

**CITY OF FREDERICKSBURG
CITY COUNCIL MEETING**

MONDAY, FEBRUARY 2, 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.

PLEDGE OF ALLEGIANCE.

Page Ref

1. PUBLIC HEARINGS

A. PUBLIC HEARING (Z-1415) To Rezone Approximately 7.3 Acres of Land From R-1 Single Family Residential to C-2 Commercial and R-3 Multi-Family Residential 1-7

2. ORDINANCES - RESOLUTIONS - ACTION ITEMS

A. Consider Ordinance to Rezone Approximately 7.3 Acres of Land From R-1 Single Family Residential to C-2 Commercial and R-3 Multi-Family Residential 8-10
B. Consider Resolution of Support for Affordable Housing 11-12
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3. INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION

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B. Consider Knauth Well #2 Recompletion and Construction - Amendment to Existing Freese and Nichols Professional Services Agreement 26-33
C. Consider Health Insurance Funding Issues 34-36
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E. Discuss and Consider HOT Applications. 39-40

4. CITY MANAGER'S REPORT

A. City Council/City Staff Space Committee
B. February Meeting with Downtown Businesses
C. Management Intern
D. City Employee Recognitions

5. ITEMS FOR FUTURE AGENDAS

6. 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.

7. COUNCIL COMMENTS - No discussion or action may take place.

8. **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 - Real Estate - Discuss Real Estate Negotiation for Road Acquisition.

9. **ADJOURN**



CITY COUNCIL MEMO

DATE: January 26, 2015

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: Rezone approximately 7.3 acres of land from R-1 Single Family Residential to C-2 Commercial and R-3 Multi-Family Residential. (Z-1415).

Summary:

The applicant is proposing to rezone approximately 7.3 acres of land from R-1 Single Family Residential to C-2 Commercial fronting N. Llano Street and R-3 Multi-Family Residential fronting on N. Adams Street. The property is currently undeveloped and is bordered by a bank and church to the east, the elementary school to the north, a cemetery to the south and undeveloped land to the west. The owners intend to develop apartments on the property in the future.

Recommendation:

The Planning and Zoning Commission voted unanimously to recommend approval of the rezoning. Staff concurs with the Commission's recommendation of approval.

Background / Analysis:

See attached Zoning Brief for request Z-1415

The City of Fredericksburg



126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

ZONING CHANGE BRIEF

Rezoning Request # Z-1415

OWNER/APPLICANT: MacDonald and Associates, Inc.

LOCATION: N. Llano Street, west of American Bank of Texas (See attached map).

SIZE: Approximately 7.3 acres.

EXISTING ZONING: R-1, Single Family Residential

PROPOSED ZONING: C-2 Commercial on portion fronting on N. Llano Street and R-3 Multi-Family Residential on portion fronting on N. Adams Street

FINDINGS:

- The property is made up of two tracts extending from N. Llano Street to N. Adams Street, and are currently undeveloped.
- The properties were rezoned in the same manner being requested at this time in 2003, and subsequently rezoned back at the request of the property owners. The accompanying map shows these properties.
- Utilities are currently available to serve the properties.
- The property adjoining the subject property to the north and south is zoned C-2 along N. Llano Street and R-2 Multi-family Residential on N. Adams Street. The zoning on the adjoining property is identical to what is being requested.
- The Land Use Plan identifies the property fronting on N. Llano Street as Mixed Use Corridor and the area fronting N. Adams Street as Medium Density Residential.

LAND USE PLAN: The Mixed Use designation represents an effort to change the typical pattern of strips of underperforming commercial development that often line highways and arterials. Rather than limiting the properties along major entry corridors to commercial uses, this category offers a variety of higher density residential and mixed use opportunities. The policy of allowing a mix of uses along major roadways supports a change in development from a pattern of older commercial structures to new projects with a variety of uses, including mixed use within an individual project or building. In the process, it reduces the excess commercial capacity along these corridors and creates locations for more affordable housing.

The Medium Density Residential category includes single family detached dwellings on smaller lots and attached dwelling units, such as duplex and townhomes. Medium density land uses often provide housing for "empty Nesters" who may not want the

maintenance of a large-lot single-family home, and for young families who may find a townhome or duplex more affordable than a single-family home. They play an important role in providing workforce housing as well. These residential uses can provide a buffer between lower density residential areas and more intensive residential, non-residential or mixed use areas.

ZONING: The proposed zoning will roughly split these tracts in half, with the half fronting on N. Llano Street being C-2 Commercial and the half fronting on N. Adams being R-3, Multi-family residential. This proposed zoning configuration would be consistent and essentially identical to the existing zoning to the north and south (see the attached zoning map).

OPPOSITION/SUPPORT OF REQUEST: We have not received any comments regarding this request.

PLANNING AND ZONING COMMISSION RECOMMENDATION: The proposed zoning is consistent with the land use and zoning pattern on the adjoining properties. The Commission voted unanimously to recommend approval of this request.

STAFF RECOMMENDATION: Staff concurs with the Commission's recommendation to approve this request.



LAND USE - ZONING

☒ APPLICATION FOR RE-ZONING- \$200.00

APPLICATION IS HEREBY MADE TO THE CITY COUNCIL AND THE PLANNING AND ZONING COMMISSION TO AMEND THE ZONING ORDINANCE AND THE ZONING DISTRICT MAP OF THE CITY OF FREDERICKSBURG AS HEREINAFTER SET FORTH

1. APPLICANT: MacDonald and Associates, Inc.
2. ADDRESS: 2951 Fall Creek Road, Kerrville, TX 78028
PHONE NUMBER: (830) 257-5323 FAX NUMBER: (830) 257-3168
3. APPLICANT EMAIL ADDRESS: tjmacdonald@macdonald-companies.com
4. OWNER (IF DIFFERENT FROM APPLICANT): Mary Hseng, Caroline Bausser, Charles Nagel, Emily Decker, and Christina Arramvide
5. ADDRESS: C/o Mike Starks, 116 E. Austin St., Fredericksburg, TX
6. PHONE NUMBER: 990-8708 FAX NUMBER: _____
7. OWNER EMAIL ADDRESS: mikestarks@mikestarks.com
8. DESCRIPTION OF PROPERTY INVOLVED IN THIS REQUEST:
ADDRESS: Corner of Llano Hwy. and Lower Crabapple Road - 108 Lower Crabapple
LEGAL DESCRIPTION: Tracts 3 and 4AR, Nagel Subdivision
LOT SIZE: 7.3 acres
9. ZONING CHANGE REQUESTED FROM R1 ZONING DISTRICT TO C2 (front) and R3(rear)
10. JUSTIFICATION FOR REQUEST: The proposed zone change would be consistent with the zoning on either side of this property, and with the Future Land Use map.
11. ARE THERE ANY DEED RESTRICTIONS WHICH WOULD PREVENT THIS PROPERTY FROM BEING USED IN THE MANNER HEREIN PROPOSED? No
12. EXISTING IMPROVEMENTS ON PROPERTY: If there are any structures on the property, attach a plot plan, drawn to scale (to fit on an 11 x 17" paper, if possible) showing the location and size of all existing structures and their distance from the lot lines, plus proposed development plans if any.
13. CONFORMANCE WITH LAND USE PLAN: ☒ YES ☐ NO
An application for re-zoning will not be accepted unless the requested zoning classification conforms to the Comprehensive Land Use Plan. An applicant may apply for a change in the Comprehensive Land Use Plan. An applicant may apply for a change in the Comprehensive Land Use Plan concurrently with a re-zoning application. However, the Planning & Zoning Commission and the City Council shall consider and make its recommendation or decision on the Comprehensive Land Use Plan change prior to the re-zoning.

☒ APPLICATION FOR LAND USE PLAN CHANGE-\$200.00

APPLICATION IS HEREBY MADE TO THE CITY COUNCIL AND THE PLANNING & ZONING COMMISSION TO AMEND THE LAND USE PLAN MAP OF THE CITY OF FREDERICKSBURG AS HEREIN SET FORTH:

14. CHANGE REQUESTED FROM: _____ LAND
USE TO _____ LAND USE.
 15. SIGNATURE OF APPLICANT:
- Note: If the applicant is not the legal owner of the property, A signed statement by the owner that the applicant is the authorized agent of the owner of the property, or the signature of the owner is required:
- SIGNATURE OF OWNER:

19CC6B65C132468...

DATE: _____

FEE PAID: _____

☒ Re-zoning

☐ Land Use Plan Change

TITLE SEARCH: _____

Note: A current title search must be submitted with the application

16. CONSENT OF LIEN HOLDER: *Note: If this property is encumbered by Lien, consent of the Lien holder is required.*

SIGNATURE OF LIEN HOLDER: N/A

17. LIST OF PROPERTY OWNERS WITHIN 200 FT. (Provided by City)

Lower Crabapple Road (R.O.W. varies)



LEGEND

- 1/2 inch dia. iron rod found
- ⊙ 3/8 inch dia. iron rod found, unless noted otherwise
- electric meter pad
- Verizon riser box
- Time Warner riser box
- gas meter
- water valve
- air conditioning unit
- utility pole
- ⊙ sewer manhole
- ⊙ fire hydrant

State Highway No. 16
(80' R.O.W.)

HATCH LEGEND

Proposed R-3 Zoning

Proposed C-2 Zoning

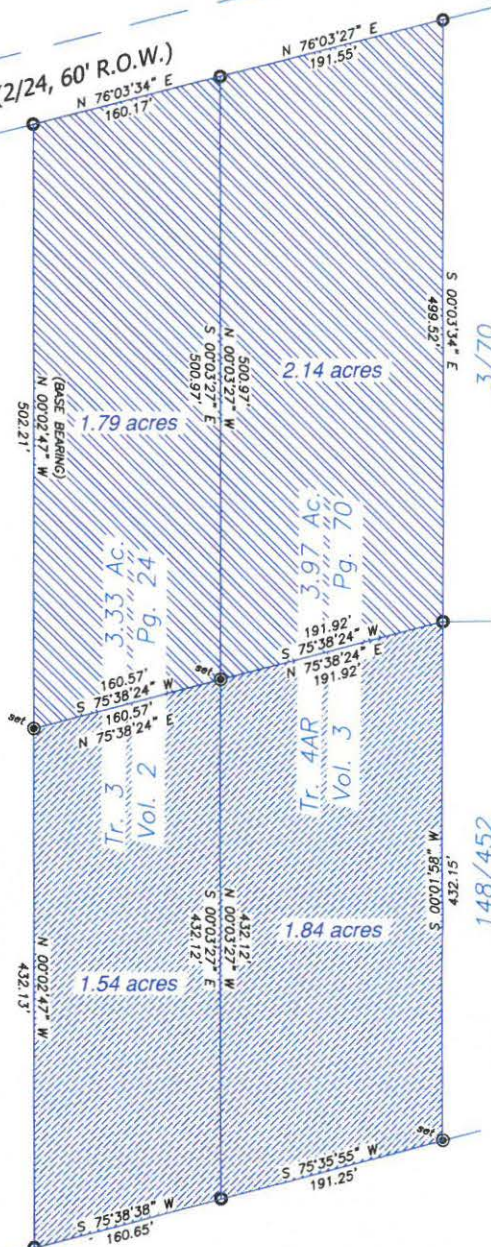
Prepared from an on the ground survey performed under my direction and supervision.

Dale Allen Sultemeier
 Registered Professional Land Surveyor
 No. 4542 - State of Texas



Dec. 12, 2014

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A SCHEMATIC SHOWING
 PROPOSED ZONING CHANGES TO
 TRACTS 3 & 4AR IN THE NAGEL
 SUBDIVISION;
 GILLESPIE COUNTY, TEXAS.

(6)



ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF FREDERICKSBURG AND CHANGING THE ZONING CLASSIFICATION a 7.3 ACRE TRACT OF LAND MORE OR LESS BEING COMPRISED OF: THE SOUTH 1.54 ACRES OF TRACT 3 OF THE NAGEL SUBDIVISION AND THE SOUTH 1.84 ACRES OF TRACT 4AR OF THE NAGEL SUBDIVISION, SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS, FROM R-1- SINGLE FAMILY RESIDENTIAL TO C-2 COMMERCIAL DISTRICT AND THE NORTH 1.79 ACRES OF TRACT 3 OF THE NAGEL SUBDIVISION AND THE NORTH 2.14 ACRES OF TRACT 4AR OF THE NAGEL SUBDIVISION SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS, FROM R-1- SINGLE FAMILY RESIDENTIAL TO R-3 MULTI-FAMILY RESIDENTIAL.

WHEREAS, an Application for Rezoning has been submitted by the owner of the property described as Being a 7.3 acre tract land, more or less, being comprised of: the South 1.54 acres of Tract 3 of the Nagel Subdivision and the South 1.84 acres of Tract 4AR of the Nagle subdivision in the configuration shown on the plat on Exhibit "A", attached hereto and made a part hereof to change the present zoning classification of R-1 Single Family to C-2 Commercial District and then the North 1.79 acres of Tract 3 of the Nagel Subdivision and the North 2.14 acres of Tract 4 AR of the Nagel Subdivision in the configuration shown on the plat on Exhibit "A" attached hereto and made a part hereof to change the present zoning classification of R-1 Single Family to R-3- Multi Family Residential; and

WHEREAS, the public hearings, before the Planning and Zoning Commission and the City Council of the City of Fredericksburg as required by the City of Fredericksburg Zoning Ordinance have been duly noticed and held regarding such application, and

WHEREAS, the Planning and Zoning Commission has determined that such zoning changes are in conformity with the uses established by the Comprehensive Land Use Plan of the City of Fredericksburg and are consistent with the objectives of the City of Fredericksburg Zoning Ordinance, and has recommended to the City Council of the City of Fredericksburg, based upon positive findings under the review and evaluation criteria established by such ordinance, that the rezoning be enacted, and

WHEREAS, the City Council has specifically found, following public hearing, that such changes are consistent with the objectives of the City of Fredericksburg Zoning Ordinance and Comprehensive Land Use Plan of the City of Fredericksburg, and

WHEREAS, there has not been a protest against rezoning signed by owners of twenty per cent (20%) or more either of the area of the property included in the zoning request, or of the area of the property immediately adjoining the same and extending two hundred feet (200') therefrom.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF

FREDERICKSBURG, TEXAS THAT:

Section 1. The zoning ordinance of the City of Fredericksburg is hereby partially amended.

Section 2. That the zoning classification of 1. the South 1.54 acres of Tract 3 of the Nagel Subdivision and the South 1.84 acres of Tract 4AR of the Nagle subdivision (3.38 acres more or less) in the configuration shown on the plat on Exhibit "A", attached hereto and made a part hereof be and is hereby changed to C-2 Commercial District and 2. the North 1.79 acres of Tract 3 of the Nagel Subdivision and the North 2.14 acres of Tract 4 AR of the Nagel Subdivision (3.93 acres more or less) in the configuration shown on the plat on Exhibit "A" attached hereto and made a part hereof be and is hereby changed to R-3 Multi Family Residential.

Section 3. That this ordinance shall take effect from and after the date of its passage.

PASSED AND APPROVED this the 19th day of January, 2015.

LINDA LANGERHANS, Mayor
City of Fredericksburg, Texas

ATTEST:

SHELLY BRITTON, City Secretary

APPROVED AS TO FORM:

PAT MCGOWAN, City Attorney

Lower Crabapple Road (R.O.W. varies)

North Adams Street (2/24, 60' R.O.W.)



- LEGEND
- 1/2 inch dia. iron rod found
 - 3/8 inch dia. iron rod found, unless noted otherwise
 - electric meter pad
 - ▣ Verizon riser box
 - ▤ Time Warner riser box
 - ▥ gas meter
 - ▧ water valve
 - ▨ air conditioning unit
 - ▩ utility pole
 - ⊙ sewer manhole
 - ⊕ fire hydrant

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State Highway No. 16
(80' R.O.W.)

HATCH LEGEND

Proposed R-3 Zoning

Proposed C-2 Zoning

Prepared from on the ground survey by my direction and supervision.
 Dale Allen Sultemeier
 Registered Professional Land Surveyor
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Dec. 12, 2014



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A SCHEMATIC SHOWING
 PROPOSED ZONING CHANGES TO
 TRACTS 3 & 4AR IN THE NAGEL
 SUBDIVISION;
 GILLESPIE COUNTY, TEXAS.



CITY COUNCIL MEMO

DATE: February 2,, 2015

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Resolution of Support-Affordable Housing Project

Summary:

The City Council is requested to adopt a resolution of support for the new apartment project since it includes 72 units that will be set aside for individuals and families meeting certain income guidelines.

Recommendation:

It is recommended that the attached resolution of support for the new apartment project be approved.

Background / Analysis:

The McDonald Companies, developer of the new apartment complex on Adams Street, have requested that the City Council pass a resolution of support for their project. This resolution will enable the developer to receive additional points on their application for federal income tax credits from the Texas Department of Housing and Community Development.

The City of Fredericksburg

(11)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG SUPPORTING THE GRANTING OF TAX CREDITS TO FBG ROLLING HILLS APARTMENTS L.P. FOR THE CONSTRUCTION OF APARTMENTS TO RENT TO LOW INCOME INDIVIDUALS AND FAMILIES

WHEREAS, FBG Rolling Hills Apartments, L.P. has proposed a development for affordable rental housing at 1700 block of N. Adams Street named Rolling Hills in the City of Fredericksburg; and

WHEREAS, FBG Rolling Hills Apartments, L.P. has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Housing Tax Credits or Private Activity Bonds for the construction of said Rolling Hills apartments, 72 of which will be dedicated to rental to low income persons or families; and

WHEREAS, the City Council of the City of Fredericksburg, in consideration of the need for affordable workforce housing, supports the construction of said apartments and to evidence its support,

BE IT RESOLVED, that as provided for in 10 Texas Administrative Code §11.3(b), it is expressly acknowledged and confirmed that the City of Fredericksburg has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds and

BE IT FURTHER RESOLVED, that the City of Fredericksburg hereby supports the construction of the proposed Rolling Hills apartments, and confirms that its governing body has voted specifically to support the construction of the apartments, subject to compliance with the development codes of the City of Fredericksburg, and supports an allocation of Housing Tax Credits for the Development of said affordable low income apartments pursuant to Texas Government Code §2306.6703(A)(4), and

BE IT FURTHER RESOLVED, that the City, acting through its governing body, hereby confirms that it supports the location of the proposed Rolling Hills in the 1700 block of N. Adams Street/Application number 15002 and that this resolution is adopted to evidence its approval of record;

FURTHER RESOLVED that for and on behalf of the Governing Body, the City Secretary of the City of Fredericksburg is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

RESOLUTION adopted this the 2nd day of February, 2015.

Linda Langerhans, Mayor, City of
Fredericksburg

ATTEST:

Shelley Britton, City Secretary, City of
Fredericksburg



CITY COUNCIL MEMO

DATE: February 2, 2015

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Incentives for Multi-Family Affordable Housing Development

Summary:

The City needs to encourage additional development of affordable housing to serve our increasing workforce. One of the primary ways we can encourage this type of development is to provide incentives to developers who propose development of this type of housing.

Recommendation:

It is recommended that the attached ordinance granting incentives for housing that qualifies for federal tax credits be approved.

Background / Analysis:

I have attached another copy of a report that I prepared for the Council on incentives for affordable housing multi-family housing development. These incentives are important to the developers of this type of housing due to the fact that they compete for historic tax credits awarded by the State. If the

The City of Fredericksburg

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City provides certain incentives showing local commitment to the development, then the developer qualifies for additional points in his application for tax credits.

It is recommended that the City provide a waiver of City fees as an incentive for these projects. These fee waivers are outlined in the attached ordinance. It is not recommended that we provide financial assistance to cover sidewalk construction which is another area of City incentives allowed by the tax credit program. This would involve either a direct payment by the City to the developer for these sidewalks or use of the City's sidewalk contractor to build these sidewalks. In either case, this would be difficult to implement.

For the proposed apartments on Adams Street across from the Elementary School, these incentives would total about \$70,000 which provides a majority of the value that the City can provide in order to be awarded additional points for federal tax credits. Along with the resolution of support from the Council, this should make the local project much more competitive for award of federal tax credits.

I have attached a letter of support from the EDC for this ordinance.

The City of Fredericksburg

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126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861



Date: January 19, 2015

To: Mayor and City Council

From: Kent Myers, City Manager *KM*

Subject: Incentives for Affordable Housing Multi-Family Development

Last week, the Mayor, Brian Jordan and I met with Justin McDonald to discuss their plans for developing an apartment project on Lower Crabapple Road across from the Elementary School. This development is a sizeable investment of about \$7.5 million. It includes 176 apartment units with 72 of these units reserved for individuals meeting certain low-income thresholds. Therefore, it will help us address some our critical need for affordable housing in our community.

In order to finance these units, it will be necessary to secure federal tax credits from the Texas Department of Housing and Community Affairs. The developer has submitted a preliminary application to the State and there were six other applications submitted in this round of funding that will likely compete with our project. It is expected that only 2-3 applications will be approved by the State.

The State ranks applications for federal tax credits based upon a point system. For example, our project will receive points for being located across the street from the Elementary School. It will also receive points if the Council adopts a resolution of support at your next City Council. The project may also receive points based upon the new water main that we are constructing on Lower Crabapple Road later this year.

At last week's meeting, we discussed other incentives that the City might offer to increase the number of points awarded for this project to make it more competitive. The application can receive an additional 11 points if the City's incentives total at least \$114,000. Additional incentives might include the following:

- 1. Sidewalks-The City can agree to pay for the sidewalks that are part of the low-income portion of the apartment project. We are currently in the process of determining the estimated costs for these sidewalks.**
- 2. Parkland Dedication-We charge a parks dedication fee for residential development and waiver of this fee will equate to a \$36,000 incentive for 72 units.**
- 3. Building Permits-The total building permit fees for this project is estimated to be \$5,390 and the plan review fees will be \$2,695. So, if the Council agrees to waive these fees, this would result in an incentive of \$8,085.**
- 4. Impact Fees-The City charges utility impact fees based upon meter size. For example, the fees for a 2" meter is a total of \$25,600 for water and sewer impact fees.**

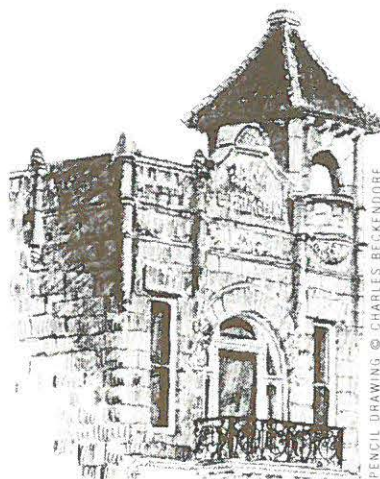
If the Council approves some of all of these incentives, then they would be contingent upon the project receiving the federal tax credits. If this application is not approved by the State, then the incentives would not be provided by the City. Also, if the application is awarded, the owner is required to provide affordable housing based upon income guidelines for at least 30 years.

We will draft an ordinance regarding these incentives for your consideration at the February 2 Council meeting. Please let me know if you have any comments or questions regarding these incentives prior to this meeting.

Gillespie County

Economic Development Commission

FREDERICKSBURG - HARPER - STONEWALL - DOSS - WILLOW CITY



January 26, 2015

Mr. Kent Myers
City of Fredericksburg
126 West Main
Fredericksburg, Texas 78624

Re: Affordable Housing Fee Waiver Ordinance

Dear Mr. Myers:

The Gillespie County Economic Development Commission (EDC) is keenly aware of our local labor force challenges and how a shortage of workforce housing contributes to that problem. Affordable housing and other labor force issues will continue to be the EDC's primary focus in 2015.

The EDC tracks the local supply of housing and has been working to encourage the development of additional affordable multifamily housing. We support the City's proposed ordinance that calls for a waiver of building permit fees, impact fees and park land dedication requirements for rental housing within an apartment development which meets appropriate affordable housing qualifications.

Sincerely,

Tim Lehmberg
Executive Director

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 5, BUILDING AND BUILDING REGULATIONS ARTICLES III SECTION 5-48 PERMITS AND FEES FOR CONSTRUCTION AND X IMPACT FEES, ADDING SECTION 5-290 PAYMENT OF FEES FOR AFFORDABLE HOUSING, AND CHAPTER 38 SUBDIVISION ORDINANCE, SECTION 6 SUBDIVISION DESIGN STANDARDS SECTION 6.15 PARK LAND DEDICATION OF THE CODE OF ORDINANCES OF THE CITY OF FREDERICKSBURG

WHEREAS, the City Council of the City of Fredericksburg is aware of the lack of affordable rental housing for its workforce and for persons and families with lower income which deficit has not been filled by the ordinary forces of the local economy , and

WHEREAS, the City Council has determined that certain fee payment by the city or waivers would reduce the cost of construction for such housing and would encourage the construction of rental housing which will meet the need for workforce and affordable housing,

WHEREAS, the City Council of the City of Fredericksburg hereby adopts the following amendments to the following sections of its Code of Ordinances to incorporate such payment of fees or waiver thereof;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS THAT THE FOLLOWING ORDINANCE BE AND IS HEREBY ENACTED AND THAT CHAPTER 5, BUILDING AND BUILDING REGULATIONS ARTICLES III SECTION 5-48 PERMITS AND FEES FOR CONSTRUCTION AND X IMPACT FEES, ADDING SECTION 5-290 PAYMENT OF FEES FOR AFFORDABLE HOUSING, AND CHAPTER 38 SUBDIVISION ORDINANCE, SECTION 6 SUBDIVISION DESIGN STANDARDS SECTION 6.15 PARK LAND DEDICATION OF THE CODE OF ORDINANCES CITY OF FREDERICKSBURG BE AMENDED OR ADDED AS FOLLOWS:

Chapter 5 - BUILDINGS AND BUILDING REGULATIONS

ARTICLE III. - PERMITS AND FEES FOR CONSTRUCTION

Sec. 5-48. - Fees for building permits.

(a) Fee required. No building shall be in any manner constructed, altered, repaired, remodeled, or moved within the city limits unless a building permit is obtained. Fees shall be paid for building permits as set forth in the fee schedule found in appendix A to this Code.

(b) Waiver of fee for affordable housing. Building permit fees are waived, or will be reimbursed, for any unit of rental housing within an apartment development which qualifies as Affordable Housing under 42 U.S. CODE Section 12745 (a), and for which Federal Tax Credits have been granted, under the following conditions:

1. An application for such waiver shall be filed with the City Development Department on forms promulgated by the Director of Development.

2. Proof that the housing units qualify for rental under 42 U.S. CODE Section 12745 (a), and that the Federal Tax credits for the same have been granted for the specific number of qualifying units must be submitted along with the application.

3. The units must continue to qualify for rental under said U.S. Code section for thirty years, and the City shall file a statement to such affect in the Deed Records of Gillespie County, Texas. In the event the units are not so maintained for the thirty year period, the City will be paid for the fees waived, and the then owner of the property shall be responsible therefor, and the same shall constitute a lien against the property for which the waivers were granted.

4. With regard to an apartment development containing both qualifying and non-qualifying units, the waiver of fees will be determined on a percentage basis which the fee for the number of qualifying units bears to the total fee which would be payable if there were no qualifying units.

ARTICLE X. - IMPACT FEES

Sec. 5-290- Payment of fees for affordable housing.

Impact fees will be paid by the City, for any unit of rental housing within an apartment development which qualifies as Affordable Housing under 42 U.S. CODE Section 12745 (a), and for which Federal Tax Credits have been granted, under the following conditions:

1. An application for such payment shall be filed with the City Development Department on forms promulgated by the Director of Development.

2. Proof that the housing units qualify for rental under 42 U.S. CODE Section 12745 (a), and that the Federal Tax credits for the same have been granted for the specific number of qualifying units must be submitted along with the application.

3. The units must continue to qualify for rental under said U.S. Code section for thirty years, and the City shall file a statement to such affect in the Deed Records of Gillespie County, Texas. In the event the units are not so maintained for the thirty year period, the City will be paid for the fees paid, and the then owner of the property shall be responsible therefor, and the same shall constitute a lien against the property for which the waivers were granted.

4. With regard to an apartment development containing both qualifying and non-qualifying units, the payment of fees will be determined on a percentage basis which the fee for the number of qualifying units bears to the total fee which would be payable if there were no qualifying units.

Chapter 38 – SUBDIVISIONS

Section 6. - Subdivision Design Standards

6.15. - Park Land Dedication

E. Waiver of dedication requirements for affordable housing. Park land dedication requirements, both dedication of land and payment of the development fee, are waived for any unit of rental housing within an apartment development which qualifies as Affordable Housing

under 42 U.S. CODE Section 12745 (a), and for which Federal Tax Credits have been granted, under the following conditions:

1. An application for such waiver shall be filed with the City Development Department on forms promulgated by the Director of Development.

2. Proof that the housing units qualify for rental under 42 U.S. CODE Section 12745 (a), and that the Federal Tax credits for the same have been granted for the specific number of qualifying units must be submitted along with the application.

3. The units must continue to qualify for rental under said U.S. Code section for thirty years, and the City shall file a statement to such affect in the Deed Records of Gillespie County, Texas. In the event the units are not so maintained for the thirty year period, the City will be paid for the fees waived, and the then owner of the property shall be responsible therefor, and the same shall constitute a lien against the property for which the waivers were granted. The Director will apply the cash in lieu of dedication of land criteria and the park development fee in effect at the time of the application to determine the amount of fees waived for each qualifying unit for which a fee is waived.

4. With regard to an apartment development containing both qualifying and non-qualifying units, the waiver of dedication and fees will be determined on a percentage basis which the fee for the number of qualifying units bears to the total fee which would be payable if there were no qualifying units. The Director will fairly determine this percentage in the event park land is dedicated for the non-qualifying units.

-----End of Code Text-----

Severability / Invalidity.

If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Repealer

All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Penalties

Penalties provided for in the Code Ordinances of the city of Fredericksburg shall apply to violations hereof.

This ordinance shall take effect from and after the date of its passage and publication in accordance with the law.

PASSED AND APPROVED this the _____ day of _____, 2015.

Linda Langerhans, Mayor
City of Fredericksburg

ATTEST:

Shelley Britton, City Secretary

APPROVED AS TO FORM:

Pat McGowan, City Attorney



CITY COUNCIL MEMO

DATE: February 2, 2015

TO: Mayor and City Council

FROM: Clinton Bailey, P.E., Director of Public Works and Utilities

SUBJECT: Consider Purchase and Installation of Motor Truck Scale for the Sanitation Department

Summary:

The purchase and installation of a new Motor Truck Scale was included in the City Council approved 2014-2015 Solid Waste budget and will be installed in conjunction with the development of Landfill Cell No. 7 which is scheduled to be constructed in 2015.

Recommendation:

Staff recommends that the City Council approve the purchase and installation of an Avery Weightronix BMC Heavy Duty Concrete Deck Flat Top Motor Truck Scale at a total cost of \$60,845 which is less than the budgeted amount of \$62,000 for this item.

Background / Analysis:

The City of Fredericksburg

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The Sanitation Department currently utilizes a 20 plus year old, 30-foot long scale at the landfill that does not meet current regulations due to its short length and lack of side "safety" rails to prevent vehicles from driving off the side of the scale. Because of the short length of the scale, it is very difficult to weigh long vehicles and/or vehicles pulling trailers. The new scale that is being proposed is 70 feet in length and 10 feet in width and includes safety rails which prevent vehicles from driving off the side of the scale. The total cost of the scale includes an optional 5-year warranty at an additional cost of \$1,200 and a \$2,000 credit for the trade-in of the City's existing scale.

The City of Fredericksburg

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126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861



01/23/14
Michael Penn
P & S Scale Co., Inc.
6234 Krempen Ave.
San Antonio, TX 78233
(210) 897-9897 cell
(210) 650-5276 office
(210) 650-5281 fax
michael@psscale.com

City of Fredericksburg
West Main Street
Fredericksburg, TX 78624
830-889-5833
Attention: Mr. Mike Hartman

Thanks for the opportunity to provide the following budgetary quotation on an Avery Weightronix BMC Heavy Duty, Concrete Deck, Flat Top, and Motor Truck Scale.

Features and Benefits

- Gross Capacity: With a capacity of 40 to 135 tons this scale can handle a wide range of trucks and configurations.
- Concentrated Load Capacity: (CLC) At 45 tons, the BridgeMont Heavy Duty Concrete Deck Truck Scale is comparable to other product costing thousands more.
- Dual Tandem Axle Rating: (DTA) At 90,000 lb., the BridgeMont Heavy Duty Concrete Deck Truck Scale provides the highest Dual Tandem Axle Rating in its class.
- Weighbridge Thickness: At 10.125" thick, the BridgeMont Heavy Duty Concrete Deck Truck Scale provides a lower profile, compact and structurally superior design.
- Profile: At 14", the compact, efficient design of the BridgeMont minimizes approach and exit requirements, and yet provides the user total confidence in the integrity of the weighbridge.
- Full Electronic Design: Avery Weigh-Tronix has been an unsurpassed leader in utilizing state of the art technology in virtually every aspect of their truck scales.
- Weighbridge Design: An outstanding weighbridge design, that includes a 5" field poured concrete deck, on top of a robust steel deck substructure. This superior design places the concrete in a compression application, above the neutral axis, and the steel components in a tension and compression application. This design has more steel content than most competitive models.
- Corrosion Protection: All steel surfaces are sandblasted too SSPC-6 industry standards. A high quality industrial grade urethane primer is applied, followed by a final coat of an acrylic polyurethane.
- Weigh Bars® Capacity of 75,000 lb. for each sensor, with 200% overload safety factor.
- Weigh Bar Performance: Impervious to end, side, and torque loading conditions that can destroy conventional load cells.
- Weigh Bar Design: Produced from high quality aircraft ally steel bar stock, that has been heat treated, quenched and tempered to resist corrosion. Better repeatability and less hysteresis than stainless steel.
- Weigh Bar Reliability: Failure rate of only 0.31% compared with a national average of 3 to 5% on conventional load cells.
- Weigh Bar Protection: Extremely resistant to surge voltage or lightning related problems. Strain gauges are scientifically sealed against moisture or corrosive elements.
- Weigh Bar Cabling: Stainless steel jacketed cables in factory installed conduit runs.

- Weigh Bar Self-Checking: Rugged Easi-Post™ suspension with self-checking design absorbs shocks and vibration from sudden starting and stopping of vehicles on scale.
- No check rods or bumper plates required.
- NEMA 4 Stainless Steel Junction Box: Compact, all stainless steel junction and summation boxes, with connector less cables for elimination of moisture or condensation related problems.

70' x 10' Concrete Deck Truck Scale Pricing

BMC7010	\$29,600.00
Side Rails	\$ 2,850.00
465 Weight Indicator	\$ 795.00 (this indicator will work with your software)
Printer	\$ 450.00
Installation	\$ 2,800.00
Freight	\$ 3,800.00
Crane	<u>\$ 850.00</u>
	\$41,145.00

Concrete Work	<u>\$20,500.00</u>
	\$61,645.00

Optional: Blue Blanket Warranty add \$ 1,200.00 to the above price.

This warranty covers all parts, all travel time and mileage expenses from San Antonio to the Job site for 5 years. **The only thing not covered is the ticket printer or computer software.**

To keep the Blue Blanket Warranty in effect you would be required to have two service inspections performed each year at a flat rate of \$ 300.00 per inspection or \$ 600.00 per year.

Standard warranty – covers all parts for 5 years, it does not cover labor and travel expenses.

Trade-in: P&S Scale Co., Inc. will offer \$ 2,000.00 trade for your old scale. This would be subtracted from the above pricing.

Concrete work includes piers, approaches, deck, and ramps. Pricing assumes you will provide a graded, level area with compacted base material. Pricing assumes you will provide a trench and conduit to a scale house ~50' from the scale. Pricing assumes customer will provide permits, if necessary.

Pricing is NET 30. Current lead time is 4-6 weeks.

If you have any questions or I can be of any additional assistance, do not hesitate to contact me.

Regards,

Michael Penn



CITY COUNCIL MEMO

DATE: February 2, 2015

TO: Mayor and City Council

FROM: Clinton Bailey, P.E., Director of Public Works and Utilities

SUBJECT: Amendment to Professional Services Agreement - Water Bond Projects

Summary:

This item is for the approval of two amendments to the City's current Professional Services Agreement with Freese and Nichols, Inc. for additional professional services associated with 1) The re-design of the South Heights tank due to the City's inability to acquire property for the construction of the new tank and the additional construction phase services that will be required for the Upper Pressure Pipeline project due to this project being bid as a separate project and 2) Design, bid and construction phase services for the re-completion and finish-out of the Knauth Well No. 2.

Recommendation:

City Staff recommends approval of Amendments No. 2 and No. 3 to the City's existing Professional Services Agreement with Freese and Nichols, Inc. to perform additional professional services as outlined in the attached "Contract Change Authorization Forms" for each amendment in the amount of \$33,613.00 and \$87,150.00 respectively.

The City of Fredericksburg

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Background / Analysis:

Amendment No. 2

Amendment No. 2 includes additional scope items related to the proposed South Heights Tank relocation and the additional Bid Phase for the Upper Pressure Plane Pipeline project. Freese and Nichols original scope included the design of a proposed South Heights Tank adjacent to the existing South Heights Tank. When property acquisition became problematic, the proposed site for this new tank was moved to the location of the existing tank. This required out of scope work by Freese and Nichols. Additionally, the bid and construction phases for the Upper Pressure Plane Pipeline Improvements project was delayed which will require an increase in bid and construction phase services for the overall project.

Amendment No. 3

Amendment No. 3 includes additional scope items related to the finishing out of the Knauth Well Field No. 2 well. Freese and Nichols will provide finish out services for the No. 2 well in the Knauth Well Field and LBG-Guyton will act as a subconsultant to Freese and Nichols for these services. These services will include design, bid and construction phase services. Freese and Nichols and LBG-Guyton will bid out the previously prepared Knauth Well No. 2 completion bid package and provide bid and construction phase services for this package. Concurrently with this bid and construction, Freese and Nichols and LBG-Guyton will provide design and bid phase services for the installation of a well pump and piping to tie into the Knauth No. 3 well pipeline. The project will also include fencing, flex-base pavement, flex-base approach driveway, power supply, and electrical/SCADA for the K-2 well site. The pump, piping and site work will be bid separately from the Knauth No. 2 Well completion bid package and construction will begin after the construction of the well completion is done.



CONTRACT CHANGE AUTHORIZATION FORM
Amendment No. 03

Client: City of Fredericksburg 126 W. Main Street Fredericksburg, TX 78624 Attn: Clinton Bailey, P.E.	FNI Project No.: FRB14225 Client Contract Ref.: Date: January 22, 2015										
Project Description: Fredericksburg Water Projects: Goehmann Lane Tank Improvements, South Heights Tank Improvements, Upper Pressure Plane Water Improvements and Windcrest Tank Improvements											
Additional Scope Items Related to the finishing out of Knauth Well Field Well K-2 Background: Freese and Nichols's (FNI) has been asked to provide finish out services for the K-2 well in the Knauth Well Field. LBG-Guyton will act as a subconsultant to FNI for these services. These services will include design, bid and construction phase services. FNI and LBG Guyton will bid out the previously prepared Knauth Well No. 2 completion bid package and provide bid and construction phase services for this package. Concurrently with this bid and construction, FNI and LBG Guyton will provide design and bid phase services for the installation of a well pump and piping to tie into the K-3 well pipeline. The project will also include fencing, flex-base pavement, flex-base approach driveway, power supply, and electrical/SCADA for the K-2 well site. The pump, piping and site work will be bid separately from the Knauth Well No. 2 completion bid package and construction will begin after the construction of the well completion is done.											
Description of Services Added/Deleted: The services added/deleted are detailed on the attached Amendment 3 Scope of Services.											
Compensation shall be adjusted as follows: Lump Sum: Compensation to FNI for Amendment No. 3 shall be the lump sum of eighty seven thousand one hundred fifty dollars (\$87,150.00).											
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Original Contract</td> <td style="width:40%; text-align: right;">\$609,178.00</td> </tr> <tr> <td>Amendment No. 1</td> <td style="text-align: right;">\$23,643.00</td> </tr> <tr> <td>Amendment No. 2</td> <td style="text-align: right;">\$33,613.00</td> </tr> <tr> <td>Amendment No. 3</td> <td style="text-align: right;">\$87,150.00</td> </tr> <tr> <td>Revised Total Contract</td> <td style="text-align: right;">\$753,584.00</td> </tr> </table>	Original Contract	\$609,178.00	Amendment No. 1	\$23,643.00	Amendment No. 2	\$33,613.00	Amendment No. 3	\$87,150.00	Revised Total Contract	\$753,584.00
Original Contract	\$609,178.00										
Amendment No. 1	\$23,643.00										
Amendment No. 2	\$33,613.00										
Amendment No. 3	\$87,150.00										
Revised Total Contract	\$753,584.00										
Schedule shall be adjusted as follows: Additional services shall be completed by February 4, 2016.											

The above described services shall proceed upon return of this Contract Change Authorization. Services will be billed as they are done. All other provisions, terms, and conditions of the agreement for services which are not expressly amended shall remain in full force and effect.

- ☐ A contract modification will be submitted.
☒ This Contract Change Authorization will serve as contract modification.

FREESE AND NICHOLS, INC.:

CITY OF FREDERICKSBURG, TEXAS:

BY: _____

BY: _____

Print or Type Name

Print or Type Name

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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Amendment No. 3 Scope of Work

Description of Services Added/Deleted:

DESIGN PHASE SERVICES:

1. Cuplin and Associates to obtain topographic survey and utility locations for K-2 well site.
2. Coordinate with electrical utility for power supply.
3. LBG Guyton to perform the following design tasks:
 - a. Attend pre-design meeting
 - b. Minor alterations to existing plans and bid package for drilling Knauth Well No. 2
 - c. Provide aquifer levels for hydraulic design of well pump
 - d. Provide assistance on well pump specification as prepared by FNI
 - e. Provide assistance on pump selection
4. Produce memo documenting hydraulic analysis of Knauth well field piping system with new K-2 well online. This memorandum will include analysis of pumping scenarios with 1, 2 or 3 well pumps operating. Additionally, the memo will analyze addition of one additional production well coming online in the future.
5. Produce 95% construction cost estimate.
6. Production of 95% design plans and specifications for site development of K-2 well site including design of pump base, pump selection and specification, flex-base pavement, access road, fencing, extension of 12-inch waterline to existing K-1 well site, power supply and electrical/SCADA design.
7. Attend 95% Review Meeting at the City of Fredericksburg offices.
8. Produce Final construction cost estimate.
9. Incorporation of Review Comments from City of Fredericksburg (City) on 95% design plans and specifications and production of Issued for Bid plans and specifications

BID PHASE SERVICES:

1. Attend two separate pre-bid meetings for well completion and site development projects. LBG Guyton will attend only the pre-bid meeting for the K-2 well transition.
2. Answer Contractor questions during the bid phase. LBG Guyton will answer questions related to the K-2 well transition.
3. Prepare necessary addenda. LBG Guyton will prepare addenda related to the K-2 well transition.
4. Attend two separate bid openings for well completion site development projects.
5. Evaluate bids and make recommendation of award for two separate projects. LBG Guyton will tabulate bids and recommend award for the K-2 well transition.
6. Produce conformed documents for the project.

CONSTRUCTION PHASE SERVICES:

1. Attend pre-construction meetings for two separate projects.
2. Review submittals including RFIs, shop drawings, record data, certified test reports, change orders and field orders during construction. Maximum number of submittals shall not exceed 20 submittals.
3. LBG Guyton to perform the following construction phase tasks:
 - a. Drilling and construction observation during casing installation, cementing, and testing – total site visits will not exceed 4 site visits
 - b. Interpretation of cuttings and geophysical logs
 - c. Analysis of pump test
 - d. Review of submittals, RFIs and certified test reports related to the well pump
 - e. Attend pump start-up – total site visits will not exceed 2 site visits
 - f. Prepare submittal package for TCEQ interim approval of the well after permanent

pump installation

4. Respond to Contractor questions during construction.
5. FNI to attend maximum four monthly construction meetings/site visits for both projects.
6. FNI and LBG Guyton to attend pump start-up and final walk through not to exceed two maximum site visits.
7. Produce Record Drawings

Project Assumptions:

1. The project will be constructed on property owned by the City of Fredericksburg.
2. LBG Guyton has completed bid documents for transition of K-2 well from a test well to a production well.
3. The Knauth Well Field consists of two existing production wells and the proposed K-2 well. Any future production well water will be transferred through a separate system. These well field parameters will be used to analyze the hydraulics for pump selection and recommendations.
4. The project scope does not include water quality testing or recommendations.
5. The project scope does not include improvements at the Goehmann site.



CONTRACT CHANGE AUTHORIZATION FORM
Amendment No. 02

Client: City of Fredericksburg 126 W. Main Street Fredericksburg, TX 78624 Attn: Clinton Bailey, P.E.	FNI Project No.: FRB14225 Client Contract Ref.: Date: January 7, 2015								
Project Description: Goehmann Lane Tank Improvements, South Heights Tank Improvements, Upper Pressure Plane Water Improvements and Windcrest Tank Improvements									
Additional Scope Items Related to the proposed South Heights Tank relocation and the additional Bid Phase for the Upper Pressure Plane Pipeline									
Background: Freese and Nichols's (FNI's) original scope included the design of a proposed South Heights Tank adjacent to the existing South Heights Tank. When property acquisition became problematic, the proposed site for this new tank was moved to the location of the existing tank. This required out of scope work by FNI. Additionally, the bid and construction phase for the Upper Pressure Plane Pipeline Improvements was delayed. This will require an increase in bid and construction phase services for the overall project.									
Description of Services Added/Deleted: 1. Environmental Testing of Existing South Heights Tank a. Perform a field visit to gather material samples at existing South Heights Tank b. Perform paint and soil lab analysis at South Heights Tank c. Prepare memorandum for use in South Heights Tank demolition 2. Site Visit for Discussion of South Heights Tank Location 3. Re-Design of South Heights Site Plan for New Tank Location 4. Structural Design of Old South Heights Concrete Tank Penetration 5. Bid Phase Services for Upper Pressure Plane Pipeline including Pre-Bid Meeting, Bid Opening, required Addenda and responding to Contractor questions 6. Additional Construction Phase Services for Upper Pressure Plane Pipeline. The assumption is made that the Upper Pressure Pipeline construction will be concurrent with the Goehmann and South Heights Tanks construction for the complete duration except for the last three months. Up to four additional site visits/monthly construction meetings, one pre-construction meeting and one final walk through will be required for the Upper Pressure Plane Pipeline since construction will not all occur concurrently with construction of South Heights and Goehmann Tanks.									
Deliverables: These deliverables will be included as part of the original contract deliverables.									
Deliverables will include a South Heights Tank Environmental Memorandum and a concrete tank penetration detail.									
Compensation shall be adjusted as follows: Lump Sum: Compensation to FNI for Amendment No. 2 shall be the lump sum of thirty three thousand six hundred thirteen dollars (\$33,613.00).									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Original Contract</td> <td style="text-align: right;">\$609,178.00</td> </tr> <tr> <td>Amendment No. 1</td> <td style="text-align: right;">\$23,643.00</td> </tr> <tr> <td>Amendment No. 2</td> <td style="text-align: right;">\$33,613.00</td> </tr> <tr> <td>Revised Total Contract</td> <td style="text-align: right;">\$666,434.00</td> </tr> </table>	Original Contract	\$609,178.00	Amendment No. 1	\$23,643.00	Amendment No. 2	\$33,613.00	Revised Total Contract	\$666,434.00
Original Contract	\$609,178.00								
Amendment No. 1	\$23,643.00								
Amendment No. 2	\$33,613.00								
Revised Total Contract	\$666,434.00								
Schedule shall be adjusted as follows: Schedule is not affected by the amendment.									

The above described services shall proceed upon return of this Contract Change Authorization. Services will be billed as they are done. All other provisions, terms, and conditions of the agreement for services which are not expressly amended shall remain in full force and effect.

- ☐ A contract modification will be submitted.
☒ This Contract Change Authorization will serve as contract modification.

FREESE AND NICHOLS, INC.:

CITY OF FREDERICKSBURG, TEXAS:

BY: _____

BY: _____

Print or Type Name

Print or Type Name

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____



CITY COUNCIL MEMO

DATE: February 2, 2015

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Health Insurance Plan Changes

Summary:

During the past year, the City has experienced a significant increase in the number of large claims filed for payment from our self-funded health insurance fund. These expenses have depleted most of the reserves in this fund. Some action by the City should be considered to either increase the revenues for this fund or to decrease expenses charged to this fund for medical and other expenses..

Recommendation:

It is recommended that the City Council approve an increase of \$100,000 in City funding to support the Health Insurance Fund and not make any further changes to our health insurance program until the mid-year budget report is completed in April.

Background / Analysis:

The City operates a self-funded health insurance program for employees and covered dependents. The City pays for 100% of the employee health insurance costs and employees pay for a portion of the costs

The City of Fredericksburg

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for dependents. During the past year, the City has experienced a large increase in the number of major claims for employees and covered dependents. In past years we have experienced 2-3 major claims on an annual basis and our Health Insurance Fund has been able to fund these claims. This year we have had 12 major claims (9 employees and 3 dependents) and these expenses have resulted in the depletion of most of the reserves in the Health Insurance Fund.

In this year's budget, we increased City funding contributions for employee health insurance by 15% effective October 1, 2014. In addition, dependent coverage will increase by 10% that will be effective on April 1, 2015. Even with these increases, it appears that our Health Insurance Fund will have a deficit unless our claims experience improves over the next several months.

As noted at the recent special City Council meeting, we have made some adjustments to our benefits to better manage our costs. This includes moving to a more cost effective provider network and reducing the items covered as part of a doctor's office visit. The estimated financial impact of these changes will be \$163,042 in cost savings.

Last week I met with our current Finance Director and former Finance Director, Brad Kott, who previously managed the Health Insurance Fund. The primary purpose of this meeting was to discuss the past history of the Fund and the current status of the Fund. We started the current fiscal year with \$423,885 in our balance in our Health Insurance Fund. Last month, we had to transfer \$100,000 into this Fund in order to cover pending claims. Since that time, claims have somewhat stabilized and we received a reinsurance check for \$108,000. Currently, the Fund has a balance of \$280,975.

As presented at the recent Council meeting, there are several options that the City can consider for our health insurance program to better control our costs. This includes the following:

1. Require an employee contribution
2. Charge for dependent coverage based on actual plan cost.
3. Reduce benefits
4. Increase levels of contribution by the City

As previously noted, we have previously reduced some of the benefits in terms of coverage for doctor's visits and dependents costs will increase 10% in April. Some of the Council members have indicated an unwillingness to consider the City requiring an employee contribution for health insurance.

Therefore, in light of the fact that we should have sufficient funds to cover our expenses for the next 2-3 months, it is recommended that we not make any additional changes at this time. However, the Council should approve the additional contribution of \$100,000 already made to the Fund. This funding should be allocated according to the contribution percentages indicated in the attached report. We will continue to monitor our expenses over the next several months and it is recommended that this Fund be a major item for discussion during the mid-year budget report the end of April. I

**Health Insurance Contributions
FY 2015**

Department	Budgeted	% of Total Budgeted Amount	Oct - Dec Premiums paid by City for Employees	% of 1st Qtr Premiums Paid by City for Employees
Administration	42,100.00	4%	3,132.06	3%
Police	256,000.00	22%	21,678.99	23%
Fire	41,900.00	4%	2,524.97	3%
Street	117,000.00	10%	8,893.07	9%
Park	76,700.00	7%	5,846.60	6%
Development Services	21,900.00	2%	2,066.45	2%
Health	14,200.00	1%	1,230.00	1%
Municipal Court	7,100.00	1%	649.39	1%
Engineering	12,400.00	1%	1,076.25	1%
General Fund	589,300.00	50%	47,097.78	50%
Electric	81,900.00	7%	6,951.33	7%
Water & Sewer	150,100.00	13%	12,063.36	13%
Golf - Maintenance	58,900.00	5%	3,900.18	4%
Golf - Pro Shop	30,700.00	3%	2,664.98	3%
Golf - Grill	23,600.00	2%	2,050.04	2%
Golf	113,200.00	10%	8,615.20	9%
Landfill	115,700.00	10%	9,525.10	10%
EMS	117,200.00	10%	9,781.43	10%
Emergency Management	10,200.00	1%	675.80	1%
Total	1,177,600.00	100%	94,710.00	100%



CITY COUNCIL MEMO

DATE: February 2, 2015

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: City Manager-2015 Performance Goals

Summary:

The attached listing of performance goals for the City Manager has been developed based upon recent comments and suggestions from Council members.

Recommendation:

Following discussion and any final changes made at the City Council meeting, it is recommended that the performance goals be approved.

Background / Analysis:

Every year performance goals are established for every City employee including the City Manager. It is recommended that, following discussion and any final changes, the goals be approved. Once adopted, these goals will serve as guidance on the major priorities that the Council would like me to address during the coming year.

The City of Fredericksburg

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City of Fredericksburg

City Manager 2015 Performance Goals

1. Continue to identify ways to recognize City employees for excellent performance.
2. Insure that the positive accomplishments of the City are shared with local citizens through the local media, City website and other means.
3. Coordinate quarterly City Council Retreats with a limit of 3-4 important topics for presentation and discussion.
4. Develop an employee succession plan for the City organization.
5. Work with a Charter Review Committee to be appointed by the City Council to review the City Charter and provide recommendations for consideration by local voters in 2016.
6. Continue to work on programs to attract affordable housing to the community.
7. Insure that all utility bond projects are completed on schedule and within budget and that the funding is expended within the time limits of the bond issue.
8. Work closely with the Fire Department to expand the volunteer program including encouraging City employees to volunteer for the Fire Department.



CITY COUNCIL MEMO

DATE: February 2, 2015

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: HOT Funding

Summary:

At the special City Council meeting on January 26, initial funding recommendations were made by the Council which are included on the attached spreadsheet

Recommendation:

It is recommended that the Council continue the discussion on HOT funding and make additional changes in order to reduce the funding to \$430,000 which is currently budgeted in the Tourism Fund for local organizations.

Background / Analysis:

The City of Fredericksburg

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Organization	2008	2009	2010	2011	2012	2013	2014	2015 Request	2015 Proposed
Hill Country Film Festival			7,000	7,000	10,000	6,500	6,500	8,000	6,500
Hill Country Antique Tractors	3,000	4,000	2,000	3,000	3,000	6,000	6,000	6,000	6,000
Optimist Hill Country Run	5,000	5,000	5,000	5,000	7,500	5,000	5,000	5,000	5,000
Oktoberfest			8,500					10,000	10,000
FBG Music Club	3,000	3,000	3,000	3,000	3,000	2,500	2,500	3,000	2,500
CANTO Chamber Choir							2,500	4,000	2,500
FBG Shines								1,500	-
FBG Farmers Market			1,650	2,400	2,400	2,500	2,500	2,750	2,500
Ft Martin Scott Friends	6,000					-	1,125	15,000	-
FBG Theater Company	19,000	25,000	30,000	30,000	30,000	25,000	25,000	40,000	25,000
Boys & Girls Club Shopping Tournament	5,000	5,000	4,000	5,000	10,000	3,000	1,500	1,500	1,500
Admiral Nimitz Foundation				25,000		20,000	20,000	10,000	10,000
Admiral Nimitz Foundation	75,000	75,000	100,000	100,000	125,000	125,000	125,000	125,000	125,000
Arion Mannerchor	5,000	2,500	1,500	2,500	2,500	4,000	2,500	2,500	2,500
4th of July	5,000	3,500	3,500	4,000	4,500	4,500	4,500	5,000	4,500
Friends of Gillespie Co Country Schools					15,000	15,000	50,000	91,500	31,500
Friends of Head Start								1,500	-
GCCFA	25,000	25,000	-	40,000	40,000	40,000	45,000	55,000	45,000
FBG Chorale	3,500	3,500	3,500					2,500	2,500
FBG Art Guild	3,000	3,500	2,000	3,000	4,000	4,000	4,000	4,000	4,000
GCHS	100,000	105,000	124,500	125,000	125,000	100,000	75,000	180,000	
Eisbahn/Heritage School	-		3,500				3,000	5,000	3,000
Tx Society for Preservation of St Joseph's Halle						60,000	-	100,000	
FBG Chamber Christmas Parade/After Glow	13,000			8,000	8,000	5,000	10,000	10,000	5,000
Die Kuenstler	2,850	2,500	2,500	2,000	2,200	2,500	2,500	2,600	2,500
Wings over the Hills				5,000	5,000	4,000	4,000	4,000	4,000
FBG Jaycees Crawfish Festival	2,500	2,500		5,000	5,000	5,000	5,000	10,000	5,000
FBG Jaycees Truck & Tractor Pull				5,000			5,000	7,500	5,000
Systems GO		7,500	7,500	2,600		2,500	2,500	2,500	2,500
Friends of Enchanted Rock								12,000	8,000
	275,850	272,500	309,650	382,500	402,100	442,000	410,625	727,350	321,500
								2015 Budget	430,000
								Balance	108,500