



Meeting Minutes
City Council

Tuesday, April 11, 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

Bo Bass

Assistant City Manager

Rick Davis

Assistant City Manger-CFO

Angie Steelman

City Attorney:

Nghiem Doan

City Secretary:

Diana M. Stapp

Chief of Police:

Gary Ratliff

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 5:01 p.m. and called the roll. All members of Council were present except Andy Mann, Justin Hicks and Chad Tressler.

Absent 3 - Mr. Andy Mann, Mr. Justin Hicks and Mr. Chad Tressler

Present 5 - Mayor Nick Long, Mr. Tommy Cones, Mr. Tom Crews, Mr. John Bowen and Mr. Sean Saunders

2. **PUBLIC COMMENTS**

3. **OVERVIEW OF THE CAPITAL RECOVERY FEE PROCESS RELATED TO WATER AND WASTEWATER**

Richard Weatherly with Freese & Nichols gave a presentation.

Water and Wastewater Capital Recovery Fees 101

Agenda

- **Overview & Capital Recovery Fee Basics**
- **Land Use Assumptions**
- **Water & Wastewater CIPs**
- **Capital Recovery Fee Analysis**
- **Path Forward**

What are Capital Recovery Fees?

- **One-time charge assessed to new development for a portion of costs related to specific capital improvements**
- **Systematic, structured approach to assessment of fees**

The Basic Question

Who pays for infrastructure to serve growth?

- **Capital Recovery Fees – New development shares the cost**
- **No Capital Recovery Fees – Existing and future rate payers pay for all capital projects**

Capital Recovery Fee Background

- **Governed by Chapter 395 of the Texas Local Government Code (TLGC)**
- **State law requires capital recovery fees (CRFs) to be updated every 5 years**
- **Why have capital recovery fees?**
 - **Allows cities to recoup costs associated with infrastructure needed to serve future development, and makes growth pay for a share of the growth**
 - **Reduces full cost burden of new facilities on existing customers**

A Capital Improvements Advisory Committee (CIAC) provides study input and written comments to Council on the land use assumptions, CIP, and capital recovery fees

What is eligible for CRFs?

- **Components that can be paid for through a capital recovery fee (CRF) program:**
 - **Recently constructed improvements with excess capacity to accommodate growth within 10 years**
 - **Construction cost of capital improvements on the 10-year CIP**
 - **Survey and engineering fees**
 - **Land acquisition costs, including court awards**
 - **Debt service of CRP CIP**
 - **Study/update costs**
- **Components that cannot be paid for through a capital recovery fee program:**
 - **Projects not included in the CIP**
 - **Repair, operation and maintenance of existing or new facilities**
 - **Upgrades to serve existing development**
 - **Administrative costs of operating the program**
 - **Non-CIP debt service**

CRF Update Process

- **Establish the Planning & Zoning Commission as the CIAC**
- **Develop 10-year Land Use Assumptions**
- **Develop 10-year Capital Recovery Fee Capital Improvements Plan**
- **Council Workshop: Water & Wastewater CRF 101**
- **Conduct Capital Recovery Fee Calculations and Write Report**
- **CIAC Workshop: LUA, CIP, and W & WW Capital Recovery Fees**
- **Public Hearing and Council Adoption of W/WW CRF Ordinance**

Land Use Assumptions

Process to update Land Use Assumptions

- Delineate capital recovery fee service area
- Catalog existing (2023) population and commercial developments
- Project ten-year (2033) population and commercial developments
- Calculate 10-year growth in equivalent dwelling units

Capital Recovery Fee Calculation

Capital Recovery Fee Per EDU equals Eligible CIP Cost minus Rate Credit divided by Service Unit Growth

- EDU = Equivalent Dwelling Unit (connection for a single-family home)
- Eligible CIP Cost = 10-year capital cost (2023-2033)
- Rate Credit = Chapter 395 requirements: reduce the eligible CIP cost by performing a credit analysis to determine the percent of utility bill used for growth CIP
- Service Unit Growth = Derived from land use assumptions for 10-year growth in EDUs

CRF Update Schedule

- Resolution to set public hearing for capital recovery fees – 4/11/2023
- CIAC Workshop – CRF 101, Review Land Use Assumptions, W/WW CIP and W/WW Capital Recovery Fees – 4/17/2023
- Advertiser for Public Hearing – By 4/20/2023
- CIAC Submits Written Comments to Council – By 5/16/2023
- Public Hearing – W/WW Capital Recovery Fees/Council – Adoption of Ordinance Updating Capital Recovery Fees – 5/23/2023

4. ADJOURNMENT

At 5:36 p.m. Mayor Long said, there being no further business this meeting is adjourned.

NICK LONG
MAYOR

DIANA M. STAPP
CITY SECRETARY

(SEAL)

MINUTES APPROVED: