

A G E N D A

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) will hold a regular meeting on **Tuesday, April 27, 2021 at 5:30 p.m.** in the City Council Conference Room at 401 S. Rogers St., Waxahachie, TX.

Committee Members: Rick Keeler, Chairman
 Melissa Ballard, Vice Chairman
 Betty Square Coleman
 Bonney Ramsey
 Jim Phillips
 David Hudgins
 Erik Test
 Mary Lou Shipley
 Clyde Hargrove
 Brett Hess
 John Houston
 Jimmy Poarch

1. Call to Order
2. Invocation
3. ***Public Comments:*** Persons may address the Impact Fee Capital Improvements Advisory Committee on any issues. This is the appropriate time for citizens to address the Committee on any concern whether on this agenda or not. In accordance with the State of Texas Open Meetings Act, the Committee may not comment or deliberate such statements during this period, except as authorized by Section 551.042, Texas Government Code.
4. ***Approval*** of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of October 27, 2020
5. ***Presentation*** on the April 2021 Mid-Year Impact Fee Report
6. Adjourn

The IFCIAC reserves the right to go into Executive Session on any posted item.

This meeting location is wheelchair-accessible. Parking for mobility-impaired persons is available. Any request for sign interpretive services must be made forty-eight hours ahead of the meeting. To make arrangements, call the City Secretary at (469) 309-4005 or (TDD) 1-800-RELAY TX.

Notice of Potential Quorum
One or more members of the Waxahachie City Council and/or
Planning & Zoning Commission may be present at this meeting.

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) held a regular meeting on Tuesday, October 27, 2020 at 5:30 p.m. in the City Council Conference Room at 401 S. Rogers St., Waxahachie, TX

Members Present: Rick Keeler, Chairman
Bonney Ramsey
Jim Phillips
David Hudgins
Erik Test
Mary Lou Shipley
Clyde Hargrove
Brett Hess

Members Absent: Melissa Ballard, Vice Chairman
Betty Square Coleman
John Houston
Jimmy Poarch

Others Present: Michael Scott, City Manager
Tommy Ludwig, Assistant City Manager (via zoom)
James Gaertner, Director of Public Works & Engineering
Kip Dernovich, Assistant Director of Public Works and Engineering
Shon Brooks, Director of Planning
Colby Collins, Senior Planner
David Bailey, Director of Utilities
Richard Abernethy, Assistant Utility Director
Gary Hendricks, PE, Birkhoff, Hendricks & Carter L.L.P. (via zoom)
Derek Chaney, PE, Birkhoff, Hendricks & Carter L.L.P.
Eddie Haas, Project Manager for Roadway Impact Fees, Freese & Nichols (via zoom)
Lori Cartwright, City Secretary

1. **Call to Order**
2. **Invocation**

Chairman Rick Keeler called the meeting to order and gave the invocation.

3. **Public Comments**

None

4. **Reorganize the Committee**

Action:

Mr. Jim Phillips moved to nominate Mr. Rick Keeler as Chairman and Ms. Melissa Ballard as Vice Chairman. Mr. David Hudgins seconded, All Ayes.

5. Approval of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of September 15, 2020

Action:

Ms. Bonney Ramsey moved to approve the minutes of the Impact Fee Capital Improvements Advisory Committee meeting of September 15, 2020. Mayor Pro Tem Mary Lou Shipley seconded, All Ayes.

6. Presentation to discuss capital improvement plan impact fee calculation change

Mr. Derek Chaney, PE, Birkhoff, Hendricks & Carter L.L.P., presented a revision of the Water and Wastewater Living Unit Equivalents (LUEs) noting an inconsistency was found in the table of LUEs. He presented a comparison of the base water meter size used in 2020 noting it is not consistent with the base water meter size used in the 2013 Impact Fee Update. Mr. Chaney explained the base meter size was changed to 5/8" x 3/4" on all presentation material, with the unfortunate exception of the supporting living units per meter equivalency calculations. He noted, because the LUE's are partially based on the base water meter size, the resulting impact fee calculations have changed. Mr. Chaney reviewed the previous and revised 10-year CIP recommended/imposed impact fee amounts.

7. Reconsider recommendation to City Council associated with the approval of Capital Improvement Plan, approach, and corresponding fees

Discussion was held to reconsider recommendation to City Council associated with the approval of Capital Improvement Plan, approach, and corresponding fees.

Action:

Chairman Rick Keeler moved to recommend that the City Council adopt the Land Use Assumptions which were presented to the Impact Fee Capital Improvement Advisory Committee. Ms. Bonney Ramsey seconded, All Ayes.

Action:

Chairman Rick Keeler moved to recommend that the City Council (1) adopt the Full System Impact Fee Capital Improvement Plan, (2) assess the fees associated at an amount no greater than the 10 year Capital Improvement Plan where possible, (3) apply a 8.04% water and 73.36% wastewater fee discount to the plan. Mr. Jim Phillips seconded, All Ayes.

8. Presentation to discuss Impact Fee revenue and expenditures for the 2020-2021 fiscal year.

Senior Planner Colby Collins reported the report entails the Impact Fee revenue and expenditure activity summary for the 2019-2020 fiscal year, which includes data from October 1, 2019 to September 30, 2020. He stated impact fees are authorized by the Texas Local Government and empowers municipalities to levy a charge or assessment against a new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansion necessitated by attributable to the new development.

Assistant Utility Director Richard Abernethy presented a brief summary of the projects which have been funded, or partially funded through the use of water impact fees during the fiscal year 2019-2020:

- FM 664 Water Line Project
- BNSF Railroad 18" Water Transmission Line Project Phase 1
- BNSF Railroad 18" Water Transmission Line Phase 2 (Engineering design only)
- Distribution Line: Loftland Road/Ovilla Road Phase 1 (Engineering design only)

Mr. Abernethy stated the balance of Water Impact Fees including revenues and expenses through September 30, 2020 total \$3,922,518.06. Ending balance of Sewer Impact Fees revenues and expenses through September 30, 2020 total \$5,245,786.34. This includes the Waste Water Treatment Plant Rehabilitation Project and professional services for Sewer Impact Fee updates.

Assistant Director of Public Works and Engineering Kip Dernovich reviewed a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2019 to September 30, 2020 totaling \$6,733,541.66. He noted the table includes seven (7) Service Areas.

9. Adjourn

There being no further business, the meeting adjourned at 6:03 p.m.

Respectfully submitted,

Lori Cartwright
City Secretary



Memorandum

To: Impact Fee Advisory Committee
 From: Shon Brooks, Senior Director Planning
 Thru: Michael Scott, City Manager
 Date: April 27, 2021
 Re: FY 2020-2021 Impact Fee Revenue and Expenditure Activity Mid-Year Report

In October 2020, city staff presented the FY 2019-2020 Impact Fee Revenue and Expenditure Activity Report to the Impact Fee Capital Improvement Advisory Committee. The activity summary detailed impact fee revenue and expenditures from October 1, 2019 to September 30, 2020.

The following report entails the Impact Fee revenue and expenditure activity summary for the first half of the 2020-2021 fiscal year, which includes data from October 1, 2020 to March 31, 2021. Impact fees are authorized under Chapter 395 of the Texas Local Government Code, and empower municipalities to levy a charge or assessment against a new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.

Please note that additional revenues and/or expenses may post for this report period after the date of this report. If additional revenues and/or expenses are posted to this period they will be reflected in the next biannual report.

Impact Fee Revenues and Expenditures

Below are tables illustrating the revenues and expenditures for water, sewer, and roadway impact fees from October 1, 2020 to March 31, 2021, with a brief explanation of the associated expenditures from each project.

Water Impact Fees

Fiscal Year	FY 20-21 (Through 03/31/2021)
Beginning Balance	\$4,257,712.22
Revenues	\$855,439.26
Expenses	\$141,634.66
Ending Balance	\$4,971,516.82

Water Impact Fee Expenditure Summary FY 20-21 (Mid-Year)

Below is a brief summary of the projects which have been funded, or partially funded through the use of water impact fees during the first half of FY 20-21 budget year:

- *BNSF Railroad 18" Water Transmission Line Project Phase 1 and Phase 2:*
These projects will replace approximately 6,600 linear feet of an existing 10-inch AC water line with 18" water transmission line and approximately 700 linear feet of 24" water transmission line. This new transmission line will be constructed parallel to, and on the east side of BNSF railroad from Butcher Road south to Mustang Creek. The new pipeline is part of a larger series of water infrastructure improvements that will help facilitate water through the 791 Service Area, support development growth north of downtown and will enhance the operations of the Sokoll Water Treatment Plant by allowing additional water to be pumped into the 791 Service Area. Engineering Design for these projects were funded with impact fees. Construction for these projects are funded with 2020 bond funds. Both BNSF projects were bid together as one for construction. On April 5, 2020, City Council awarded a construction contract in the amount of \$1,723,847.75 to Circle H Contractors, LP. Construction will be complete by the end of 2021.
- *Distribution Line: Loftland Road/Ovilla Road Phase 1 – (Engineering Design Only)*
This project is the first phase to install approximately 8,900 LF of 24" diameter water transmission line. The limits will be from Cardinal Road just east of the BNSF Railroad west to Ovilla Rd at the Marshall Rd intersection. This line will help sustain water pressures to the northern part of Settlers Glen Subdivision and surrounding areas, provide for additional capacity from the Sokoll Water Treatment Plant, and support development in the area west of IH-35 and north of the 287 Bypass. On October 21, 2019, City Council awarded an Engineering Design Contract to Birkhoff, Hendricks & Carter, LLP in the amount of \$370,100. This cost included design as well as land rights acquisition services. Design for the project is scheduled to be complete by the first quarter of 2021, contingent upon right-of-way acquisitions. Construction was funded through the FY-19-20 bond issuance and is scheduled to begin in the last quarter of 2021. The design phase of this project is being fully funded with impact fees.

- Water Impact Fee Update – State law requires that a professional engineer update and/or prepare a municipality’s Capital Improvement Plan and calculate the corresponding impact fees. The City executed a contract with Birkhoff, Hendricks & Carter, LLP in the amount of \$40,000 to conduct the Water and Wastewater Impact Fee Update; however a change order of \$20,000 was executed to complete a full system wide comparison analysis. The cost is split 50/50 between Water and Wastewater funds and was funded with impact fees. The project also worked in concert with the Roadway Impact Fee Update which was conducted by Freese and Nichols on behalf of the Public Works Department. Freese and Nichols also prepared the required Land Use Assumption component for a total of \$24,000. This cost was split evenly between Public Works, and Water and Wastewater. The project commenced in February 2020 and the study was completed in October 2020 after the Impact Fee Capital Improvements Advisory Committee recommended approval. The City Council adopted the land use plans and the new updated impact fees on December 7, 2020. The new impact fees went into effect on January 7, 2021.
- Debt Service – The City issues debt for the purpose of financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by government to support basic services including improvements and new components to the City’s utility system. Utility-related bond projects are largely financed by a portion of monthly water fees paid by the City’s utility customers. Additionally, water impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2020-2021, water impact fees are scheduled to contribute \$98,670 toward the City’s water debt service.

Anticipated FY 20-21 (Second Half) Water Impact Fee Expenditures

Howard Road High Service Pump No. 5 - \$1,400,000

The total cost for engineering and construction for the additional High Service Pump is anticipated to be \$1,400,000. Of the \$1,400,000, an engineering contract for \$213,000 was approved with Plummer Associates, Inc. on March 1, 2021. It’s anticipated currently that this project will be completed within fifteen to eighteen months. This is mainly due to supply chain issues related to COVID-19. This project will be fully funded through impact fees.

Sewer Impact Fees

Fiscal Year	FY 20-21 (Through 03/31/2021)
Beginning Balance	\$5,303,785.57
Revenues	\$1,081,348.06
Expenses	\$12,432.00
Ending Balance	\$6,372,701.63

Sewer Impact Fee Expenditure Summary FY 20-21 (Mid-Year)

Below is a brief summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the first half of FY 20-21 budget year:

- **Waste Water Treatment Plant Rehabilitation Project**: In October 2019, City Council awarded a contract to BAR Construction in the amount of \$12,875,550 for the Wastewater Treatment Plant. \$1,354,550 of this project is anticipated to be funded by impact fees, with the rest of the project being funded through Certificate of Obligation Bonds. In addition, the City also executed a materials testing contract in January 2020 with Alpha Testing for \$53,888.50. This will also be funded with impact fees. Construction began in January 2020 and is on track for completion in August of 2021. In accordance with IRS Rules governing bonds, the City will spend the bonds funds first. The impact fees associated with this project will be fully expended in this current fiscal year.
- **Sewer Impact Fee Update** – State law requires that a professional engineer update and/or prepare a municipality’s Capital Improvement Plan and calculate the corresponding impact fees. The City executed a contract with Birkhoff, Hendricks & Carter, LLP in the amount of \$40,000 to conduct the Water and Wastewater Impact Fee Update; however a change order of \$20,000 was executed to complete a full system wide comparison analysis. The cost is split 50/50 between Water and Wastewater funds and was funded with impact fees. The project also worked in concert with the Roadway Impact Fee Update which was conducted by Freese and Nichols on behalf of the Public Works Department. Freese and Nichols also prepared the required Land Use Assumption component for a total of \$24,000. This cost was split evenly between Public Works, and Water and Wastewater. The project commenced in February 2020 and the study was completed in October 2020 after the Impact fee Capital Improvements Advisory Committee recommended approval. The City Council adopted the land use plans and the new updated impact fees on December 7, 2020. The new impact fees went into effect on January 7, 2021.
- **Debt Service** – The City issues debt for the purpose of financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by government to support basic services including improvements and new components to the City’s utility system. Utility-related bond projects are largely financed by a portion of monthly sewer fees paid by the City’s utility customers. Additionally, waste water impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2020-2021, waste water impact fees are scheduled to contribute \$1,227,400 toward the City’s waste water debt service.

Current Roadway Impact Fees FY 20-21 (Mid-Year)

Below is a table illustrating the revenues and expenditures for roadway impact fees from September 30, 2020 to March 31, 2021:

Service Area	FY 2021 Start (9/30/2020)	Revenues	Expense	March 2021 End (03/31/2021) <i>*total amounts in this column includes Interest Allocation</i>
Service Area 1	\$973,913.04	----	----	\$974,401.83
Service Area 2	\$1,166,632.82	\$504,358.80	----	\$1,671,830.26
Service Area 3	\$169,166.09	\$344,328.25	----	\$513,752.05
Service Area 4	\$1,277,129.96	\$646,664.68	----	\$1,924,760.15
Service Area 5	\$1,547,185.60	\$201,744.27	----	\$1,749,807.62
Service Area 6	\$1,072,778.73	\$346,752.44	----	\$1,420,243.60
Service Area 7	\$668,986.42	\$3,166.90	----	\$672,490.66
Interest	----	\$4,478.18	----	----
Total	\$6,875,792.66	\$2,051,493.52	----	\$8,927,286.18

Roadway Expenditure Summary FY 20-21 (Mid-Year)

Below is a brief summary of the projects which have been funded, or partially funded through the use of roadway impact fees during the first half of FY 20-21 budget year:

- Roadway Impact Fee Update: State law requires that a professional engineer update and/or prepare a municipality’s Capital Improvement Plan and calculate the corresponding impact fees. In FY19-20, the City has contracted with the engineering firm Freese and Nichols for \$62,750 to review land use assumptions, and update the City’s roadway Capital Improvement Plan and to recalculate the associated impact fees based upon the update. This update will be 100% funded through Impact Fees. Each service area will remit payment for their proportionate share of the analysis, based on the amount of improvements identified within the specific service areas. Work on this project was completed and approved by the Impact Fee Capital Improvement Advisory Committee (IFCIAC), the Planning and Zoning Commission (P&Z), and the City Council in January 2021. As of March 31, 2021 a total of \$88,000 has been equally expensed from all seven Service Areas for associated expenses. *This figure isn’t shown in the above graph due to all associated work being completed and charged by*

September 30, 2020 (FY19-20), while the final process was approved in January of 2021 (FY20-21).

Anticipated FY 20-21 (Second Half) Roadway Impact Fee Expenditures

At the time of this report, City staff does not anticipate the use of Roadway Impact Fees in the first half of FY 2021. Due to COVID-19, and an all-time low in the cost of bond funding, originally budgeted Roadway Impact Fee funding was exchanged for other funding options (original budget was \$605,368 for Kaufman Road). City staff (Public Works and Engineering and Utilities) will continue discussions to determine where efficiencies can be obtained through the scheduling of capital improvement projects for both departments. Potential future projects for Roadways include:

- Left turn lane of North Gate onto Highway 77
- Additional traffic lanes on Farley (Police Station to Highway 287)
- Roadway improvements to Broadhead Road.

Next Steps

Upon receiving acceptance of this report by the Impact Fee Advisory Committee, staff will provide it to City Council for consideration. Staff will continue to provide periodic updates to the Impact Fee Advisory Committee regarding the use of impact fees and the progress on the overall Capital Improvement Plan. Staff intends to provide its next Impact report to the Advisory Committee in the Fall of 2021, covering revenues and expenses for the entire FY20-21 budget year.

I am available at your convenience should you need additional information.

Shon Brooks