

**CITY OF FREDERICKSBURG
CITY COUNCIL MEETING**

MONDAY, OCTOBER 5, 2015 ~ 6:00 p.m.

Law Enforcement Center ~ 1601 East Main Street

Linda Langerhans, Mayor
Graham Pearson, Council Member
Jerry Luckenbach, Council Member

Gary Neffendorf, Council Member
Bobby Watson, Council Member
Kent Myers, City Manager

(REQUEST ALL PAGERS AND PHONES BE TURNED OFF, EXCEPT EMERGENCY ON-CALL PERSONNEL)

A G E N D A

CALL TO ORDER.

Page Ref

PLEDGE OF ALLEGIANCE.

1. ORDINANCES - RESOLUTIONS - ACTION ITEMS

- | | |
|---|------|
| A. Consider Lease Purchase Financing for Acquisition of Equipment | 1-4 |
| B. Consider Upper Pressure Plane Pipeline Construction Contract | 5-10 |

2. INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION

- A. Receive Report on Arundo Donax

3. CITY MANAGER'S REPORT

- A. Fire Chief Recruitment
- B. RFP Response-Golf Course Grill
- C. City Council Retreat
- D. City Council/CVB Board Meeting
- E. Employee Recognitions

4. ITEMS FOR FUTURE AGENDAS

- 5. PUBLIC COMMENTS** This time is for citizens to address the City Council on issues and items of concern not on this agenda. There will be no City Council action at this time.

- 6. COUNCIL COMMENTS** - No discussion or action may take place.

EXECUTIVE SESSION - Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development).

- A. Executive Session - Consultation with Attorney/Attorney Client Privilege- Charter Amendment
- B. Executive Session - Real Estate Matters and Consultation with Attorney - Discuss Proposed Terms of Economic Development Agreement for Ufer Street Hotel Project

7. ADJOURN



CITY COUNCIL MEMO

DATE: October 5, 2015

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Lease Purchase Financing for Acquisition of Equipment

Summary:

The 2016 adopted City Budget approved funding for lease purchase payments for the acquisition of equipment including a Dump Truck and a Bobcat for the Street Department, a Leaf Loader and a Side Load Garbage Truck for the Solid Waste Department, and four (4) Heart Monitors and an Ambulance Remount for the EMS – Emergency Medical Services Department.

The purchase price of \$827,709 will be financed. The financing was bid with the low bid received from JPMorgan Chase Bank with an interest rate of 1.133%. As part of the lease documentation, the City Council must adopt a Resolution authorizing the Personal Property Lease Agreement with JPMorgan Chase Bank and also the designation of the lease as a Qualified Tax Exempt Obligation. In order for the lease to qualify as a tax-exempt obligation the City must reasonably expect not to issue more than \$10 million of tax-exempt obligations during calendar year 2015.

Furthermore, the adoption of this resolution will give authorization to the City Manager to execute all documents related to this lease agreement.

Recommendation:

Staff recommends that the Council adopt the resolution authorizing the property lease agreement and its designation as a qualified tax-exempt obligation. The City Attorney will review the lease. In respect to the designation of the lease purchase as a tax-exempt obligation, the City does not intend to issue more than \$10 million dollars of tax-exempt obligations in calendar year 2015.



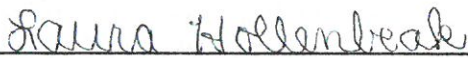
The City of Fredericksburg

Background / Analysis:

The City of Fredericksburg has used JPMorgan Chase Bank many times for financing and has received the utmost in professional service. JPMorgan Chase Bank continues to deliver attractive interest rates for this specific type of financing.

Attachments:

Declaration of Official Intent Resolution



Department Approval



City Manager Approval

②

The City of Fredericksburg

DECLARATION OF OFFICIAL INTENT RESOLUTION

Lessee: City of Fredericksburg

Principal Amount Expected To Be Financed: \$827,709.00

WHEREAS, the above Lessee is a political subdivision of the State in which Lessee is located (the "State") and is duly organized and existing pursuant to the constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee.

**Brief Description of Property: Dump Truck and Bobcat for the Street Department
Leaf Loader and Side Load Garbage Truck for the Solid Waste Department
Four (4) Heart Monitors and an Ambulance Remount for the EMS**

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Lessee:

SECTION 1. Either one of the City Manager **OR** the Director of Finance (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

SECTION 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

SECTION 3. The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

SECTION 4. The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

SECTION 5. The Governing Body of Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The Governing Body of Lessee hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the Governing Body of Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

SECTION 6. As to each Equipment Lease, Lessee hereby designates each Equipment Lease as a "qualified tax-exempt obligation" for the purposes of and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("Code") and Lessee reasonably anticipates that the total amount of Section 265 Tax-Exempt Obligations to be issued during the current calendar year by Lessee, or by an entity controlled by Lessee or by another entity the proceeds of which are loaned to or allocated to Lessee for purposes of Section 265(b) of the Code will not exceed \$10,000,000. "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code.

SECTION 7. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on this _____, 2015.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

Signature of Secretary/Clerk of Lessee

Print Name: _____

Official Title: _____

Date: _____



CITY COUNCIL MEMO

DATE: October 5, 2015

TO: Mayor and City Council

FROM: Kris Kneese, P.E. Assistant Director of Public Works and Utilities

SUBJECT: Upper Pressure Plane Pipeline Project– Recommendation of Award of Contract

Summary:

The Lower Crabapple Water Line Project bid opening was on September 16, 2015. The project bid results are listed in the attached letter from Freese & Nichols.

Recommendation:

City Engineering Staff recommends awarding the Upper Pressure Plane Pipeline Project to Skyblue Utilities, Inc. in the amount of \$453,681.62, which is below the Engineers estimate of \$1,142,800.00.

Background / Analysis:

The construction of the Upper Pressure Plane Pipeline Project was identified as a long standing Capital Improvements Project to provide a redundant water main to the north side of Fredericksburg. The project includes constructing approximately 7,300 feet of 12 inch water line from Cross Mountain Tank to the east across pasture land to Lower Crabapple Road and, then along Lower Crabapple Road

⑤

The City of Fredericksburg

to the northwest side of Stone Ridge Subdivision. The project includes a subsurface bore under Ranch Road 965.

The project started advertising on August 19, 2015 with a bid opening on September 16, 2015. Ten contractors submitted bids with a low bid of \$453,681.62 and a high bid of \$982,114.00. The project bid results are shown in the attached letter from Freese & Nichols.

Skyblue Utilities, Inc. was the apparent low bidder with a total bid of \$453,681.62. Freese and Nichols and the City Engineering Staff recommend awarding the contract to Skyblue, Inc. in the amount of \$453,681.62 for the construction of the Upper Pressure Plane Pipeline Project.

This project will be funded with Water Impact Fees, which has a balance of approximately \$3,000,000. Project construction will start in the Fall 2015 with a project schedule of 180 calendar days for completion.

Attachments:

Recommendation of Award Letter from Freese & Nichols



Department Approval



City Manager Approval



The City of Fredericksburg



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September 24, 2015

Clinton Bailey, P.E.
Director of Public Works and Utilities
City of Fredericksburg
126 W. Main St.
Fredericksburg, TX 78624

Subject: Upper Pressure Plane Pipeline
Recommendation of Award of Contract

Dear Mr. Bailey:

Listed below is the summary of bids for the Upper Pressure Plane Pipeline Project. A total of ten bids were received on September 16, 2015, as summarized below:

Bidders	Total Bid
M & C Fonseca Construction Co., Inc.	\$766,307.75
Nelson Lewis, Inc.	\$528,397.75
Prota Construction, Inc.	\$949,129.20
Wauters Engineering, LLC	\$963,304.35
Skyblue Utilities, Inc.	\$453,681.62
Underground Water Solutions Co.	\$798,878.32
Austin Engineering Co., Inc.	\$982,114.00
TTG Utilities, LP	\$862,692.85
Rockin' Q Construction, LLC	\$839,264.00
Qro Mex Construction Co., Inc.	\$576,328.05

Skyblue Utilities, Inc. was the apparent low bidder with a bid of \$453,681.62. A copy of the bid tabulation is attached for your use.



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Based on the review of the bids, the City of Fredericksburg's past experience with Skyblue Utilities, Inc., and the references that were attached to the Skyblue Utilities, Inc.'s bid package, the Contractor appears to be capable of performing the work on this project. As a result, Freese and Nichols recommends that the City of Fredericksburg award the construction contract for this project to Skyblue Utilities, Inc. in the amount of \$453,681.62.

Please call me at (512) 617-3125 if you have any questions.

Sincerely,

Anne Carrel, P.E.
Project Manager
Freese and Nichols, Inc.

Attachments: Upper Pressure Plane Pipeline Bid Tabulation



BID TABULATION

CLIENT: City of Fredericksburg
PROJECT: Upper Pressure Plane Pipeline

PROJECT NO:
BID DATE:

FRB14225
16-Sep-15

Item No.	Description	CONTRACTOR:		M & C FONSECA CONSTRUCTION CO., INC		NELSON LEWIS INC		PROTA CONSTRUCTION INC		WAUTERS ENGINEERING LLC		SKYBLUE UTILITIES INC		UNDERGROUND WATER SOLUTIONS CO	
		Quantity	Unit	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
GC-1	24-INCH STEEL CASING PIPE	80	LF	\$145.00	\$11,600.00	\$125.00	\$10,000.00	\$100.00	\$8,000.00	\$75.74	\$6,059.20	\$126.83	\$10,146.40	\$146.00	\$11,680.00
GC-2	JACK AND BORE 24-INCH STEEL CASING UNDER RIGHT-OF-WAY	80	LF	\$245.00	\$19,600.00	\$250.00	\$20,000.00	\$350.00	\$28,000.00	\$411.60	\$32,928.00	\$181.50	\$14,520.00	\$280.00	\$22,400.00
GC-3	BORE PITS FOR JACK AND BORE	2	EA	\$5,600.00	\$11,200.00	\$1,000.00	\$2,000.00	\$3,000.00	\$6,000.00	\$5,786.67	\$11,573.34	\$825.00	\$1,650.00	\$16,800.00	\$17,450.00
GC-4	12-INCH PVC OPEN-CUT INSTALLED	7,279	LF	\$73.25	\$533,186.75	\$45.00	\$327,555.00	\$97.00	\$706,063.00	\$95.33	\$693,907.07	\$38.90	\$283,153.10	\$72.00	\$524,088.00
GC-5	12-INCH GATE VALVE	9	EA	\$2,850.00	\$25,650.00	\$2,000.00	\$18,000.00	\$3,000.00	\$27,000.00	\$2,357.50	\$21,217.50	\$2,337.50	\$21,037.50	\$2,300.00	\$20,700.00
GC-6	8-INCH GATE VALVE	3	EA	\$1,800.00	\$5,400.00	\$1,500.00	\$4,500.00	\$1,750.00	\$5,250.00	\$1,450.88	\$4,352.64	\$1,334.85	\$4,004.55	\$1,600.00	\$4,800.00
GC-7	2-INCH COMBINATION AIR VALVES	4	EA	\$3,000.00	\$12,000.00	\$3,000.00	\$12,000.00	\$3,000.00	\$12,000.00	\$2,875.98	\$11,503.92	\$3,696.99	\$14,787.96	\$2,200.00	\$8,800.00
GC-8	FIRE HYDRANTS	7	EA	\$4,200.00	\$29,400.00	\$5,000.00	\$35,000.00	\$4,000.00	\$28,000.00	\$4,461.04	\$31,227.28	\$4,120.21	\$28,841.47	\$4,890.00	\$34,230.00
GC-9	TRENCH SAFETY	7,199	LF	\$2.00	\$14,398.00	\$1.00	\$7,199.00	\$1.00	\$7,199.00	\$1.00	\$7,199.00	\$0.33	\$2,375.67	\$1.20	\$8,638.80
GC-10	PRESSURE REDUCING VALVE AND VAULT	1	EA	\$44,650.00	\$44,650.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$80,943.00	\$80,943.60	\$31,947.90	\$31,942.90	\$49,500.00	\$49,500.00
GC-11	SWPPP	1	LS	\$1,800.00	\$1,800.00	\$25,000.00	\$25,000.00	\$30,000.00	\$30,000.00	\$7,280.00	\$7,280.00	\$6,600.00	\$6,600.00	\$4,100.00	\$4,100.00
GC-12	TRAFFIC CONTROL PLAN AND DEVICES	1	LS	\$3,500.00	\$3,500.00	\$1,500.00	\$1,500.00	\$10,000.00	\$10,000.00	\$8,400.00	\$8,400.00	\$3,850.00	\$3,850.00	\$8,600.00	\$8,600.00
GC-13	HYDROMULCH SEEDING	28,648	SY	\$1.25	\$35,810.00	\$0.50	\$14,324.00	\$0.40	\$11,459.20	\$0.37	\$10,599.76	\$0.50	\$14,324.00	\$1.10	\$31,512.80
GC-14	DISINFECTION	7,279	LF	\$1.00	\$7,279.00	\$0.25	\$1,819.75	\$2.00	\$14,558.00	\$1.26	\$9,171.54	\$0.83	\$6,041.57	\$1.68	\$12,228.72
GC-15	PAVEMENT REPAIRS	50	SY	\$48.00	\$2,400.00	\$30.00	\$1,500.00	\$200.00	\$10,000.00	\$90.83	\$4,541.50	\$54.13	\$2,706.50	\$100.00	\$5,000.00
GC-16	RIGHT-OF-WAY PREPARATION	1	LS	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$5,600.00	\$5,600.00	\$22,400.00	\$22,400.00	\$7,700.00	\$7,700.00	\$19,000.00	\$19,000.00
TOTAL AMOUNT BID					\$766,907.75		\$528,397.75		\$949,129.20		\$963,904.35		\$453,681.62		\$798,878.32
				Notes: Contractor did not provide a total for fire hydrants, but it should be \$35,000. Total Amount Bid was correct.		Notes: Contractor provided \$33,900 for the total of bore pits, but it should be \$33,600. Total Amount Bid was correct.		Notes: Low Bidder		Notes: Contractor provided \$33,900 for the total of bore pits, but it should be \$33,600. Total Amount Bid was correct.					

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BID TABULATION

CLIENT: City of Fredericksburg
PROJECT: Upper Pressure Plane Pipeline

PROJECT NO: FRB14225
BID DATE: 16-Sep-15

	Description	Quantity	Unit	CONTRACTOR:		TTG UTILITIES, LP		ROCKIN' Q CONSTRUCTION LLC		QRO MEX CONSTRUCTION COMPANY, INC.		AVERAGE	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
GC1	24-INCH STEEL CASING PIPE	80	LF	\$120.00	\$9,600.00	\$171.00	\$13,680.00	\$87.00	\$6,960.00	\$130.00	\$10,400.00	\$122.66	\$9,813.56
GC2	JACK AND BORE 24-INCH STEEL CASING UNDER	80	LF	\$350.00	\$28,000.00	\$166.00	\$13,280.00	\$350.00	\$28,000.00	\$230.00	\$18,400.00	\$281.41	\$22,513.85
GC3	BORE PITS FOR JACK AND BORE	2	EA	\$5,000.00	\$10,000.00	\$6,350.00	\$12,700.00	\$4,000.00	\$8,000.00	\$5,000.00	\$10,000.00	\$5,386.17	\$10,672.33
GC4	12-INCH PVC OPEN-CUT INSTALLED	7,279	LF	\$98.00	\$713,342.00	\$76.00	\$553,204.00	\$70.00	\$509,530.00	\$45.00	\$327,555.00	\$71.05	\$517,158.39
GC5	12-INCH GATE VALVE	9	EA	\$2,600.00	\$23,400.00	\$2,510.00	\$22,590.00	\$2,800.00	\$25,200.00	\$3,200.00	\$28,800.00	\$2,595.50	\$23,359.50
GC6	8-INCH GATE VALVE	3	EA	\$1,700.00	\$5,100.00	\$1,400.00	\$4,200.00	\$1,700.00	\$5,100.00	\$3,200.00	\$9,600.00	\$1,743.57	\$5,230.72
GC7	2-INCH COMBINATION AIR VALVES	4	EA	\$2,400.00	\$9,600.00	\$4,875.00	\$18,700.00	\$4,800.00	\$19,200.00	\$5,200.00	\$20,800.00	\$3,484.80	\$13,939.19
GC8	FIRE HYDRANTS	7	EA	\$4,450.00	\$31,150.00	\$4,920.00	\$34,440.00	\$5,500.00	\$38,500.00	\$5,400.00	\$37,800.00	\$4,694.13	\$32,858.88
GC9	TRENCH SAFETY	7,199 7,350	LF	\$1.00	\$7,199.00	\$2.00	\$14,700.00	\$1.00	\$7,199.00	\$3.50	\$25,725.00	\$1.40	\$10,226.65
GC10	PRESSURE REDUCING VALVE AND VAULT	1	EA	\$30,000.00	\$30,000.00	\$70,500.00	\$70,500.00	\$51,000.00	\$51,000.00	\$38,000.00	\$38,000.00	\$47,753.65	\$47,753.65
GC11	SWPPP	1	LS	\$1,700.00	\$1,700.00	\$8,700.00	\$8,700.00	\$30,000.00	\$30,000.00	\$14,000.00	\$14,000.00	\$12,918.00	\$12,918.00
GC12	TRAFFIC CONTROL PLAN AND DEVICES	1	LS	\$1,800.00	\$1,800.00	\$10,500.00	\$10,500.00	\$3,000.00	\$3,000.00	\$5,000.00	\$5,000.00	\$5,615.00	\$5,615.00
GC13	HYDROMULCH SEEDING	28,648	SY	\$3.00	\$85,944.00	\$1.45	\$41,539.60	\$2.00	\$57,296.00	\$0.60	\$17,188.80	\$1.12	\$31,999.82
GC14	DISINFECTION	7,279	LF	\$1.00	\$7,279.00	\$0.75	\$5,459.25	\$1.00	\$7,279.00	\$0.75	\$5,459.25	\$1.05	\$7,652.51
GC15	PAVEMENT REPAIRS	50	SY	\$60.00	\$3,000.00	\$350.00	\$17,500.00	\$140.00	\$7,000.00	\$57.00	\$2,850.00	\$112.50	\$5,624.85
GC16	RIGHT-OF-WAY PREPARATION	1	LS	\$15,000.00	\$15,000.00	\$21,000.00	\$21,000.00	\$35,000.00	\$35,000.00	\$5,000.00	\$5,000.00	\$14,670.00	\$14,670.00
TOTAL AMOUNT BID					\$982,114.00		\$862,692.85		\$839,264.00		\$576,328.05		\$772,009.79

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