

A G E N D A

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) will hold a regular meeting on **Tuesday, November 9, 2021 at 5:15 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
Melissa Olson
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. **Reorganize** the Committee
5. **Approval** of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of April 27, 2021
6. **Presentation** to discuss Impact Fee revenue and expenditures for the 2020-2021 fiscal year
7. 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) 309-4006 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.

Impact Fee Capital Improvements Advisory Committee
April 27, 2021

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) held 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.

Members Present: 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
Jimmy Poarch

Member Absent: John Houston

Others Present: Michael Scott, City Manager
Tommy Ludwig, Assistant City Manager
Shon Brooks, Director of Planning
Colby Collins, Senior Planner
James Gaertner, Director of Public Works & Engineering
Kip Dernovich, Assistant Director of Public Works & Engineering
David Bailey, Director of Utilities
Richard Abernethy, Assistant Director of Utilities
Chad Tustison, Finance Director
Amber Villarreal, Assistant 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. Approval of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of October 27, 2020

Action:

Ms. Bonney Ramsey moved to approve the minutes of the Impact Fee Capital Improvements Advisory Committee meeting of October 27, 2020. Mr. Jim Phillips seconded, All Ayes.

- 5. Presentation on the April 2021 Mid-Year Impact Fee Report

Senior Planner Colby Collins reviewed the Impact Fee revenue and expenditure activity summary for October 1, 2020-March 31, 2021.

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 FY 20-21:

- BNSF Railroad 18" Water Transmission Line Project Phase 1 and Phase 2
- Distribution Line: Loftland Road/Ovilla Road Phase 1 (Engineering design only)
- Water Impact Fee Update
- City's Water Debt Service

Mr. Abernethy reviewed a summary of anticipated FY 20-21 Water Impact Fee Expenditures:

- Howard Road High Service Pump No. 5

Mr. Abernethy stated the balance of Water Impact Fees, including revenues and expenses through March 31, 2021, total \$4,971,516.82. Ending balance of Sewer Impact Fees, including revenues and expenses through March 31, 2021, total \$6,372,701.63. He reviewed the 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:

- Waste Water Treatment Plant Rehabilitation Project
- Sewer Impact Fee Update
- City's Waste Water Debt Service

Assistant Director of Public Works and Engineering Kip Dernovich reviewed a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2020 to March 31, 2021 totaling \$8,927,286.18. He noted the table includes seven (7) Service Areas. Mr. Dernovich reviewed the summary of the project which have been funded, or partially funded through the use of roadway impact fees during the first half of FY 20-21:

- Roadway Impact Fee Update

He also reviewed a summary of anticipated FY 20-21 Roadway Impact Fee Expenditures:

- Left turn lane off Northgate onto Highway 77
- Additional traffic lanes on Farley (Police Station to Highway 287)
- Roadway Improvements to Broadhead Road

Mr. Collins thanked city staff for assisting with the Mid-Year Impact Fee Report.

6. Adjourn

There being no further business, the meeting adjourned at 5:50 p.m.

Respectfully submitted,

Amber Villarreal
Assistant City Secretary

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Memorandum

To: Impact Fee Advisory Committee
From: Shon Brooks, Executive Director of Development Services
Thru: Michael Scott, City Manager *[Signature]*
Date: November 9, 2021
Re: FY 2020-2021 Impact Fee Revenue and Expenditure End of Year Activity Report

In April 2021, city staff presented the Mid-Year FY 2020-2021 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, 2020 to March 31, 2021.

The following report entails the Impact Fee revenue and expenditure activity summary for the second half of the 2020-2021 fiscal year, which includes data from April 1, 2021 to September 30, 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 September 30, 2021, with a brief explanation of the associated expenditures from each project.

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Water Impact Fees

Fiscal Year	FY 20-21 (Through 09/30/2021)
Beginning Balance	\$4,257,712.22
Revenues	\$1,914,632.60
Expenses	\$376,406.68
Ending Balance	\$5,795,938.14

Water Impact Fee Expenditure Summary FY 20-21

Below is a brief summary of the projects which have been funded, or partially funded through the use of water impact fees during the second half of the 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. The type of pipe for the project was changed from PVC to ductile iron on October 1st due to supply chain challenges. The project is anticipated to be completed in March of 2022 due to pipe delivery being delayed from the Winter Ice Storm.
- *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. Project design has been completed by Birkhoff, Hendricks & Carter, LLP for the amount of \$370,100. Land rights acquisition services are still being conducted. Out of four (4) parcels, two (2) have been acquired and two (2) offers have been made. There will be a need for more compensation to Birkhoff, Hendricks, and Carter, LLP for additional unanticipated design and land rights

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acquisition services (at this time, fees are still being calculated). The design phase of this project was fully funded with impact fees.

- **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 contributed \$98,500 toward the City’s water debt service.2405

Anticipated FY 21-22 (First 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 and the Winter Ice Storm. This project is currently complete for Engineering and Design and will be fully funded through impact fees.

Sewer Impact Fees

Fiscal Year	FY 20-21 (Through 09/30/2021)
Beginning Balance	\$5,303,785.57
Revenues	\$2,383,091.56
Expenses	\$1,246,721.05
Ending Balance	\$6,440,156.08

Sewer Impact Fee Expenditure Summary FY 20-21

Below is a brief summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the second half of the 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 mid-November of 2021. This project is currently 93% complete with construction improvements. 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.

- **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 contributed \$1,227,400 toward the City's waste water debt service.

Anticipated FY 21-22 Sewer Impact Fee Expenditures

Due to COVID-19, city staff will continue to discuss what projects could be completed through the scheduling of capital improvement projects. Potential FY 21-22 projects have not been identified at this time.

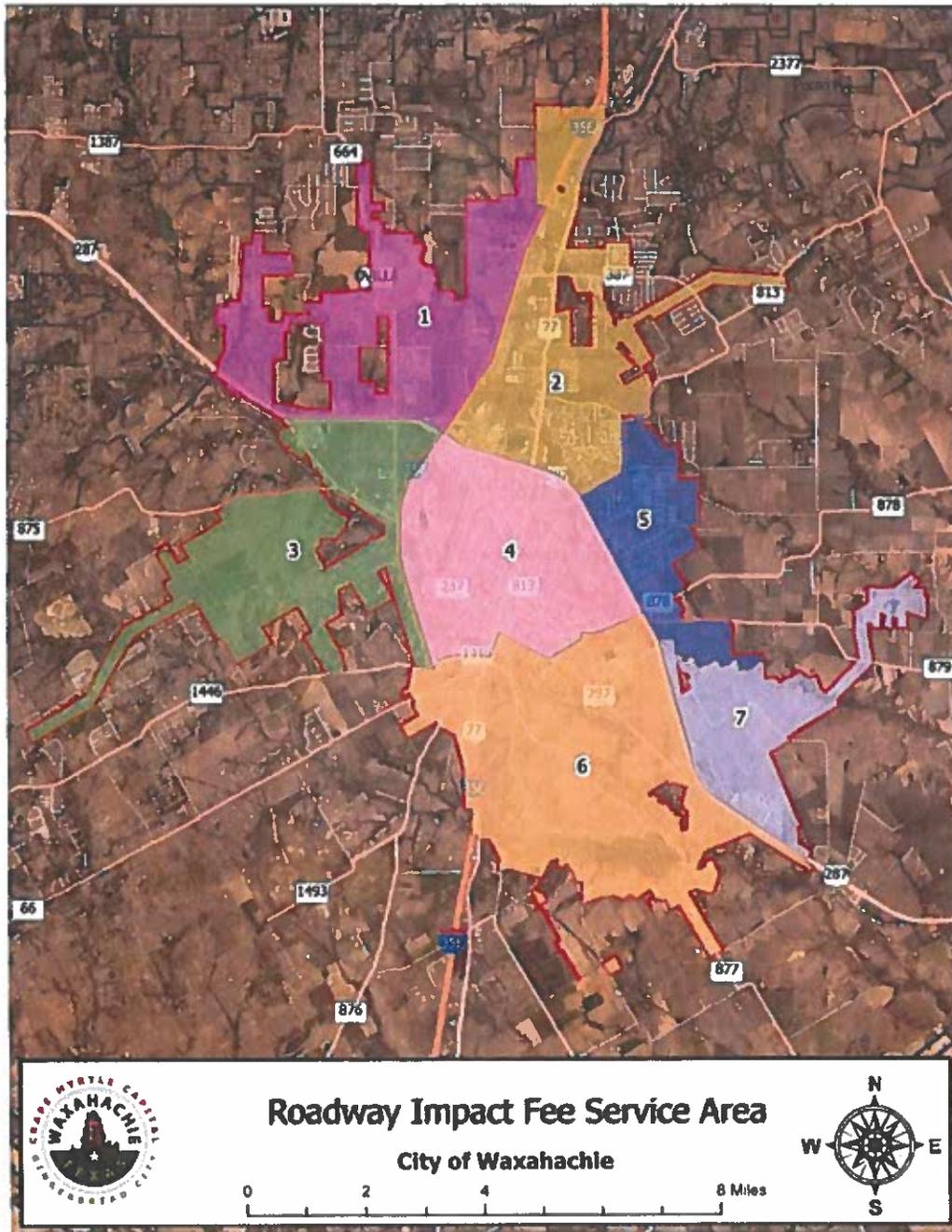
Current Roadway Impact Fees FY 20-21

Below is a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2020 to September 30, 2021:

Service Area	FY 2021 Start	Revenues	Expense	FY 2021 End <i>*total amounts in this column includes Interest Allocation</i>
Service Area 1	\$973,913.04	\$2,795.52	----	\$977,388.66
Service Area 2	\$1,166,632.82	\$1,330,345.31	----	\$2,498,716.82
Service Area 3	\$169,166.09	\$473,047.75	----	\$642,661.02
Service Area 4	\$1,277,129.96	\$754,678.33	----	\$2,033,223.07
Service Area 5	\$1,547,185.60	\$565,677.81	----	\$2,114,334.63
Service Area 6	\$1,072,778.73	\$755,536.46	----	\$1,829,588.28
Service Area 7	\$668,986.42	\$428,321.95	----	\$1,097,982.38
Interest	----	\$7,789.07	----	----
Total	\$6,875,792.66	\$4,318,102.20	----	\$11,193,894.86

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Roadway Service Area Map



Roadway Expenditure Summary FY 20-21

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). As of Sept. 30, 2021, there were no expenditures for FY20-21 from any of the seven service areas.

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Anticipated FY 21-22 Roadway Impact Fee Expenditures

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 (River Oaks 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 the report 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. The next biannual Impact Fee Capital Improvement Advisory Committee meeting will be held in April 2022, which will cover the impact fee revenues and expenses associated with the first half of FY21-22.

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

Shon Brooks