



Sachse, Texas

Sachse City Hall
3815-B Sachse Road
Sachse, Texas 75048

Meeting Agenda City Council

Monday, July 7, 2014

7:30 PM

Council Chambers

The Mayor and Sachse City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to respond to a page or to conduct a phone conversation.

The City Council of the City of Sachse will hold a Regular Meeting on Monday, July 7, 2014, at 7:30 p.m. in the Council Chambers at the Sachse City Hall, 3815 Sachse Road, Building B, Sachse, Texas to consider the following items of business:

Invocation and Pledges of Allegiance to U.S. and Texas Flags.

A. Pledge of Allegiance to the Flag of the United States of America: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: one nation under God, indivisible, with liberty and justice for all.

B. Pledge of Allegiance to the Texas State Flag: Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

1. CONSENT AGENDA.

1.a ALL ITEMS LISTED ON THE CONSENT AGENDA WILL BE CONSIDERED BY THE CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION, THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER OR CITIZEN SO REQUESTS.

[14-2286](#) Consider approval of the minutes of the June 16, 2014, regular meeting.

Executive Summary

Minutes from the recent Council meeting.

Attachments: [Minutes.06.16.14.pdf](#)

[14-2296](#) Consider receiving the Monthly Revenue and Expense Report for the period ending May 31, 2014.

Executive Summary

The Finance Department will prepare a report each month to update the City Council regarding revenues and expenditures for the City. The attached reports are for the month of May 2014.

Attachments: [GF 05-31-2014.pdf](#)
[UF 05-31-2014.pdf](#)
[DS 05-31-2014.dpf](#)
[EDC 05-31-2014.pdf](#)

2. MAYOR AND CITY COUNCIL ANNOUNCEMENTS REGARDING SPECIAL EVENTS, CURRENT ACTIVITIES, AND LOCAL ACHIEVEMENTS.

[14-2294](#) Staff Briefing: Sachse Parks and Recreation Department.

Executive Summary

Each month a briefing is given to City Council providing an update of activities and events for a specific department. This month the Parks and Recreation Department will brief the council on Parks, Recreation and the Senior Center.

Attachments: [StaffBriefing7-7-2014](#)

3. CITIZEN INPUT.

The public is invited at this time to address the Council. The Mayor will ask you to come to the Microphone and state your name and address for the record. If your remarks pertain to a specific Agenda item, please hold them until that item, at which time the Mayor may solicit your comments.

The City Council is prohibited from discussing any item not on the posted agenda according to the Texas Open Meetings Act.

4. REGULAR AGENDA ITEMS.

[14-2288](#) Administer Oath of Office to Chance Lindsey on the Planning and Zoning Commission.

Executive Summary

Mayor Felix will administer the Oath of Office to Chance Lindsey on the Planning & Zoning Commission.

Attachments: [Sample Oath.pdf](#)

[14-2293](#) Discuss and provide input regarding water and sanitary sewer rate options.

Executive Summary

The purpose of this Agenda Item is to get input from the City Council prior to finalizing the Water and Wastewater Rate Study. Staff will provide detailed information related to the five water/sewer rate alternatives that were previously presented to the City Council at the June 16th meeting in the 2014 Water and

Wastewater Rate Study and Financial Forecast completed by Economists.com. The five rate alternatives provide varying degrees of funding for water and sewer projects in the City of Sachse. The projects included in the alternatives are Capital Improvement Plan projects for both the expansion of the utility system and the rehabilitation/replacement projects for maintenance of the utility system.

Attachments: [Water-Sewer Rate CIP Funding Presentation PDF](#)
[Water-Sewer Rate Alternatives PDF](#)
[Subdivision Age PDF](#)
[Economists.com Rate Study Presentation PDF](#)

[14-2303](#)

Discuss the funding of the President George Bush Turnpike Phase 1 Sanitary Sewer project and the necessary actions required by the Sachse Economic Development Corporation and the Sachse Tax Increment Financing Reinvestment Zone No. 1.

Executive Summary

The President George Bush Turnpike Phase 1 Sanitary Sewer project includes the necessary infrastructure for the western portion of the Turnpike District to be "development ready" in terms of water and sewer utility availability. Staff has worked with the City Attorney's office to outline actions required to implement the financing plan. The purpose of this item is to update the City Council on the project and to provide information related to actions required for financing under this proposal.

Attachments: [Exhibit A.pdf](#)
[PGBT Ph 1 Sanitary Sewer Presentation.pdf](#)

[14-2289](#)

Conduct Executive Session pursuant to the provisions of the Texas Government Code Section 551.074:

To conduct the semi-annual evaluation of the City Secretary.

Consider any action necessary as a result of Executive Session.

Executive Summary

A closed session, as provided by state law, for the City Secretary's semi-annual evaluation.

5. ADJOURNMENT.

Vision Statement: Sachse is a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home.

The City of Sachse reserves the right to reconvene, recess or realign the regular session or called Executive Session or order of business at any time prior to adjournment. Note: The Sachse City Council reserves the right to convene into Executive Session pursuant to the Texas Government Code, Chapter 551 regarding posted items on the regular meeting agenda.

State law prohibits the introduction or discussion of any item of business not posted at least seventy-two (72) hours prior to the meeting time. Therefore, during Citizen Input for example, the Council is prohibited by state law to deliberate or take action on any issues introduced by the public other than to take them under advisement. Posted: July 3, 2014; 5:00 p.m. Terry Smith, City Secretary _____.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact Terry Smith, City Secretary, at (972) 495-1212, 48 business hours prior to the scheduled meeting date. Reasonable accommodations will be made to assist your needs.



Legislation Details (With Text)

File #: 14-2286 **Version:** 1 **Name:** Consider approval of the minutes of the June 16, 2014, regular meeting.

Type: Agenda Item **Status:** Agenda Ready

File created: 6/20/2014 **In control:** City Council

On agenda: 7/7/2014 **Final action:**

Title: Consider approval of the minutes of the June 16, 2014, regular meeting.

Executive Summary
Minutes from the recent Council meeting.

Sponsors:

Indexes:

Code sections:

Attachments: [Minutes.06.16.14.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider approval of the minutes of the June 16, 2014, regular meeting.

Executive Summary

Minutes from the recent Council meeting.

Background

Minutes from a recent Council meeting on June 16, 2014, for review and approval.

Policy Considerations

Not applicable.

Budgetary Considerations

Not applicable.

Staff Recommendations

Approval of the minutes of the June 16, 2014, regular meeting, as a Consent Agenda Item.

REGULAR MEETING
OF THE
CITY COUNCIL OF THE CITY OF SACHSE

JUNE 16, 2014

The City Council of the City of Sachse held a Regular Meeting on Monday, June 16, 2014 at 7:30 p.m. at the Sachse City Hall after proper notice. The roll of the duly constituted City Council Members was called which members are as follows, to wit:

Mayor Mike Felix
Mayor Pro Tem Jeff Bickerstaff
Councilman Charles Ross
Councilman Brett Franks
Councilman Todd Ronnau
Councilman Cullen King
Councilman Bill Adams

and all were present except Councilman Franks.

Staff present: City Manager Billy George, City Secretary Terry Smith, Administrative Assistant Cathy Cade, Community Development Interim Director Michael Spencer, Police Chief Dennis Veach, Human Resources Manager Stacy Buckley, Parks and Recreation Director Lance Whitworth, Library Manager Mignon Morse, City Engineer Greg Peters, Public Works Director Joe Crase, Fire Chief Rick Coleman, and Finance Director Teresa Savage.

Invocation and Pledge of Allegiance to U.S. and Texas Flags:

The invocation was offered by Councilman King and the pledges were led by Councilman Adams.

1. Consent Agenda:

Councilman King moved to approve the Consent Agenda consisting of: 14-2272 Consider approval of the minutes of the June 2, 2014, regular meeting; and 14-2284 Consider a resolution of the City Council of the City of Sachse, Texas authorizing the procurement of a crack seal machine in an amount not to exceed \$ 50,000 and authorizing the City Manager to purchase the same. The motion was seconded by Councilman Ross and passed unanimously.

2. Mayor and City Council Announcements regarding special events, current activities and local achievements:

14-2273 Recognition of service to the City for Mr. Paul Watkins.

Councilman King stated an eagle scout is building a meet and greet pen at the Animal Shelter. There is a resident dog named Bella that needs to find a home.

Mayor Pro Tem Bickerstaff thanked Councilmen Franks and Watkins for their help thru his traumatic event recently. He thanked all the Council Members for the well wishes during this time. He also mentioned the successful summer Reading Program kick-off, noting that it's not too late to sign up.

Mayor Felix noted the upcoming events: July 3rd is the Red, White and Blue Blast fireworks show; July 12th from 10:00 a.m. until 3:00 p.m. is the Wal-Mart pre-grand opening parking lot event; July 16th at 8:00 a.m. is the Wal-Mart Supercenter Grand Opening; and July 26th from 6:00 p.m. until 11:30 p.m. is the Cars Under the Stars, Chamber event at the Kroger parking lot.

3. Citizen Input:

Corrine Smith 4008 Blossom, thanked the Council for the garbage cans placement at Park Lake Park. She requested a can at the municipal complex. She also inquired about a caution sign for children crossing the street at Sachse Road.

4. Regular Agenda Items:

14-2271 Consider appointment to the Planning and Zoning Commission:

Following discussion, Councilman King moved to appoint Chance Lindsey to the Planning and Zoning Commission. The motion was seconded by Councilman Ross and carried unanimously.

14-2227 Consider the application of Huffines Communities requesting a waiver from the Code of Ordinances, Chapter 8 Subdivisions, to permit the design and construction of a non-standard roadway in the City of Sachse, Texas:

Following discussion, Councilman King moved that the City Council of the City of Sachse approve the waiver request dated June 3, 2014 for Harmony Hill Lane submitted by Huffines Communities, Inc. and find that there are special circumstances or conditions affecting the land involved such that the strict application of the provisions of the City of Sachse Subdivisions Ordinance would deprive the applicant of the reasonable use of their land; that the waiver is necessary for the preservation and enjoyment of a substantial property right of the applicant, that the granting of the waiver will not be detrimental to the public health, safety or welfare or injurious to other property in the area; and that the granting of the waiver will not have the effect of preventing the orderly subdivision of other lands in the area in accordance with the provisions of the City of Sachse Subdivisions Ordinance Chapter 8. The motion was seconded by Mayor Pro Tem Bickerstaff and carried unanimously.

14-2281 Presentation by and discussion with staff of Economists.com regarding the results of the 2014 Water and Wastewater Rate Study and Financial Forecast:

Don Jackson with Economists.com presented the utility rate study and offered options for rate adjustments to accommodate expenses and capital improvements. Following discussion, no formal Council action was taken.

14-2279 Discuss the City of Sachse budget forecast for the next three years:

Finance Director Teresa Savage presented the financial forecast. Following discussion, no formal Council action was taken.

14-2246 Discuss and Consider the TAPS (Texoma Area Paratransit System) program which provides public transportation for Sachse residents:

Following discussion, Mayor Pro Tem Bickerstaff moved to decline participation in the Texoma Area Paratransit System. The motion was seconded by Councilman King and carried with Councilman Watkins voting no.

14-2274 Consider appointment of Council Liaisons to Boards, Commissions and organizations:

The City Council discussed the following liaison appointments:

Mayor Felix	NTTA, NCTCOG voting member
Councilman Ross	TIF Board
Councilwoman King	Animal Shelter Board, Animal Shelter Advisory Committee
Councilman Adams	Planning & Zoning Commission, RTC
Mayor Pro Tem Bickerstaff	Library Board, GISD
Councilman Franks	Parks and Recreation Commission
Councilman Watkins	WISD

Following discussion, Mayor Pro Tem Bickerstaff moved to approve the appointments as discussed. The motion was seconded by Councilman Ross and carried unanimously.

5. Adjournment:

There being no further business, Councilman Ross moved to adjourn. The motion was seconded by Councilman Watkins and carried unanimously. The meeting adjourned at 10:02 p.m.

ATTEST:

APPROVED:

CITY SECRETARY

MAYOR



Legislation Details (With Text)

File #:	14-2296	Version:	1	Name:	Monthly Revenue and Expenditure Reports
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	7/1/2014	In control:		In control:	City Council
On agenda:	7/7/2014	Final action:		Final action:	
Title:	Consider receiving the Monthly Revenue and Expense Report for the period ending May 31, 2014.				

Executive Summary

The Finance Department will prepare a report each month to update the City Council regarding revenues and expenditures for the City. The attached reports are for the month of May 2014.

Sponsors:

Indexes:

Code sections:

- Attachments:
- [GF 05-31-2014.pdf](#)
 - [UF 05-31-2014.pdf](#)
 - [DS 05-31-2014.dpf](#)
 - [EDC 05-31-2014.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider receiving the Monthly Revenue and Expense Report for the period ending May 31, 2014.

Executive Summary

The Finance Department will prepare a report each month to update the City Council regarding revenues and expenditures for the City. The attached reports are for the month of May 2014.

Background

Included in this report are unaudited summaries for the General Fund, Utility Fund, Debt Service Fund, and Sachse Economic Development Corporation for the period ended May 31, 2014.

Policy Considerations

City Charter requires that the City Manager submit a report covering revenues and expenditures monthly.

Budgetary Considerations

N/A

Staff Recommendations

Staff recommends that the City Council receive the Monthly Revenue and Expenditure Reports for the period ending May 31,2014 as a Consent Agenda item.

City of Sachse
 Monthly Revenue and Expenditure Report
 May 31, 2014
 (Unaudited)

GENERAL FUND

67% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 67%
Revenue Summary					
Property Tax	\$ 6,866,469	\$ 22,035	\$ 6,848,686	99.74%	
Sales Tax	875,193	107,034	626,006	71.53%	
Franchise Fees	1,431,811	119,138	1,097,523	76.65%	
Licenses and Permits	531,650	64,325	486,957	91.59%	
Service Fees	531,173	70,127	682,495	128.49%	A
Fines	365,000	19,534	141,172	38.68%	
Interest Income	5,000	(1,165)	3,219	64.38%	B
Miscellaneous Income	141,097	16,457	103,945	73.67%	
Intergovernmental Revenue	945,617	78,801	630,411	66.67%	
Total Revenue	\$ 11,693,010	\$ 496,286	\$ 10,620,415	90.83%	
Expenditure Summary					
City Manager	\$ 313,446	\$ 19,340	\$ 206,377	65.84%	
City Secretary	161,036	10,329	104,797	65.08%	
Human Resources	238,777	29,627	150,454	63.01%	
Finance	488,373	42,293	325,043	66.56%	
Municipal Court	171,190	11,237	100,404	58.65%	
Parks & Recreation	781,224	61,046	474,284	60.71%	
Senior Programs	106,526	6,975	68,762	64.55%	
Library Services	295,001	21,326	189,824	64.35%	
Community Development	612,651	35,792	373,908	61.03%	
Streets & Drainage	1,060,526	59,659	564,394	53.22%	
Facility Maintenance	319,638	27,023	205,880	64.41%	
Police	3,165,608	211,216	1,992,329	62.94%	
Animal Control	154,026	11,608	99,945	64.89%	
Fire/EMS	2,274,839	160,559	1,432,051	62.95%	
Combined Services	1,217,006	84,276	889,379	73.08%	
City Engineer	263,883	17,595	160,273	60.74%	
Total Expenditures	\$ 11,623,750	\$ 809,901	\$ 7,338,103	63.13%	
Total Revenue Over/Under Expenses	\$ 69,260	\$ (313,615)	\$ 3,282,312		

Explanation of Major Variances:

A As of May 31st, Developer Fees collected have exceeded budget by \$172,593.58

B Negative amount for current month interest is investment expense.

City of Sachse
Monthly Revenue and Expenditure Report
 May 31, 2014
 (Unaudited)

UTILITY FUND

67% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 67%
Revenue Summary					
Water Revenue	\$ 4,062,949	\$ 354,765	\$ 2,084,896	51.31%	A
Sewer Revenue	3,092,342	241,619	2,071,543	66.99%	
Fees	162,200	16,030	139,014	85.71%	
Impact Fees	-	-	-		B
Interest Income	3,500	(78)	127	3.63%	
Miscellaneous Income	1,000	-	-	0.00%	
Total Revenue	\$ 7,321,991	\$ 612,336	\$ 4,295,580	58.67%	
Expenditure Summary					
Utility Administration	\$ 268,754	\$ 15,705	\$ 161,922	60.25%	
Water Operations	3,990,717	303,094	2,596,879	65.07%	
Sewer Operations	3,006,735	207,894	1,601,948	53.28%	
Meter Reading	126,110	9,555	112,779	89.43%	C
Total Expenditures	\$ 7,392,316	\$ 536,248	\$ 4,473,527	60.52%	
Total Revenue Over/Under Expenses	\$ (70,325)	\$ 76,088	\$ (177,947)		

Explanation of Major Variances:

- A** Water Revenue is at 51.31% of budget through May, average for May 31 over the past five years is 51.42%.
- B** Impact Fees are no longer reported in the Utility Fund
- C** Year-to-date Meters Purchased are at 153% of budget as of May 31st(includes 135 meters set for new construction-\$28,335).

Monthly Revenue and Expenditure Report
 May 31, 2014
 (Unaudited)

Debt Service Fund

67% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 67%
Revenue Summary					
Property Tax	\$ 2,915,826	\$ 9,340	\$ 2,914,284	99.95%	A
Interest Income	1,500	(233)	635	42.31%	
Total Revenue	\$ 2,917,326	\$ 9,107	\$ 2,914,919	99.92%	
Expenditure Summary					
Fees	\$ 1,000	\$ -	\$ 915	91.46%	
Principal	1,125,000	-	1,125,000	100.00%	B
Interest	1,798,531	-	907,576	50.46%	B
Total Expenditures	\$ 2,924,531	\$ -	\$ 2,033,490	69.53%	
Total Revenue Over/Under Expenses	\$ (7,205)	\$ 9,107	\$ 881,428		

A Property tax collections peak in the months of December and January

C Principal payments are due in February and interest payments in February and August

City of Sachse
 Monthly Revenue and Expenditure Report
 May 31, 2014
 (Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

67% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference 67%
Revenue Summary					
Sales Tax	\$ 429,796	\$ 53,517	\$ 305,964	71.19%	
Other Income	\$ -	\$ -	\$ 10,000		A
Interest Income	7,500	(452)	4,594	61.26%	
Total Revenue	\$ 437,296	\$ 53,065	\$ 320,558	73.30%	
Expenditure Summary					
Expenditures	507,757	40,348	152,451	30.02%	
Total Expenditures	\$ 507,757	\$ 40,348	\$ 152,451	30.02%	
Total Revenue Over/Under Expenses	\$ (70,461)	\$ 12,717	\$ 168,107		

Explanation of Major Variances:

A Garland ISD Contribution



Legislation Details (With Text)

File #: 14-2294 **Version:** 1 **Name:** Staff Briefing for Parks and Recreation
Type: Agenda Item **Status:** Agenda Ready
File created: 6/30/2014 **In control:** City Council
On agenda: 7/7/2014 **Final action:**
Title: Staff Briefing: Sachse Parks and Recreation Department.

Executive Summary

Each month a briefing is given to City Council providing an update of activities and events for a specific department. This month the Parks and Recreation Department will brief the council on Parks, Recreation and the Senior Center.

Sponsors:

Indexes:

Code sections:

Attachments: [StaffBriefing7-7-2014](#)

Date	Ver.	Action By	Action	Result
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Title

Staff Briefing: Sachse Parks and Recreation Department.

Executive Summary

Each month a briefing is given to City Council providing an update of activities and events for a specific department. This month the Parks and Recreation Department will brief the council on Parks, Recreation and the Senior Center.

Background

Each month a briefing is given to City Council providing an update of activities and events for a specific department. This month the Parks and Recreation Department will brief the council on Parks, Recreation and the Senior Center.

Policy Considerations

None

Budgetary Considerations

None

Staff Recommendations

Not Required



**CITY OF SACHSE PARKS AND
RECREATION DEPARTMENT
JULY 7, 2014**



DIVISIONS OF OUR DEPARTMENT

PARKS

RECREATION

SENIOR ACTIVITY CENTER

ADDITIONS 2013/14

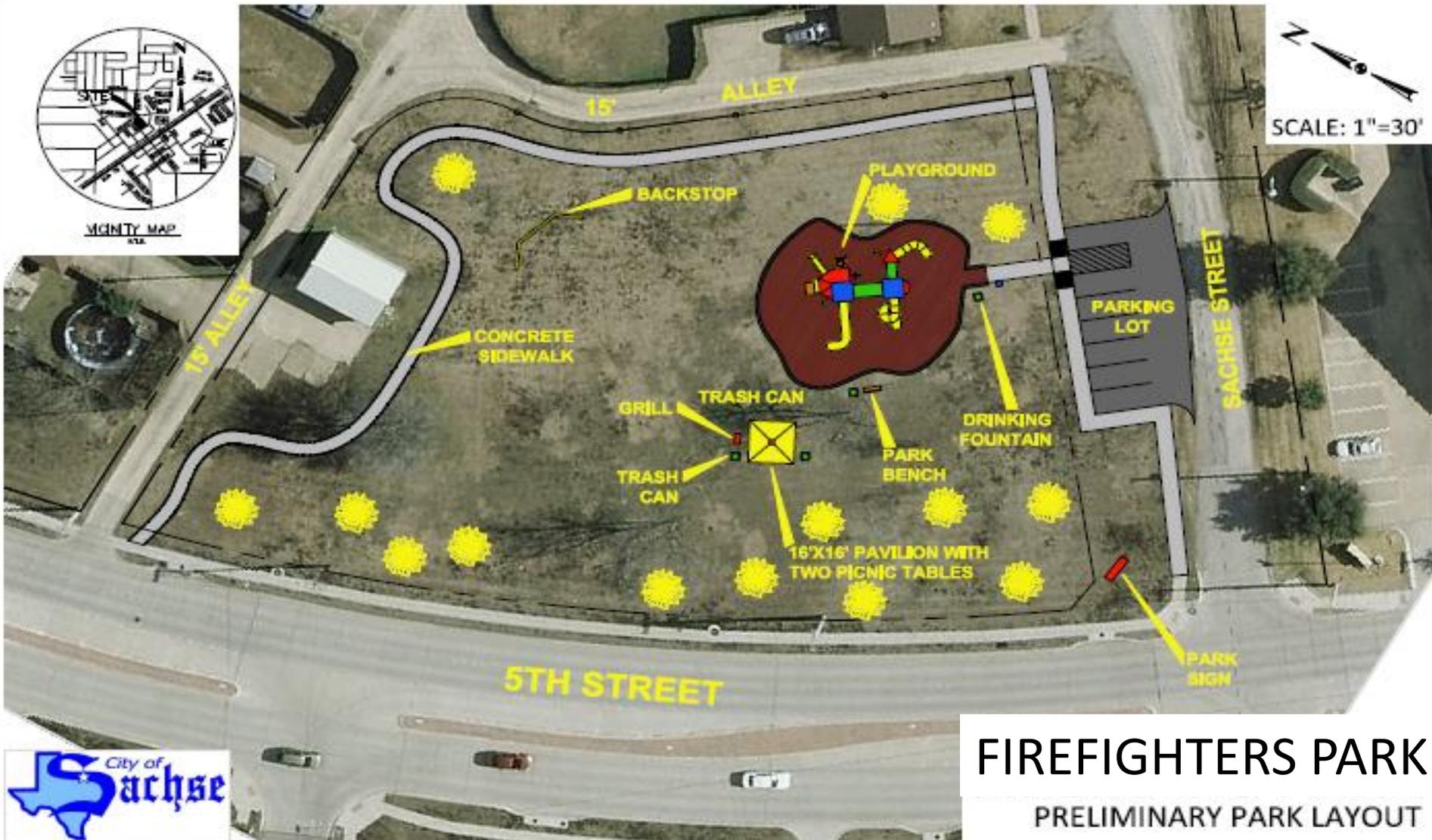
- **RED, WHITE AND BLUE BLAST**
- **FIREFIGHTERS PARK**
 - **ENGINEERING ASSISTANCE**
 - **IRRIGATION INSTALLED**
 - **PARKING LOT AND WALKING TRAIL NEXT**
 - **PLAYGROUND, PAVILION, SHADE STRUCTURE**
 - **READY BY OCTOBER 1ST**
- **YOUTH ADVISORS**
- **CITY SCHOLARSHIP**
- **BROUGHT BACK THE MOVIE IN THE PARK**

FIREFIGHTERS PARK LAYOUT



MCINTY MAP
SIA

SCALE: 1"=30'



FIREFIGHTERS PARK
PRELIMINARY PARK LAYOUT

ENTRANCE SIGN



FIREFIGHTERS PARK PLAYGROUND LAYOUT



City Park, Option A
Sachse, TX
61_41621591053



Miracle by webuildfun, inc.
In Texas



RECREATION DIVISION 2013/14

- **AVERAGE MONTHLY CLASS REGISTRATIONS 2013/14 – 80**
- **CLASSES OFFERED IN 2013/14 – 219**
- **SPECIAL EVENTS IN 2014 - 12**
- **NEW THIS YEAR-**
 - **ADDED DOCUMENT SHREDDING AND HAZARDOUS WASTE DISPOSAL TO OUR ANNUAL CLEAN UP EVENT**
 - **RECYCLING PROGRAM WITH THE RECOGNITION OF RECYCLING DAY ON NOVEMBER 15**
- **BROCHURE DISTRIBUTION TWICE A YEAR**

SPECIAL EVENTS AND CLASSES

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PARKS DIVISION 2013/14

- STAFF: ONE PARKS FOREMAN AND FIVE PARK MAINTENANCE TECHNICIANS
- DO MORE THAN JUST PARKS
- ONE MAINTENANCE TECH OPENING IN THE LAST TWO YEARS
- RESPONSIBLE FOR 131 ACRES
- ADDED AN ACRE OF FLOWER BED MAINTENANCE AT MERRITT RD. & PGBT
- IRRIGATION ADDED TO FIREFIGHTERS PARK

PARKS MAINTENANCE



LAURIE SCHWENK SENIOR ACTIVITY CENTER 2013/14

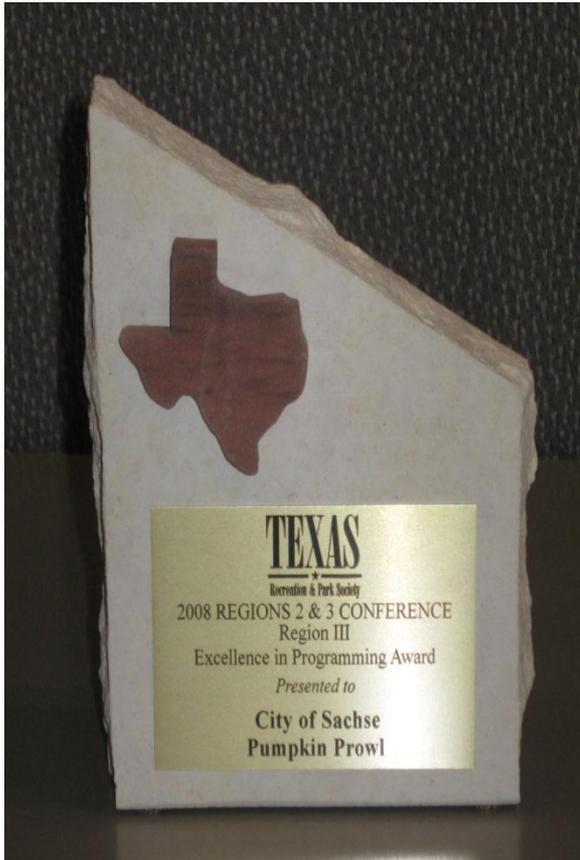
- MEMBERSHIPS WERE REQUIRED STARTING IN 2012**
- TOTAL MEMBERS IN 2014 - 256**
- TOTAL MEMBERS IN 2013 – 223**
- TOTAL MEMBERS IN 2004 - 42**
- RENTALS AT THE SENIOR CENTER – 18
ATTENDANCE IS UP THIS YEAR 15%
THIS YEAR!**

BEAUTIFUL FACILITY



JOB WELL DONE!

TRAPS EXCELLENCE IN PROGRAMMING



KEEP TEXAS BEAUTIFUL



TREE CITY USA



WII BOWLING CHAMPS



TRAPS MAINTENANCE RODEO

**THANK YOU FOR THIS
OPPORTUNITY**





Legislation Details (With Text)

File #: 14-2288 **Version:** 1 **Name:** Administer Oath of Office
Type: Agenda Item **Status:** Agenda Ready
File created: 6/20/2014 **In control:** City Council
On agenda: 7/7/2014 **Final action:**
Title: Administer Oath of Office to Chance Lindsey on the Planning and Zoning Commission.

Executive Summary
Mayor Felix will administer the Oath of Office to Chance Lindsey on the Planning & Zoning Commission.

Sponsors:

Indexes:

Code sections:

Attachments: [Sample Oath.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Administer Oath of Office to Chance Lindsey on the Planning and Zoning Commission.

Executive Summary

Mayor Felix will administer the Oath of Office to Chance Lindsey on the Planning & Zoning Commission.

Background

At the Council meeting on June 16, 2014, the Council appointed Chance Lindsey to the Planning and Zoning Commission. Tonight Mayor Felix will administer the Oath of Office.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Mayor Felix administer the Oath of Office to Chance Lindsey on the Planning and Zoning Commission.

In the name and by the authority of

THE STATE OF TEXAS

OATH OF OFFICE

SAMPLE

I, Scott Everett do solemnly swear, that I will faithfully execute the duties of the office of the Planning & Zoning Commissioner, of the City of Sachse, State of Texas, and will, to the best of my ability preserve, protect and defend the Constitution and laws of the United States and of this State, so help me God.

X
Affiant

SWORN TO and subscribed before me by affiant on the 18th day of November, 2013.

Signature of person administering oath

Printed Name

Title



Legislation Details (With Text)

File #:	14-2293	Version:	1	Name:	Water/Sewer Rate CIP Funding
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	6/27/2014	In control:		In control:	City Council
On agenda:	7/7/2014	Final action:		Final action:	
Title:	Discuss and provide input regarding water and sanitary sewer rate options.				

Executive Summary

The purpose of this Agenda Item is to get input from the City Council prior to finalizing the Water and Wastewater Rate Study. Staff will provide detailed information related to the five water/sewer rate alternatives that were previously presented to the City Council at the June 16th meeting in the 2014 Water and Wastewater Rate Study and Financial Forecast completed by Economists.com. The five rate alternatives provide varying degrees of funding for water and sewer projects in the City of Sachse. The projects included in the alternatives are Capital Improvement Plan projects for both the expansion of the utility system and the rehabilitation/replacement projects for maintenance of the utility system.

Sponsors:

Indexes:

Code sections:

- Attachments:**
- [Water-Sewer Rate CIP Funding Presentation PDF](#)
 - [Water-Sewer Rate Alternatives PDF](#)
 - [Subdivision Age PDF](#)
 - [Economists.com Rate Study Presentation PDF](#)

Date	Ver.	Action By	Action	Result
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Title

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Executive Summary

The purpose of this Agenda Item is to get input from the City Council prior to finalizing the Water and Wastewater Rate Study. Staff will provide detailed information related to the five water/sewer rate alternatives that were previously presented to the City Council at the June 16th meeting in the 2014 Water and Wastewater Rate Study and Financial Forecast completed by Economists.com. The five rate alternatives provide varying degrees of funding for water and sewer projects in the City of Sachse. The projects included in the alternatives are Capital Improvement Plan projects for both the expansion of the utility system and the rehabilitation/replacement projects for maintenance of the utility system.

Background

The 2014 Water and Wastewater Rate Study and Financial Forecast completed by Economists.com included five water/sewer rate options, listed as alternatives 1-5. (Attachment 2) These five alternatives include funding of water and sewer projects consisting

of both Capital Improvement Plan (CIP) projects (expansion of the system) and rehabilitation/replacement projects (maintaining the existing system) to varying degrees.

The rate study presentation made by Economists.com at the June 16th Council Meeting can be found in Attachment 4.

CIP water and sewer projects are identified in the 10-year Capital Improvement Plan of the City and updated on an annual basis in the City of Sachse annual budget approved by City Council. These projects are intended to expand or upgrade infrastructure to support the long-term growth of the City. Staff identified critical projects in the 10-year CIP to be included in the funding alternatives that include partial funding of the CIP.

Rehabilitation and replacement water and sewer projects are intended to maintain the existing utility infrastructure. As the City ages, the water and sewer systems require maintenance to ensure that proper function is maintained. The majority of water and sewer infrastructure in the City was constructed with the development of a subdivision. The age of subdivisions in the City of Sachse are shown graphically in Attachment 3.

A 35-year lifespan is commonly used for the planning of rehabilitation and/or replacement of water and sanitary sewer mains. The actual lifespan of a specific section of water or sewer main will depend on many variables. The implementation of rehabilitation and replacement projects are typically done based upon the condition of the individual main, and/or corresponding infrastructure projects, i.e. roadway re-construction above an aging sewer main.

Below is an overview of the five rate alternatives, and the corresponding project funding:

Alternative 1 - Fund 100%

- \$8M for Rehabilitation & Replacement
- \$10M for Water CIP Projects, including:
 - \$600k for Elevated Water Storage Tank Property
 - \$3.4M for 1.25 MG Elevated Water Storage Tank
 - \$6M for CIP Water Mains
- \$18M for Sewer CIP Projects, including:
 - \$2.3M for Southeast Lift Station
 - \$3.5M for 24-inch Gravity Sewer from Sachse Road Lift Station to Southeast Lift Station
 - \$2.7M for PGBT Sewer System (force main and gravity main)
 - \$9.5M for CIP Sewer Mains

Alternative 2 - Fund 50%

- \$4M for Rehabilitation & Replacement
- \$4M for Water CIP Projects, including:
 - \$600k for Elevated Water Storage Tank Property
 - \$3.4M for 1.25 MG Elevated Water Storage Tank

- \$10M for Sewer CIP Projects, including:
 - \$2.3M for Southeast Lift Station
 - \$3.5M for 24-inch Gravity Sewer from Sachse Road Lift Station to Southeast Lift Station
 - \$2.7M for PGBT Sewer System (force main and gravity main)
 - \$1.5M for CIP Sewer Mains

Alternative 3 - Fund 25%

- \$500K for Rehabilitation & Replacement
- \$600K for Water CIP Projects, including:
 - \$600k for Elevated Water Storage Tank Property
- \$7.9M for Sewer CIP Projects, including:
 - \$2.3M for Southeast Lift Station
 - \$2.7M for PGBT Sewer System (force main and gravity main)
 - \$2.9M for CIP Sewer Mains

Alternative 4 - Fund \$150,000 in Rehab/Replacement

- \$150K annually for Rehabilitation & Replacement
- No funding for Water/Sewer CIP Projects

Alternative 5 - Fund Key CIP + \$150,000 in Rehab/Replacement

- \$150K annually for Rehabilitation & Replacement
- \$4M for critical Water CIP Projects, including:
 - \$600k for Elevated Water Storage Tank Property
 - \$3.4M for 1.25 MG Elevated Water Storage Tank
- \$9M for critical Sewer CIP Projects, including:
 - \$2.3M for Southeast Lift Station
 - \$3.5M for 24-inch Gravity Sewer from Sachse Road Lift Station to Southeast Lift Station
 - \$2.7M for PGBT Sewer System (force main and gravity main)
 - \$500K for CIP Sewer Mains

Policy Considerations

Per §552.017 of the Texas Local Government Code, A Home Rule municipality may exercise the exclusive right to own, construct, and operate a water system for the use of the municipality and its residents. The municipality may regulate the system and may prescribe rates for the water furnished.

Budgetary Considerations

The City is faced with rising costs in all areas, particularly wholesale water rates and sanitary sewer treatment rates. The continued financial viability of the Utility Fund is dependent on adoption of a rate structure that will cover the costs of providing services now and into the

future.

Staff Recommendations

Staff recommends that the City Council provide input on the funding options and possible alternative options for CIP water and sewer projects related to the 2014 Water and Wastewater Rate Study and Financial Forecast.



WATER/SEWER RATE CIP FUNDING

CITY COUNCIL

JULY 7, 2014

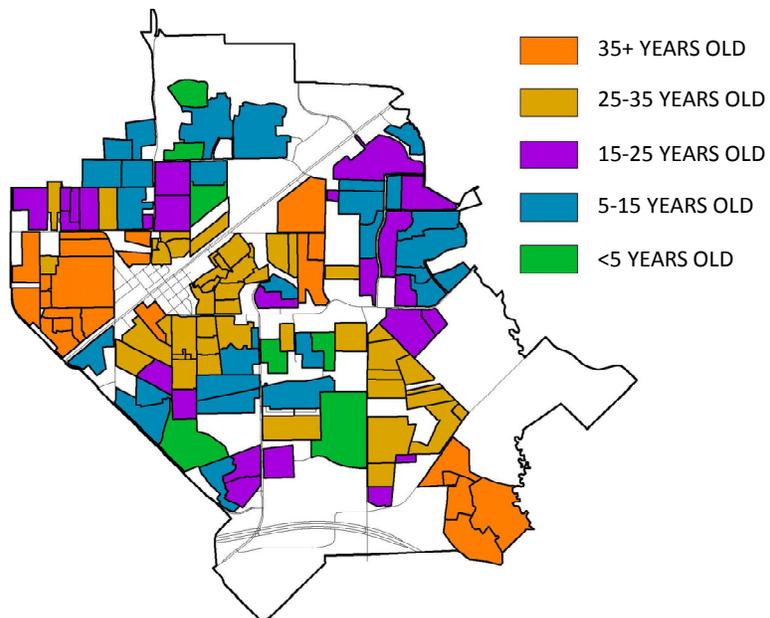
Impact on Residential Monthly Charge 10,000 Gal Water, 5,000 Gal WW

	<u>Current</u>	<u>Oct-14</u>	<u>Oct-15</u>	<u>Oct-16</u>	<u>Oct-17</u>	<u>Oct-18</u>
Alt 1 -- 100% CIP	\$ 68.54	\$ 84.16 15.62	\$ 101.94 17.79	\$ 116.20 14.26	\$ 125.97 9.77	\$ 133.53 7.56
Alt 2 -- 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
Alt 3 -- 25% CIP	68.54	84.16 15.62	92.50 8.35	100.31 7.81	107.73 7.41	113.10 5.37
Alt 4 -- \$150,000 Annual CIP	68.54	86.06 17.52	91.75 5.69	97.95 6.20	104.72 6.76	109.45 4.74
Alt 5 -- Special Projects CIP	68.54	86.07 17.53	98.63 12.56	105.71 7.08	113.41 7.70	118.94 5.54

OVERVIEW

- The Preliminary Water/Sewer Rate Study identified 5 rate alternatives including funding options for public infrastructure.
- The public infrastructure included in the rate alternatives includes a mix of:
 - Rehabilitation/Replacement of existing water and sewer infrastructure
 - New infrastructure required for long-term growth

Subdivision Infrastructure Age



Alternative #1 – Fund 100%

- **Includes funding of all identified rehabilitation & replacement.....\$8M**
 - Water rehab/replacement.....\$4.3M
 - Sewer rehab/replacement.....\$3.7M
- **Includes funding of all Water CIP Projects.....\$10M**
 - Property for 1.25 MG Elevated Water Storage Tank.....\$600K
 - 1.25 MG Elevated Water Storage Tank.....\$3.4M
 - CIP Water Mains.....\$6M
- **Includes funding of all Sewer CIP Projects.....\$18M**
 - Southeast Lift Station.....\$2.3M
 - 24" Gravity Sewer from Sachse Road LS to Southeast LS.....\$3.5M
 - PGBT Sewer System.....\$2.7M
 - CIP Sewer Mains.....\$9.5M

TOTAL: \$36M

Alternative #2 – Fund 50%

- **Includes partial funding of rehabilitation & replacement.....\$4M**
 - Water rehab/replacement.....\$2.1M
 - Sewer rehab/replacement.....\$1.9M
- **Includes partial funding of Water CIP Projects.....\$4M**
 - Property for 1.25 MG Elevated Water Storage Tank.....\$600K
 - 1.25 MG Elevated Water Storage Tank.....\$3.4M
- **Includes partial funding of Sewer CIP Projects.....\$10M**
 - Southeast Lift Station.....\$2.3M
 - 24" Gravity Sewer from Sachse Road LS to Southeast LS.....\$3.5M
 - PGBT Sewer System.....\$2.7M
 - CIP Sewer Mains.....\$1.5M

TOTAL: \$18M

Alternative #3 – Fund 25%

- **Includes partial funding of rehabilitation & replacement.....\$500K**
 - Water rehab/replacement.....\$250K
 - Sewer rehab/replacement.....\$250K
- **Includes partial funding of Water CIP Projects.....\$600K**
 - Property for 1.25 MG Elevated Water Storage Tank.....\$600K
- **Includes partial funding of Sewer CIP Projects.....\$7.9M**
 - Southeast Lift Station.....\$2.3M
 - PGBT Sewer System.....\$2.7M
 - CIP Sewer Mains.....\$2.9M

TOTAL: \$9M

Alternative #4 – Fund Annual \$150k Rehab

- No funding of CIP Projects
- Includes annual funding of \$150,000/year for rehabilitation & replacement of aging infrastructure

Alternative #5 – Fund Key CIP + \$150k Rehab

- Includes annual funding for rehabilitation & replacement.....\$150K/YR
- Includes funding for key Water CIP Projects.....\$4M
 - Property for 1.25 MG Elevated Water Storage Tank.....\$600K
 - 1.25 MG Elevated Water Storage Tank.....\$3.4M
- Includes funding of key Sewer CIP Projects.....\$9M
 - Southeast Lift Station.....\$2.3M
 - 24" Gravity Sewer from Sachse Road LS to Southeast LS.....\$3.5M
 - PGBT Sewer System.....\$2.7M
 - CIP Sewer Mains.....\$500K

TOTAL: \$13M + \$150K/YR

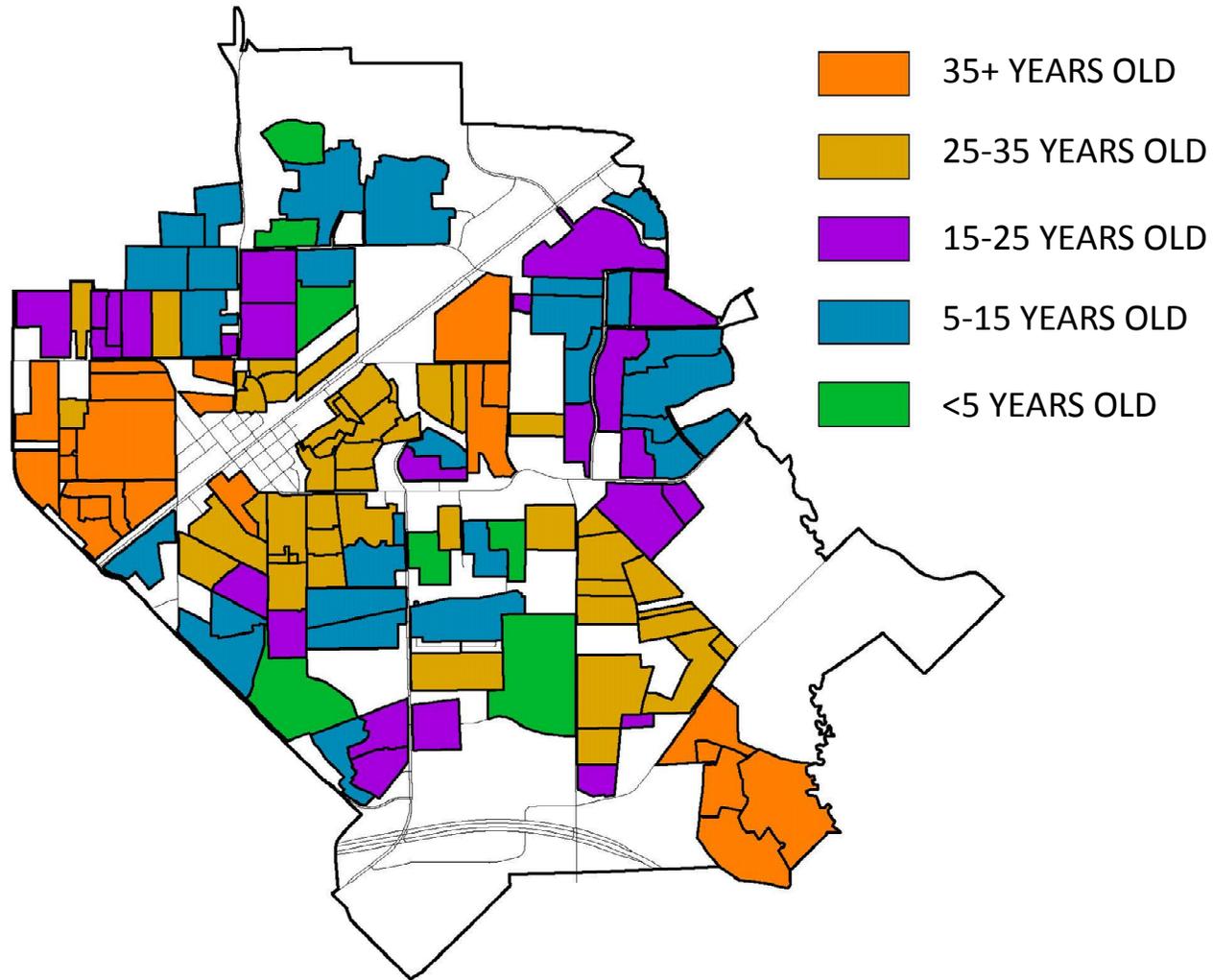
Impact on Residential Monthly Charge 10,000 Gal Water, 5,000 Gal WW

	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
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Alt 2 -- 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
Alt 3 -- 25% CIP	68.54	84.16 15.62	92.50 8.35	100.31 7.81	107.73 7.41	113.10 5.37
Alt 4 -- \$150,000 Annual CIP	68.54	86.06 17.52	91.75 5.69	97.95 6.20	104.72 6.76	109.45 4.74
Alt 5 -- Special Projects CIP	68.54	86.07 17.53	98.63 12.56	105.71 7.08	113.41 7.70	118.94 5.54

Impact on Residential Monthly Charge
 10,000 Gal Water, 5,000 Gal WW

	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 1 -- 100% CIP	\$ 68.54	\$ 84.16 15.62	\$ 101.94 17.79	\$ 116.20 14.26	\$ 125.97 9.77	\$ 133.53 7.56
Alt 2 -- 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
Alt 3 -- 25% CIP	68.54	84.16 15.62	92.50 8.35	100.31 7.81	107.73 7.41	113.10 5.37
Alt 4 -- \$150,000 Annual CIP	68.54	86.06 17.52	91.75 5.69	97.95 6.20	104.72 6.76	109.45 4.74
Alt 5 -- Special Projects CIP	68.54	86.07 17.53	98.63 12.56	105.71 7.08	113.41 7.70	118.94 5.54

Subdivision Infrastructure Age





City of Sachse

2014 Water and Wastewater Rate Study and Financial Forecast Presentation to City Council

economists.com

June 16 2014

Page: 1

Presentation Format



- ◆ Background on Rates
- ◆ Forecast Volumes and Revenue Requirements
- ◆ Capital Improvements
- ◆ Rate Plan Alternatives
- ◆ Next Steps



economists.com

Page: 2

Why are Water/WW Rates Increasing?



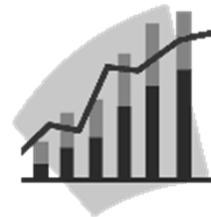
- ◆ Inflation
- ◆ General increases in the cost of doing business
- ◆ NTMWD & Garland rate increases
- ◆ Environmental and other regulations
- ◆ Capital Improvement Plan needed to repair and expand system



Findings Published in Recent Global Management Consulting Rate Survey



- ◆ Since 2001, nationwide residential monthly bill for 7,500 gallons has increased at a rate 250% greater than CPI
- ◆ Average **annual** increase for residential water customers has been **5.6%**
- ◆ For typical residential sewer bills, the average annual increase has been **6.1%**
- ◆ CPI-U average rate of change has been **2.4%**



City of Sachse Current Water/WW Rate Structure



Water Rates		
Minimum Charge		
5/8" Meter	\$	8.56
3/4" Meter		8.56
1" Meter		13.54
1 1/2" Meter		21.87
2" Meter		31.85

Water Volume Rates (Residential & Commercial)		
Volume Rate (per 1,000 Gallons)		
0 to -10,000	\$	2.96
10,001 to 15,000		3.69
15,001 to 20,000		4.44
20,001 to 30,000		5.18
Over 30,000		5.92

Residential Wastewater Base Rate		
Minimum Charge		
All Residential Accounts	\$	8.03

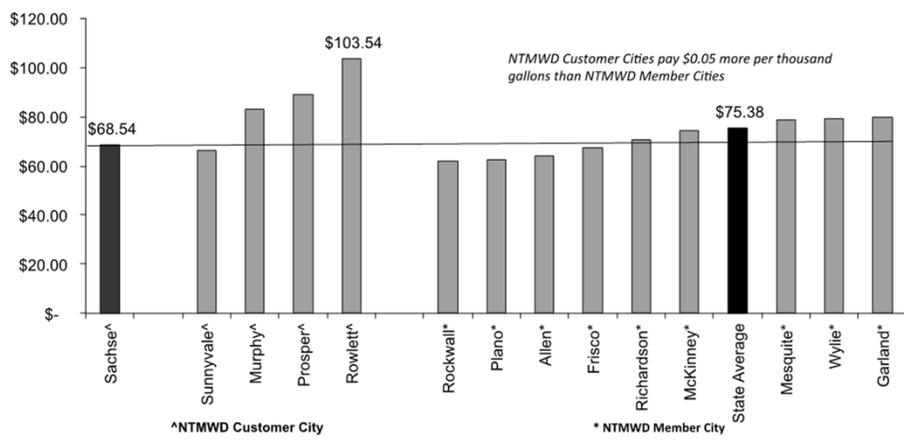
Residential Wastewater Volume Rates		
Volume Rate (per 1,000 Gallons)	\$	4.47

Residential volume charges are based on average of monthly water usage during November through March with exception of highest month and lowest month.

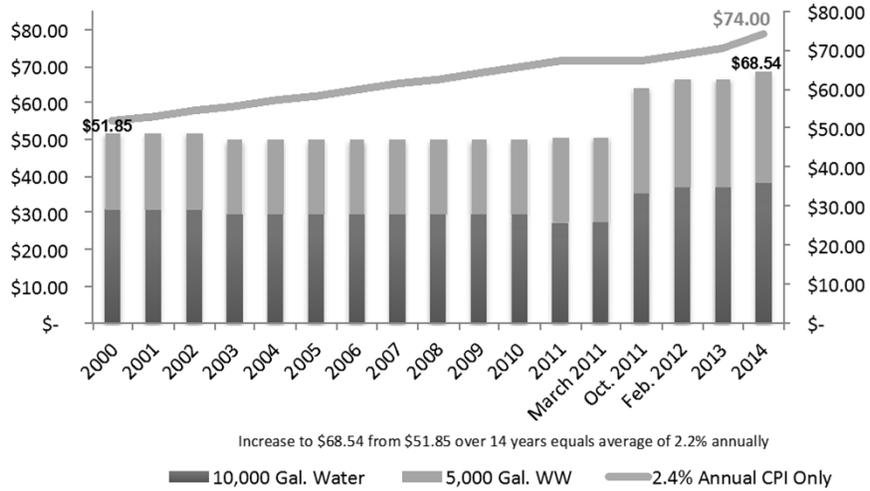
Non-Residential Wastewater Base Rates		
Minimum Charge		
5/8"	\$	12.98
3/4"		12.98
1"		21.23
1 1/2"		31.15
2"		31.15

Non-Residential Wastewater Volume Rates		
Volume Rate (per 1,000 Gallons)	\$	4.47

Monthly Residential Charges 10,000 Gal Water; 5,000 Gal WW



City of Sachse Historical Rates 10,000 Gallons Water & 5,000 Gallons WW

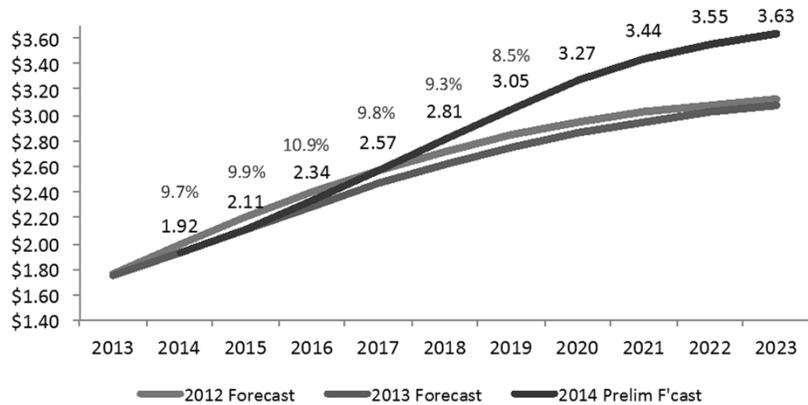


economists.com

NTMWD Rate Forecasts – Prepare for 10% Annual Increases



NTMWD comprises **61%** of the City's total Water cost of service

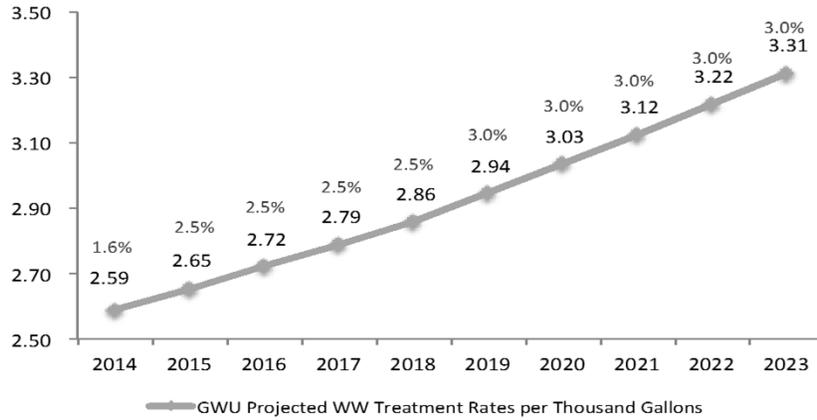


economists.com

Garland Water Utility Wastewater Treatment Projected Increases

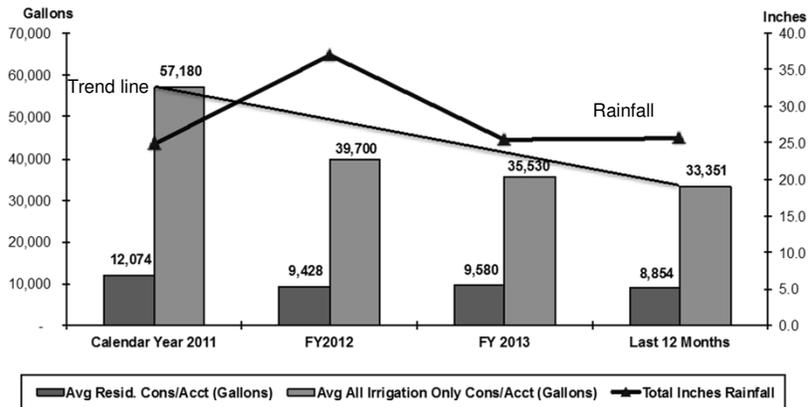


GWU comprises **69%** of the City's total WW Utility Cost of Service



economists.com

3 Year Residential & All Irrigation Consumption With Total Annual Precipitation

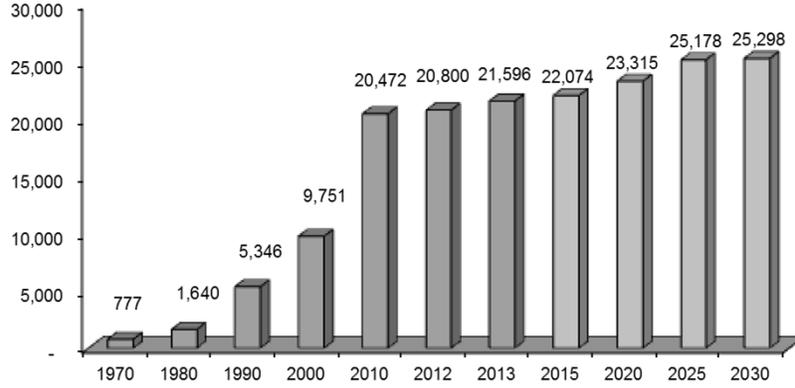


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Forecast Population Growth



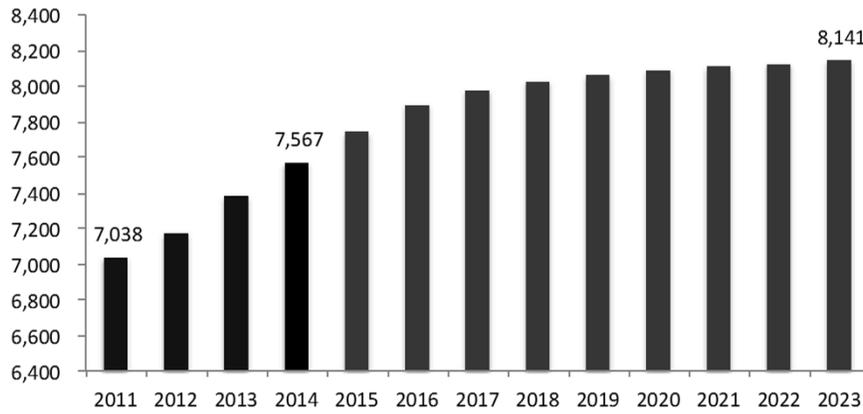
Population Growth
 1970 – 2012 Averaged 8.1% Annually
 2013 – 2025 Expected to Average 1.5% Annually



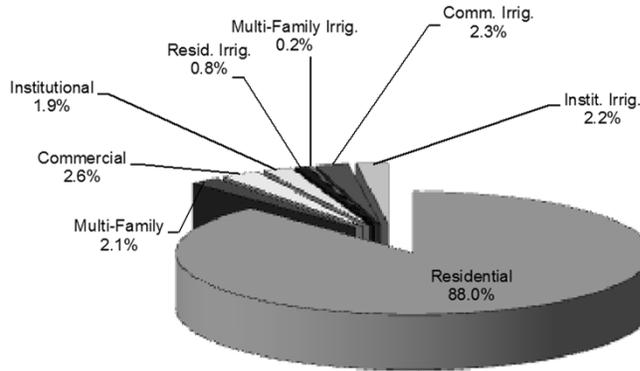
Source: US Census, TWDB, NCTCOG



Historical & Forecast Annual Total Water Accounts



FY 2014 Water Usage by Customer Class



**721,218,555
Total Gallons**

FY 2014 Water/WW Cost of Service



	Total Budget	WATER Utility	WASTEWATER Utility
Total Operating/Cap Outlays	\$ 6,313,065	\$ 3,579,821	\$ 2,733,244
Capital Outlays	40,000	35,000	5,000
Debt Service	136,560	136,560	-
General Fund Transfers	<u>890,789</u>	<u>496,501</u>	<u>394,288</u>
Total Cost of Service	7,380,414	4,247,882	3,132,532
Less Non-Rate Revenues	<u>(194,800)</u>	<u>(111,350)</u>	<u>(83,450)</u>
Net Revenue Requirement	\$ 7,185,614	\$ 4,136,532	\$ 3,049,082

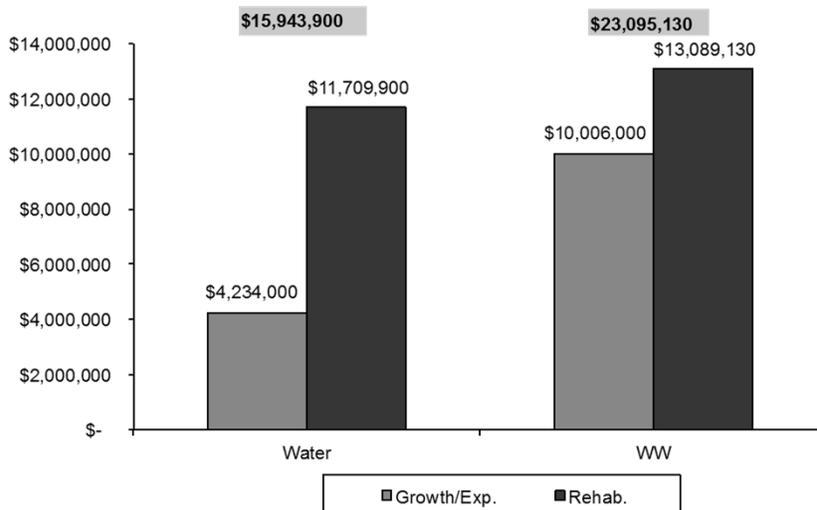
10 Year Forecast Primary Assumptions



- ◆ Most personnel and operating expenses will increase 3% per year
- ◆ Some expenses (insurance/energy) will increase at higher rates – most notably NTMWD
- ◆ Certain expenses will increase with volume and customer growth (electricity/chemicals)
- ◆ Most significant impact on rates – how to fund **capital improvement plan, including repair and replacement**



Capital Improvement Plan 2014 -- 2023



Notes on Rate Alternatives



- ◆ Under any scenario, rate adjustments are required to fund increasing operating expenses and NTMWD/Garland costs
- ◆ Ultimate level of rate adjustments will depend on the degree to which City funds its long-term capital improvement needs
- ◆ 5 alternatives will be presented to illustrate the impact of differing assumptions for CIP funding



Rate Plan Alternatives



- ◆ **Alternative 1** – Fund 100% of CIP, including repair and replacement, through rates
- ◆ **Alternative 2** – Fund 50% of CIP, including repair and replacement, through rates
- ◆ **Alternative 3** – Fund 25% of CIP, including repair and replacement, through rates
- ◆ **Alternative 4** – Fund \$150,000 per year of capital improvements through rates
- ◆ **Alternative 5** – Limited CIP – fund only WW project, property purchase for overhead storage, New Water Tower and \$150,000 annually for Repair and Replacement

Forecast Bond Issues 2014-2019 Alternatives 1-5



Alt	Water	Wastewater	Total
1	\$ 14,000,000	\$ 22,000,000	\$ 36,000,000
2	7,000,000	11,000,000	18,000,000
3	3,500,000	5,500,000	9,000,000
4	-	-	-
5	3,000,000	10,000,000	13,000,000

Alternative 1 -- 100% CIP Funding Forecast Cost of Service



	2014	2015	2016	2017	2018
WATER Utility Revenue Requirement					
Operating Expenses	\$ 4,076,322	\$ 4,403,511	\$ 4,788,447	\$ 5,169,538	\$ 5,565,446
Capital Outlays (Vehicles, Meters, Pumps)	35,000	65,000	61,000	35,000	335,000
Debt Service	136,560	137,738	138,694	837,413	840,020
Total Cost of Service	4,247,882	4,606,249	4,988,141	6,041,951	6,740,467
WASTEWATER Utility Revenue Requirement					
Operating Expenses	3,127,532	3,269,200	3,417,392	3,545,688	3,670,898
Capital Outlays/ Rep. & Repl.	5,000	105,000	5,000	5,000	115,000
Debt Service	-	-	1,163,330	1,166,938	1,170,663
Total Cost of Service	3,132,532	3,374,200	4,585,723	4,717,626	4,956,562

Alternative 1 – 100% CIP Funding Proposed Rate Plan



	Effective Date of Rate Adjustment					
	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18

Alt 1 - 100% CIP Funding

WATER Rates

Minimum Charge -- Residential \$ 8.56 \$ 10.70 \$ 13.05 \$ 15.66 \$ 17.23 \$ 18.27

Volume Charge								
-	--	10,000	2.96	3.70	4.51	5.42	5.96	6.32
10,001	--	15,000	3.69	4.61	5.63	6.75	7.43	7.87
15,001	--	20,000	4.44	5.55	6.77	8.13	8.94	9.47
20,001	--	30,000	5.18	6.48	7.90	9.48	10.43	11.05
30,001	--	Above	5.92	7.40	9.03	10.83	11.92	12.63

WASTEWATER Rate

Residential -- Minimum	8.03	9.64	11.56	12.26	12.99	13.77
Volume/1,000 Gal	4.47	5.36	6.44	6.82	7.23	7.67
(Based on Winter Avg)						

Alternative 1 Impact on Residential Monthly Charge 10,000 Gal Water, 5,000 Gal WW



	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
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Alt 1 -- 100% CIP	\$ 68.54	\$ 84.16	\$ 101.94	\$ 116.20	\$ 125.97	\$ 133.53
		15.62	17.79	14.26	9.77	7.56

Alt 2 -- 50% CIP

Alt 3 -- 25% CIP

Alt 4 -- \$150,000
Annual CIP

Alt 5 -- Special
Projects CIP

Alternative 2 -- 50% CIP Funding Forecast Cost of Service



Alt 2 - 50% CIP Funding

	2014	2015	2016	2017	2018
WATER Utility Revenue Requirement					
Operating Expenses	\$ 4,076,322	\$ 4,403,511	\$ 4,788,447	\$ 5,169,538	\$ 5,565,446
Capital Outlays (Vehicles,Meters,Pumps)	35,000	65,000	61,000	35,000	335,000
Debt Service	136,560	137,738	138,694	488,414	489,939
Total Cost of Service	4,247,882	4,606,249	4,988,141	5,692,952	6,390,385
WASTEWATER Utility Revenue Requirement					
Operating Expenses	3,127,532	3,269,200	3,417,392	3,545,688	3,670,898
Capital Outlays/ Rep. & Repl.	5,000	105,000	5,000	5,000	115,000
Debt Service	-	-	581,665	583,469	585,332
Total Cost of Service	3,132,532	3,374,200	4,004,058	4,134,157	4,371,230

Alternative 2 -- 50% CIP Funding Proposed Rate Plan



	Effective Date of Rate Adjustment					
	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 2 - 50% CIP Funding						
WATER Rates						
Minimum Charge -- Residential	\$ 8.56	\$ 10.70	\$ 12.31	\$ 14.15	\$ 15.57	\$ 16.50
Volume Charge						
- -- 10,000	2.96	3.70	4.26	4.89	5.38	5.71
10,001 -- 15,000	3.69	4.61	5.30	6.10	6.71	7.11
15,001 -- 20,000	4.44	5.55	6.38	7.34	8.07	8.56
20,001 -- 30,000	5.18	6.48	7.45	8.56	9.42	9.98
30,001 -- Above	5.92	7.40	8.51	9.79	10.77	11.41
WASTEWATER Rate						
Residential -- Minimum	\$ 8.03	\$ 9.64	\$ 10.60	\$ 11.02	\$ 11.46	\$ 11.92
Volume/1,000 Gal (Based on Winter Avg)	4.47	5.36	5.90	6.14	6.38	6.64

**Alternative 2
Impact on Residential Monthly Charge
10,000 Gal Water, 5,000 Gal WW**



	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 1 -- 100% CIP	\$ 68.54	\$ 84.16 15.62	\$ 101.94 17.79	\$ 116.20 14.26	\$ 125.97 9.77	\$ 133.53 7.56
Alt 2 -- 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
Alt 3 -- 25% CIP						
Alt 4 -- \$150,000 Annual CIP						
Alt 5 -- Special Projects CIP						

**Alternative 3 -- 25% CIP Funding
Forecast Cost of Service**



Alt 3 - 25% CIP Funding

	2014	2015	2016	2017	2018
WATER Utility Revenue Requirement					
Operating Expenses	\$ 4,076,322	\$ 4,403,511	\$ 4,788,447	\$ 5,169,538	\$ 5,565,446
Capital Outlays (Vehicles,Meters,Pumps)	35,000	65,000	61,000	35,000	335,000
Debt Service	136,560	137,738	138,694	313,915	314,898
Total Cost of Service	4,247,882	4,606,249	4,988,141	5,518,452	6,215,344
WASTEWATER Utility Revenue Requirement					
Operating Expenses	3,127,532	3,269,200	3,417,392	3,545,688	3,670,898
Capital Outlays/ Rep. & Repl.	5,000	105,000	5,000	5,000	115,000
Debt Service	-	-	290,833	291,735	292,666
Total Cost of Service	3,132,532	3,374,200	3,713,225	3,842,422	4,078,564

Alternative 3 – 25% CIP Funding Proposed Rate Plan



	Effective Date of Rate Adjustment					
	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 3 - 25% CIP Funding						
WATER Rates						
Minimum Charge -- Residential	\$ 8.56	\$ 10.70	\$ 12.31	\$ 13.78	\$ 15.16	\$ 16.07
Volume Charge						
- -- 10,000	2.96	3.70	4.26	4.77	5.24	5.56
10,001 -- 15,000	3.69	4.61	5.30	5.94	6.53	6.93
15,001 -- 20,000	4.44	5.55	6.38	7.15	7.86	8.34
20,001 -- 30,000	5.18	6.48	7.45	8.34	9.17	9.72
30,001 -- Above	5.92	7.40	8.51	9.53	10.48	11.11
WASTEWATER Rate						
Residential -- Minimum	8.03	9.64	10.02	10.42	10.84	11.27
Volume/1,000 Gal (Based on Winter Avg)	4.47	5.36	5.52	5.69	5.86	6.04

Alternative 3 Impact on Residential Monthly Charge 10,000 Gal Water, 5,000 Gal WW



	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 1 -- 100% CIP	\$ 68.54	\$ 84.16 15.62	\$ 101.94 17.79	\$ 116.20 14.26	\$ 125.97 9.77	\$ 133.53 7.56
Alt 2 -- 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
Alt 3 -- 25% CIP	68.54	84.16 15.62	92.50 8.35	100.31 7.81	107.73 7.41	113.10 5.37
Alt 4 -- \$150,000 Annual CIP						
Alt 5 -- Special Projects CIP						

Alternative 4 -- \$150,000 Annual Funding Notes on Rate Proposal



- ◆ This alternative assumes no new debt is issued to fund capital improvements in the next decade
- ◆ Beginning in FY 2015, \$150,000 added each year to Capital Outlays for minimal Repair and Replacement projects
- ◆ Total Expenditures for Repair and Replacement over decade = \$1,350,000; sufficient only to complete 6% of needed R&R
- ◆ **Unfunded Capital Needs in Forecast Period under this alternative = \$35,000,000**

Alternative 4 -- \$150,000 Annual CIP Forecast Cost of Service



Alt 4 - \$150,000 Annual Cap Outlays

	2014	2015	2016	2017	2018
WATER Utility Revenue Requirement					
Operating Expenses	\$ 4,076,322	\$ 4,403,511	\$ 4,788,447	\$ 5,169,538	\$ 5,565,446
Capital Outlays (Vehicles, Meters, Pumps)	110,000	140,000	136,000	110,000	410,000
Debt Service	136,560	137,738	138,694	139,415	139,858
Total Cost of Service	4,322,882	4,681,249	5,063,141	5,418,953	6,115,304

WASTEWATER Utility Revenue Requirement

Operating Expenses	3,127,532	3,269,200	3,417,392	3,545,688	3,670,898
Capital Outlays/ Rep. & Repl.	80,000	180,000	80,000	80,000	190,000
Debt Service	-	-	-	-	-
Total Cost of Service	3,207,532	3,449,200	3,497,392	3,625,688	3,860,898

Alternative 4 – \$150,000/YR Funding Uniform Water/WW Adjustments



	Current	Effective Date of Rate Adjustment				
		Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 4 - \$150,000 Annual Cap Outlays						
WATER Rates						
Minimum Charge -- Residential	\$ 8.56	\$ 11.13	\$ 12.24	\$ 13.46	\$ 14.81	\$ 15.70
Volume Charge						
- -- 10,000	2.96	3.85	4.23	4.66	5.12	5.43
10,001 -- 15,000	3.69	4.80	5.28	5.80	6.38	6.77
15,001 -- 20,000	4.44	5.77	6.35	6.98	7.68	8.14
20,001 -- 30,000	5.18	6.73	7.41	8.15	8.96	9.50
30,001 -- Above	5.92	7.70	8.47	9.31	10.24	10.86
WASTEWATER Rate						
Residential -- Minimum	8.03	9.64	9.83	10.03	10.23	10.43
Volume/1,000 Gal (Based on Winter Avg)	4.47	5.36	5.47	5.58	5.69	5.81

Alternative 4 Impact on Residential Monthly Charge 10,000 Gal Water, 5,000 Gal WW



	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 1 -- 100% CIP	\$ 68.54	\$ 84.16 15.62	\$ 101.94 17.79	\$ 116.20 14.26	\$ 125.97 9.77	\$ 133.53 7.56
Alt 2 -- 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
Alt 3 -- 25% CIP	68.54	84.16 15.62	92.50 8.35	100.31 7.81	107.73 7.41	113.10 5.37
Alt 4 -- \$150,000 Annual CIP	68.54	86.06 17.52	91.75 5.69	97.95 6.20	104.72 6.76	109.45 4.74
Alt 5 -- Special Projects CIP						

**Alt 5 -- Key Projects Plus \$150,000/YR Cap Outlays
Notes on Rate Proposal**



- ◆ Funding only for growth & expansion projects, limited repair & replacement
 - ❖ FY 2016 Sewer Project -- \$10,000,000
 - ❖ FY 2015 Property purchase for overhead storage -- \$652,000
 - ❖ FY 2018 New Water Tower -- \$3,400,000
 - ❖ \$150,000 annually for Repair and Replacement (added to Capital Outlays)
- ◆ Total Expenditures for Repair and Replacement = \$1,500,000; sufficient only to complete about **6%** of needed R&R
- ◆ **Unfunded Capital Needs in Forecast Period = \$23,500,000**

**Alt 5 -- Key Projects Plus \$150,000/YR Cap Outlays
Forecast Cost of Service**



Alt 5 - Key Projects & \$150,000/Yr

	2014	2015	2016	2017	2018
WATER Utility Revenue Requirement					
Operating Expenses	\$ 4,076,322	\$ 4,403,511	\$ 4,788,447	\$ 5,169,538	\$ 5,565,446
Capital Outlays (Vehicles,Meters,Pumps)	110,000	140,000	136,000	110,000	410,000
Debt Service	136,560	137,738	138,694	139,415	372,524
Total Cost of Service	4,322,882	4,681,249	5,063,141	5,418,953	6,347,970
WASTEWATER Utility Revenue Requirement					
Operating Expenses	3,127,532	3,269,200	3,417,392	3,545,688	3,670,898
Capital Outlays/ Rep. & Repl.	80,000	180,000	80,000	80,000	190,000
Debt Service	-	-	775,554	777,959	780,442
Total Cost of Service	3,207,532	3,449,200	4,272,946	4,403,646	4,641,340

Alternative 5 – Key Projects Uniform Water/WW Adjustments



	Current	Effective Date of Rate Adjustment				
		Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 5 - Key Projects & \$150,000/Yr						
WATER Rates						
Minimum Charge -- Residential	\$ 8.56	\$ 11.47	\$ 13.19	\$ 14.51	\$ 15.96	\$ 16.92
Volume Charge						
- -- 10,000	2.96	3.97	4.56	5.02	5.52	5.85
10,001 -- 15,000	3.69	4.94	5.69	6.25	6.88	7.29
15,001 -- 20,000	4.44	5.95	6.84	7.53	8.28	8.78
20,001 -- 30,000	5.18	6.94	7.98	8.78	9.66	10.24
30,001 -- Above	5.92	7.93	9.12	10.03	11.04	11.70
WASTEWATER Rate						
Residential -- Minimum	8.03	9.23	10.53	10.84	11.17	11.50
Volume/1,000 Gal (Based on Winter Avg)	4.47	5.14	5.86	6.04	6.22	6.40

Alternative 5 Impact on Residential Monthly Charge 10,000 Gal Water, 5,000 Gal WW



	Current	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18
Alt 1 – 100% CIP	\$ 68.54	\$ 84.16 15.62	\$ 101.94 17.79	\$ 116.20 14.26	\$ 125.97 9.77	\$ 133.53 7.56
Alt 2 – 50% CIP	68.54 -	84.16 15.62	94.96 10.80	104.79 9.83	112.77 7.98	118.66 5.90
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Alt 4 – \$150,000 Annual CIP	68.54	86.06 17.52	91.75 5.69	97.95 6.20	104.72 6.76	109.45 4.74
Alt 5 – Special Projects CIP	68.54	86.07 17.53	98.63 12.56	105.71 7.08	113.41 7.70	118.94 5.54

Water Rate Structure Findings and General Recommendations



- ◆ Current Residential Water Base Charge is uniform for all meter sizes; non-residential has varying charges for meters up to 2"
- ◆ Internal audit found existing accounts with meters greater than 2"
- ◆ Nominally higher base charges are proposed for these larger meters
- ◆ New "**Large Commercial**" rate class for commercial accounts consuming in excess of 50,000 gallons is proposed – Water and Sewer Base Charges in compliance with AWWA meter capacity ratios & uniform water volume rate equivalent to first tier volume rate instead of the five tiered volume rate

Presentation Summary Notes on Rate Scenarios



- ◆ Rate adjustments will be required under any scenario, given operating cost increases and NTMWD/GWU increases
- ◆ Timing and amounts of CIP (including Repair and Replacement) related debt will be key assumption behind rate plan alternatives
- ◆ Each of the alternatives shares common Fund Balance target of 75 Days of Operating Expenses, goal of 90 to 120 Days and target debt capacity ratio of 1.25 or greater
- ◆ Changes to expected growth in new accounts, relief from ongoing drought or Stage 4 watering restrictions should trigger revisions to rate plans

Summary Next Steps



- ◆ Obtain feedback from Council based on proposals presented
- ◆ Review assumptions and revise alternatives as needed
- ◆ Complete draft rate study report and submit for review
- ◆ Prepare consolidated presentation for Council Meeting and Public Hearing





Legislation Details (With Text)

File #: 14-2303 **Version:** 2 **Name:** 2014 PGBT Phase 1 Sanitary Sewer Funding
Type: Agenda Item **Status:** Agenda Ready
File created: 7/2/2014 **In control:** City Council
On agenda: 7/7/2014 **Final action:**
Title: Discuss the funding of the President George Bush Turnpike Phase 1 Sanitary Sewer project and the necessary actions required by the Sachse Economic Development Corporation and the Sachse Tax Increment Financing Reinvestment Zone No. 1.

Executive Summary

The President George Bush Turnpike Phase 1 Sanitary Sewer project includes the necessary infrastructure for the western portion of the Turnpike District to be "development ready" in terms of water and sewer utility availability. Staff has worked with the City Attorney's office to outline actions required to implement the financing plan. The purpose of this item is to update the City Council on the project and to provide information related to actions required for financing under this proposal.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A.pdf](#)
[PGBT Ph 1 Sanitary Sewer Presentation.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Discuss the funding of the President George Bush Turnpike Phase 1 Sanitary Sewer project and the necessary actions required by the Sachse Economic Development Corporation and the Sachse Tax Increment Financing Reinvestment Zone No. 1.

Executive Summary

The President George Bush Turnpike Phase 1 Sanitary Sewer project includes the necessary infrastructure for the western portion of the Turnpike District to be "development ready" in terms of water and sewer utility availability. Staff has worked with the City Attorney's office to outline actions required to implement the financing plan. The purpose of this item is to update the City Council on the project and to provide information related to actions required for financing under this proposal.

Background

The President George Bush Turnpike Phase 1 Sanitary Sewer project includes three logical pieces. One is a third sanitary sewer connection to the City of Garland's sewer system. The second includes a gravity sewer extending northward along Miles road to Pleasant Valley Road in Sachse. The third section extends a gravity sewer to the north side of the PGBT near the Old Miles Road right of way and then eastward to Miles Road. Exhibit A shows the

location of the PGBT Phase 1 Sanitary Sewer.

The City has completed the engineering work needed to pinpoint the final sewer routes and to develop an opinion of probable cost. By securing the financing now, staff can move the project toward construction.

A portion of the PGBT Phase 1 Sanitary Sewer is located within the boundaries of the Sachse TIF District. The portion within the city limits of the City of Garland lies outside of the Sachse's TIF.

Funding for the sanitary sewer is planned to come in two forms. First, for the portion inside the boundaries of the Sachse TIF, the SEDC may fund the project initially and then be reimbursed by the Sachse TIF from the increased property values in the TIF. It is important to note that the TIF already has an obligation to the City for costs related to installing waterlines prior to the construction of the PGBT. Staff suggests that the reimbursement agreement between the SEDC and the TIF stipulate that 50% of the annual tax increment be paid to the SEDC for reimbursement. The budget for the Phase 1 sewer located inside the TIF is \$1,145,000.

The second form of funding includes a grant from the SEDC to the City to construct those portions of the sanitary sewer location outside the boundaries of the TIF. The budget for portions of the sewer located outside the TIF is \$1,355,000 and includes a connection to the City of Garland sewer system.

The total budget for project is \$2,500,000.

Staff has been in negotiations with a property representative affected by the project who has agreed to donate most of the necessary easements for the project.

Actions Needed to Secure Funding

Staff has been working with the City Attorney's office to outline the actions needed to secure the project's financing. Those actions are outlined below.

- The City of Sachse has already funded the final engineering design for the project and it is nearing completion. No action necessary.
- The City of Sachse will provide project oversight and deliver the project. No action necessary.
- The City and SEDC enter into a grant agreement for the portions outside the TIF (\$1,355,000).
- The SEDC enters into a grant agreement with the TIF (City) providing a grant for the portions inside the TIF to be reimbursed with 50% of the tax increment collected (\$1,145,000).

Additional agreements will be required to complete the project, but they are not directly related to project funding. These may include an agreement with the City of Garland, and agreement with the North Texas Tollway Authority, and easements with landowners.

Policy Considerations

The PGBT Phase 1 Sanitary Sewer completes the portion of Sachse's sewer Capital Improvements Plan required to extend sanitary sewer to the western portion of the PGBT areas and will result in some areas, especially south of the PGBT being more "development ready."

Budgetary Considerations

The plan includes the SEDC providing \$1,145,000 to be reimbursed by the TIF District and a grant to the City in the amount of \$1,355,000.

Staff Recommendations

Staff recommends that the City Council discuss the PGBT Phase 1 Sanitary Sewer project financing plan and provide input as necessary.

Project Overview



Legend

-  24-inch Sewer (in TIF)
-  24-inch Sewer (not in TIF)
-  8-inch Sewer (Pleasant Valley Road – in TIF)

PGBT Ph 1 Sanitary Sewer Financing Plan

July 7, 2014
City Council Update

Overview

- Project Status
- Project Overview
- Proposed Funding Overview
- SEDC & TIF Participation
- Schedule

Project Status

- Coordination with the City of Garland has been ongoing.
- The NTTA is reviewing the project.
- Staff met with the Garland Independent School District to discuss the project.
- Final Design is nearing completion.
- Construction budgets are now set.
- Project financing is needed to move forward.

Note: This project will result in all regions on western end of PGBT District being “development ready” for water and sewer.

Project Overview



Legend

- 24-inch Sewer (in TIF)
- 24-inch Sewer (not in TIF)
- 8-inch Sewer (Pleasant Valley Road – in TIF)

Proposed Funding Overview

- Total Project Budget \$2,500,000
 - SEDC Grant to City \$1,355,000
 - SEDC Grant to TIF \$1,145,000
(To be reimbursed by TIF proceeds)
- Note: The TIF currently owes \$614,301.38 for PGBT Waterline. Staff proposes TIF reimburse EDC with 50% of tax increment.

SEDC & TIF Participation

- City & SEDC enter into a grant agreement for \$1.355M.
- SEDC & TIF (City) enter a grant agreement for \$1.145M to be reimbursed by the TIF.
- TIF & City approved resolutions authorizing the project.
- City negotiates and executes necessary agreement with other agencies and landowners to build the project.
- City delivers the project.

Schedule

- City apply to SEDC in August.
- Call TIF Board meeting in August.
- Council Resolution after TIF Board meeting.
- Finalize agreements with agencies and landowners (2-3 mos.)



Legislation Details (With Text)

File #: 14-2289 **Version:** 1 **Name:** City Secretary semi-annual review
Type: Agenda Item **Status:** Agenda Ready
File created: 6/20/2014 **In control:** City Council
On agenda: 7/7/2014 **Final action:**

Title: Conduct Executive Session pursuant to the provisions of the Texas Government Code Section 551.074:

To conduct the semi-annual evaluation of the City Secretary.

Consider any action necessary as a result of Executive Session.

Executive Summary

A closed session, as provided by state law, for the City Secretary's semi-annual evaluation.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Conduct Executive Session pursuant to the provisions of the Texas Government Code Section 551.074:

To conduct the semi-annual evaluation of the City Secretary.

Consider any action necessary as a result of Executive Session.

Executive Summary

A closed session, as provided by state law, for the City Secretary's semi-annual evaluation.

Background

The City Council evaluates the City Secretary semi-annually.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Council conduct executive session as appropriate.