



Meeting Minutes  
City Council

Tuesday, August 22, 2023

5:00 PM

Council Chambers  
200 West Walker Street

Council Work Session

The City Council of the City of League City, Texas, met in a work session in Council Chambers at 200 West Walker Street on the above date at 5:00 p.m.

Mayor:

Nick Long

City Council Members:

Andy Mann  
Tommy Cones  
Tom Crews  
John Bowen  
Justin Hicks  
Chad Tressler  
Sean Saunders

City Manager:

John Baumgartner

Assistant City Manager

Rick Davis

Assistant City Manger-CFO

Angie Steelman

City Attorney:

Nghiem Doan

City Secretary:

Diana M. Stapp

Interim Chief of Police:

Cliff Woitena

Executive Director of Capital Projects

Ron Bavarian

Director of Engineering:

Christopher Sims

Director of Finance:

Kimberly Corell

Director of Human Resources/Civil Service:

James Brumm

Director of Parks & Cultural Services:

Chien Wei

Director of Public Works:

Jody Hooks

1. CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Long called the meeting to order at 5:00 p.m. and called the roll. All members of Council were present. Mr. Cones and Mr. Crews attended via videoconference. Mr. Mann arrived at 5:03. Mr. Hicks arrived at 5:28.

Present 8 - Mayor Nick Long, Mr. Andy Mann, Mr. Tommy Cones, Mr. Tom Crews, Mr. John Bowen, Mr. Justin Hicks, Mr. Chad Tressler and Mr. Sean Saunders

2. **PUBLIC COMMENTS**

3. **PRESENTATION AND DISCUSSION REGARDING PROPOSED ENGINEERING FEES**

**Christopher Sims, Executive Director of Development Services gave a presentation on the following:**

**HB 3492 Impacts to Engineering Services & Construction Inspection Fees**

**Updating Engineering Services & Construction Inspection Fees**

**Upcoming Fee Schedule Adjustments – Planning & Building**

**HB 3492**

**The City originally established the Engineering Services and Construction Inspection Fee in 2016, updated in 2018. Assessed Fee is based on construction cost of the developer-driven Public Infrastructure Project (PIP). The State passed HB 3492 which will go into effect on September 1, 2023. New requirements prohibit using % of construction in determining fees and direct cities to use actual costs/hourly rates to determine these fees. What does this mean for League City?**

**Updating Engineering Services and Construction Inspection Fee**

**For Engineering Staff alone, developer-driven Public Infrastructure Projects represent around 13,000 man-hours each year for new development within League City...approximately 42% of Engineering's \$2.05M Budget (FY2024). Fees would need to be adjusted to bring in approximately \$1.06M to cover costs for Engineering Department...when looking at all City Departments involved along with City Administrative overhead, this fee would need to be closer to \$1.3M. For a typical PIP there are at least 15 different staff members associated with the review and construction process. Based on recent new development submittals and construction starts, it is reasonable to assume the City will average 24 new project submittals. In reviewing recent construction projects, a typical project will consist of 4 Plan Reviews and construction is usually completed in roughly 4 months. This means that approximately 700 hours of staff time and over \$7,000 in supplies and equipment costs are expended over the course of a typical new public infrastructure project. This equates to approximately \$8,500 per plan review and \$5,000 per month of construction.**

**The \$8,500 Engineering Services fee will cover staff's time and expenses in reviewing project construction plans. This will in general mean a thorough plan review by the Engineering, Planning, Public Works, and Fire Marshall departments and will account for approximately 90 hours of staff time per review. This fee also covers costs associated with city administration overhead, maintaining**

software systems, training time needed to stay current in means/methods, meeting expenses, office supplies and any computer equipment. The \$5,000 Construction Inspection fee will cover staff's time and expenses associated with the construction processes of a typical project. This will in general include time from the Engineering, Planning, Public Works, and Fire Marshall departments and will account for approximately 86 hours of staff time per month. This fee also covers costs associated with city administration overhead, pre/post construction expenses, general project inspection, testing inspection/review, motor pool lease fees, gas and oil for vehicles, vehicle maintenance, maintaining software systems, training time needed to stay current in means/methods, meeting expenses, office supplies and any computer equipment. Even the smallest of projects will take at least 2 reviews and 30 days of construction (60 if it has sanitary), meaning at a minimum, the City will incur \$22,000 in cost. How does this compare to collected fees since 2020? Approximately 32% of projects over last 4 years paid E&I Fees of less than \$22,000. Utility Main Extensions and Subdivisions with less than 25 lots represents these projects.

Staff is proposing an amended fee base on (1) the number of plan submittals and the time of construction or (2) the size of the project. For a project with a minimum of 25 lots, an Engineering Services fee of 48,500 per plan review submittal and a Construction Inspection fee of \$5,000 per month is recommended. For Projects with less than 25 lots, a combined Engineering Services and Construction Inspection fee of \$7,500 total is recommended. The City will be required to hold a public hearing on these rates every 10 years...Staff would propose some sort of annual cost adjustment to these rates to adjust for inflation in between required public hearings.

In FY2022, 19 projects started Construction with 18 being completed as of August 14, 2023. Total fees collected for these 18 projects were \$1,010,605. Using proposed fee structure, the same 18 projects would have collected \$998,500 in fees, a reduction of \$12,105.

In FY2023, 19 projects started Construction with 10 being completed or with a "set fee" as of August 14, 2023. Total Fees collected for these 10 projects were \$558,795. Using proposed fee structure, the same 10 projects would have collected \$367,000 in fees, a reduction of \$191,795.

- For Pedregal Section 3, based on the % construction method, a fee of \$280,118 was collected, using actual costs (3 plan reviews and 7 months of construction), the fee would have been \$60,500.
- Pedregal Section 1 had E&I fees assessed in the amount of \$230,992 in July 2020. Using these proposed fees, the assessed amount would be \$179,500...a savings of over \$50,000 to the developer.
- Westland Ranch's Muldoon Parkway, Ph 2 West roadway extension had E&I fees

assessed in the amount of \$6,726 in Jan. 2023. Using proposed fees, the assessed amount would be \$7,500...an increase of approximately \$750 to the developer but cost to City was closer to \$77,500.

- Beacon Island Section 6 had E&I fees assessed in the amount of \$3,591 in April 2023. Using proposed fees, the assessed amount would be \$7,500...an increase of approximately \$3,900 but cost to City was closer to \$34,500.
- Coastal Point Section 4 had E&I fees assessed in the amount of \$88,495 in May 2021. Using proposed fees, the assessed amount would be \$70,500...a savings of approximately \$18,000 to the developer.

Proposed fees in general would be lower than collected in previous years. Proposed fees could help with plan efficiencies...more accurate the plans at initial submitted, the fewer number of reviews needed, the lower the cost to the developer. The better planned construction phasing of a project could help reduce the amount of time Staff spends on site which could reduce the cost the developer pays.

#### Upcoming Fee Schedule Adjustments – Planning & Building

Staff will bring updated fee schedules for permits/applications associated with our Planning & Building Departments to Council in September 2023. Plan is to follow a similar assessment as what was used for the E&I fees.

#### 4. ADJOURNMENT

At 5:29 p.m. Mayor Long said, there being no further business this meeting is adjourned.

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**NICK LONG**  
**MAYOR**

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**DIANA M. STAPP**  
**CITY SECRETARY**

(SEAL)

**MINUTES APPROVED:**