aging infrastructure
- Data driven water management decisions
- Drought management
- Data driven asset management
- Flexibility to grow without operational impact
- Regulatory compliance – TWDB targets for water loss reduction

Ms. Allums stated Siemens would guarantee meter accuracy, and if we do not meet the accuracy requirements, Siemens would replace all the meters in the project to include the cost of production and labor for installation.

Ms. Allums presented the cost for the project to include the following:

• AMI & Water Meters	\$3,917,283
• Engineering, Audit & Project Development	\$149,017
• Project Management	\$141,912
• Total	\$4,208,212

Ms. Allums provided an overview of the next steps to include Council approval of the project, 3rd party review, selection of financing, execution of contracts, and project implementation.

In closing, Ms. Allums stated this was budget neutral so the project would be funding itself with the operational savings, and the estimated revenue increase from having more accurate meters.

Mayor Pro Tem Leigh stated he understands this project appears to be relatively neutral along with intangible benefits, but as a policy maker we are stewards of our City's resources, and we are asking our citizens to pay extra by making our meters more accurate, but by doing this we will increase the amount our citizens are billed. Mr. Leigh stated the total project cost is a significant increase that we would essentially be asking our citizens to pay for something that nets zero to our budget.

Mr. Leigh stated we could institute changes within the way we maintain our system, that doesn't require \$4-5 Million, and an outside firm, to implement what appears to be logical to maintain operational efficiency.

Ms. Allums stated the City has been attempting to replace meters as they age, but in reality the challenge is, do you have the money, manpower, time, and expertise to do this systematically?

Mr. Leigh stated, at the end, of the day are we willing to spend a large amount of citizen's money for this program? Ms. Allums stated one other aspect with that particular question, is this is a project that funds itself within your existing budget. Mr. Leigh stated again he felt this project was not self-funded, but rather funded by the citizens with increased revenues.

Councilmember Kirkley stated if we decided not to follow through with this project, as time goes on, and it is necessary to begin replacing water meters, where do the funds come from to replace those meters?

City Manager Sam Listi stated this would be an operational cost at approximately \$1.7 Million with overhead and staffing to replace existing meters with current technology. Mr. Listi stated some budget decision would need to be made whether it will be more aggressive meter replacement program, or to proceed with this project. Councilmember Kirkley asked if we don't proceed with the project, and begin replacing the meters as needed, does the neutrality disappear. Mr. Huber stated this is unknown because it is based on averages and analysis.

Councilmember Sanderford said fundamentally he is not bothered by the fact that citizens will pay for more precise usage, but is still concerned how operational costs are addressed, and how this is figured in.

Councilmember O'Banion stated if we have to go out and replace meters, which we will have to do as some point, this appears to be a drawn out project, and you may or may not see the savings immediately. Councilmember O'Banion asked what is the guarantee on the meters should we proceed with the project before we have to replace them again? Mr. Noble stated we guarantee the accuracy of the meters, and the meter itself comes with a 20 year pro-rated warranty.

Mayor Pro Tem Leigh stated the reality is this proposed project is based on the fact that it is budget neutral, but the next item on the Agenda is to borrow the money to proceed with the project.

Councilmember Kirkley stated with all of the projects ahead that require decisions made by the Council, is it not a blessing to the citizens of our community if we were able to complete a budget neutral project?

Mayor Grayson stated this was not an action item scheduled for this evening, and thanked Ms. Allums and Mr. Noble for their presentation as

well as Council for their questions and staff for its background regarding this item.

12. Consider a resolution directing the publication of notice of intention to issue Combination Tax and Limited Revenue Certificates of Obligation, Series 2014 and other matters related thereto, for the purpose of implementing Automated Metering Infrastructure.

City Manager Sam Listi presented this item to Council. Mr. Listi provided a brief overview of the memorandum outlining the importance of pursuing consideration of two financing options – 15 year lease terms and a 15 year certificate of obligation – should Council want to implement performance contracting for Automatic Metering Infrastructure (AMI).

Jennifer Douglas with Specialized Public Finance provided a brief timetable summary to include dates for legal notices, public hearing, Council bid award, and CO closing.

Mayor Grayson stated a decision would need to be made by Council this evening on the notice in the event we proceed with the Performance Contracting project. Councilmember Sanderford stated although the decision to proceed with the AMI project will need some closer review, we should keep our options on the table. Mayor Pro Tem Leigh agreed, and stated we need to take a look at the different options regarding the project, but felt the decision to move forward on this item was prudent.

Councilmember Sanderford made a motion to approve the resolution as presented. The motion was seconded by Mayor Pro Tem Leigh and carried unanimously. The following captioned resolution was adopted:

RESOLUTION NO. 2014-35-R

RESOLUTION DIRECTING THE PUBLICATION OF NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2014 AND OTHER MATTERS RELATED THERETO

There being no further business, the meeting was adjourned at 7:25 p.m.



Marion Grayson, Mayor

ATTEST:



Jana Lewellen, City Clerk