
CITY COUNCIL AGENDA

Notice is hereby given that the Rockport City Council will hold a regular meeting on Tuesday, August 11, 2015, at 6:30 p.m. The meeting will be held at Rockport City Hall, 622 E. Market, Rockport, Texas. The matters to be discussed and acted upon are as follows:

Opening Agenda

1. Call meeting to order.
2. Pledge of Allegiance.
3. Citizens to be heard.

At this time, comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

4. Deliberate and act on approval of City Council Budget Workshop Meetings of July 20 and July 22, 2015, and Regular Meeting Minutes of July 28, 2015.
5. Deliberate and act to appoint a citizen to Rockport Parks & Leisure Services Board.

Public Hearing

6. Conduct a Public Hearing on proposal to increase water, wastewater, and solid waste collection rates for all customers.

Regular Agenda

7. Deliberate and act on presentation of proposed Fiscal Year 2015-2016 budget.
8. Deliberate and act by taking record vote on proposed 2015 property tax rate for Fiscal Year 2015-2016 budget and scheduling dates for two required public hearings on proposed tax rate.
9. Deliberate and act on first reading of a proposed Ordinance amending the City of Rockport Code of Ordinances Chapter 102 "Utilities," Article II, "Water Service," Division 3, "Service Charges" by amending water rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date.
10. Deliberate and act on first reading of a proposed Ordinance amending the City of Rockport Code of Ordinances Chapter 102 "Utilities," Article III, "Wastewater Service," Division 4, "Service Charges" by amending wastewater rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date.

11. Deliberate and act on first reading of a proposed Ordinance amending the City of Rockport Code of Ordinances Chapter 102 "Utilities," Chapter 82 "Solid Waste," Article II, "Refuse Collection," Section 82.39 "Fee Schedule" and Section 82.45 "Special Fees," setting new fees for service; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date.

12. Reports from Council.

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee; Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Keep Rockport Beautiful Advisory Board; Parks & Leisure Services Advisory Board; Planning & Zoning Commission; Rockport Heritage District Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Project Committee; Texas Maritime Museum, Fulton Mansion, Rockport Center for the Arts, Aransas County, Aransas County Independent School District, Aransas County Navigation District, Town of Fulton, and Texas Municipal League. No formal action can be taken on these items at this time.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

13. Section 551.072 Deliberation about Real Property: (a) 302 E. Liberty; and (b) 820 N. Pearl.

14. Section 551.074 Personnel Matters – Appointment and duties of an Interim City Attorney/City Prosecutor.

15. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

16. City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

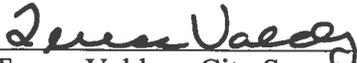
17. Adjournment.

Special Accommodations

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (361) 729-2213, ext. 225 or FAX (361) 790-5966 or email citysec@cityofrockport.com for further information. Braille is not available. The City of Rockport reserves the right to convene into executive session under Government Code §§ 551.071-551.074 and 551.086.

Certification

I certify that the above notice of meeting was posted on the bulletin board at City Hall, 622 E. Market Street, Rockport, Texas on Friday, August 7, 2015, by 5:00 p.m. and on the City's website at www.cityofrockport.com. I further certify that the following News Media were properly notified of this meeting as stated above: *The Rockport Pilot*, *Coastal Bend Herald*, and *Corpus Christi Caller Times*.



 Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 4

Deliberate and act on approval of City Council Budget Workshop Meetings of July 20 and July 22, 2015, and Regular Meeting Minutes of July 28, 2015.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the Budget Workshops of July 20 and July 22, 2015, and Regular Meeting of July 28, 2015.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends Council approve the Minutes, as presented.

CITY OF ROCKPORT

MINUTES

CITY COUNCIL BUDGET WORKSHOP MEETING

9:00 a.m., Monday, July 20, 2015

Rockport Service Center, 2751 State Highway 35 Bypass

On the 20th day of July 2015, the City Council of the City of Rockport, Aransas County, Texas, convened in Workshop Session at 9:00 a.m. at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
 Mayor Pro-Tem Pat Rios, Ward 3
 Council Member Rusty Day, Ward 1
 Council Member J.D. Villa, Ward 2
 Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
 City Secretary Teresa Valdez
 Finance Director Patty Howard
 Police Chief Tim Jayroe
 Communications Center Administrator Lee Zapata
 Public Works Director Mike Donoho
 Parks & Leisure Services Director Tom Staley
 IT Manager Brian Jacobs

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Budget Workshop Meeting of the Rockport City Council was called to order by Mayor Wax at 9:15 a.m. on Monday, July 20, 2015, at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

Regular Agenda.

2. Hear and deliberate on presentation of proposed Fiscal Year 2015-2016 Budget.

City Manager Kevin Carruth gave a PowerPoint presentation on the proposed Fiscal Year 2015-2016 Budget that included discussion on the following topics:

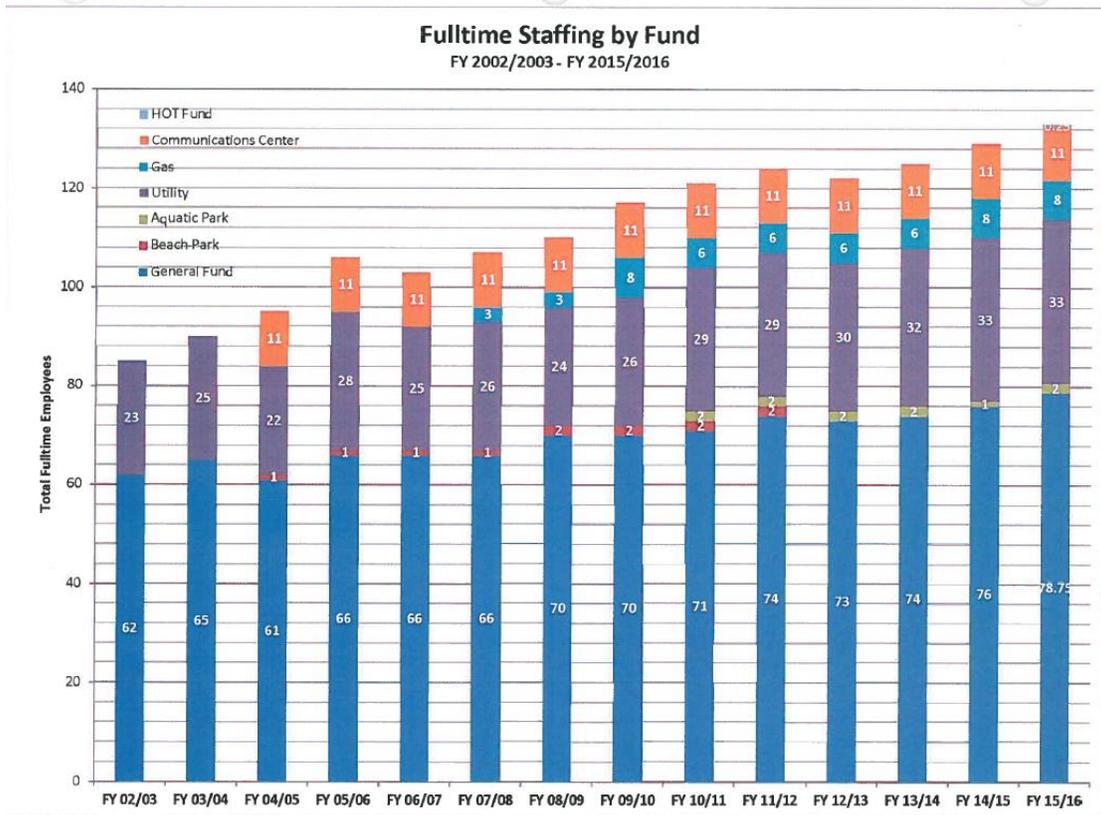
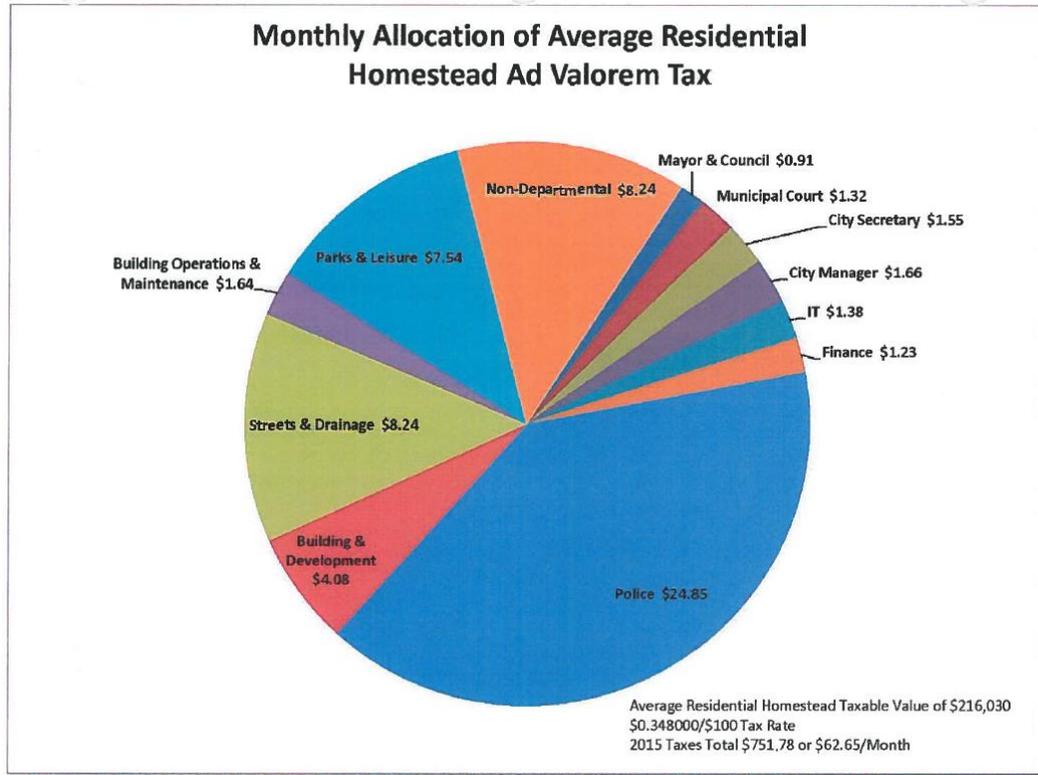
- Assumptions: Tax Rate – 8% over Effective Tax Rate; Sales Tax – 6.7% increase; Group Medical Insurance – 5% increase (split evenly with employees);

Merit Increases – 3%; Compensation Plan Phase 1 - 5% at second quarter of FY 2015-2016.

- City of Rockport Building Values & Permits Issued 2005-2014
- City of Rockport New Construction Value by Type 2005-2014
- Aransas County Residential & Land Sales – Total Units Sold & Average Days on Market 2008-2014
- Aransas County Residential & Land Sales – Total Sales & Average Sales Price 2008-2014
- Aransas County Residential, Commercial & Land Sales – Comparison of Total Annual Sales to Rolling 3-Year Average 2005-2014
- Aransas County Hotel Room Revenues & Nights Sold 2005-2014
- Aransas County Gross Sales & Sales Outlets 2006-2014
- Sales Tax History - Rolling 12 Month for Last 20+ Years (with year-over-year growth rates)
- Sales Tax History - Rolling 12 Month for Last 20 Years by TML Region
- Sales Tax History - Rolling 12 Month for Last 20+ Years (Coastal Bend - Corpus Christi)
- Rolling 12 Month for the Last Year + Growth Trend through 2020
- Commercial Water Customer Totals by Month 2010-2015
- Residential Water Customer Totals by Month 2010-2015
- Taxable Value History & Forecast with Percentage Change & Five Year Rolling Average - FY 1996-1997 to FY 2020-2021
- Ad Valorem Tax Rate Comparison FY 2015-2016

Ad Valorem Tax Rate Comparison FY 2015-2016

	Effective Tax Rate (ETR)	Alternate Tax Rate 1 \$0.01 Increase Above ETR	Alternate Tax Rate 2 \$0.01 Increase Above Rollback	Alternate Tax Rate 3	Rollback Tax Rate	Alternate Tax Rate 4	Alternate Tax Rate 5	Alternate Tax Rate 6
Percentage M & O Increase	0%	-5.91%	13.13%	4.00%	8.00%	9.00%	10.00%	11.00%
M & O Tax Rate	\$ 0.173244	\$ 0.183244	\$ 0.220320	\$ 0.202534	\$ 0.210320	\$ 0.212275	\$ 0.214212	\$ 0.218175
I & S Tax Rate	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680
TOTAL TAX RATE	\$ 0.310924	\$ 0.320924	\$ 0.358000	\$ 0.340214	\$ 0.348000	\$ 0.349955	\$ 0.351892	\$ 0.353855
Total Taxable Value	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936
Total Tax Levy	\$ 3,731,790	\$ 3,851,813	\$ 4,290,809	\$ 4,083,337	\$ 4,178,786	\$ 4,200,251	\$ 4,223,499	\$ 4,247,059
Total Tax Levy	\$ 3,731,790	\$ 3,851,813	\$ 4,290,809	\$ 4,083,337	\$ 4,178,786	\$ 4,200,251	\$ 4,223,499	\$ 4,247,059
Over 65 Frozen taxes	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815
Disabled Frozen taxes	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445
Total Tax Levy	\$ 4,504,050	\$ 4,624,073	\$ 5,069,069	\$ 4,855,597	\$ 4,949,046	\$ 4,972,511	\$ 4,995,759	\$ 5,019,319
Total Tax Revenue	\$ 4,504,050	\$ 4,624,073	\$ 5,069,069	\$ 4,855,597	\$ 4,949,046	\$ 4,972,511	\$ 4,995,759	\$ 5,019,319
Total Levy	\$ 4,504,050	\$ 4,624,073	\$ 5,069,069	\$ 4,855,597	\$ 4,949,046	\$ 4,972,511	\$ 4,995,759	\$ 5,019,319
Collection Ratio	99%	99%	99%	99%	99%	99%	99%	99%
Total Tax Revenue	\$ 4,459,010	\$ 4,577,832	\$ 5,018,378	\$ 4,807,041	\$ 4,899,656	\$ 4,922,786	\$ 4,945,801	\$ 4,969,126
Revenue Allocation by Fund								
M & O General Fund (59.43%)	\$ 1,866,669	\$ 1,987,491	\$ 2,428,037	\$ 2,218,700	\$ 2,309,215	\$ 2,332,445	\$ 2,355,460	\$ 2,378,785
I&S Debt Service Fund (40.57%)	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341
Total Tax Revenue	\$ 4,459,010	\$ 4,577,832	\$ 5,018,378	\$ 4,807,041	\$ 4,899,656	\$ 4,922,786	\$ 4,945,801	\$ 4,969,126
Revenue Difference								
Additional Revenue	\$0	\$118,822	\$559,368	\$348,031	\$440,546	\$463,776	\$486,791	\$510,116
% Increase in Revenue	0.0%	2.7%	12.5%	7.8%	9.9%	10.4%	10.9%	11.4%
Residential Taxpayer Impact Analysis								
	ETR	Difference in Tax Paid from Effective Tax Rate						
Residential Value	Tax Paid	Alternate Tax Rate 1	Alternate Tax Rate 2	Alternate Tax Rate 3	Rollback Tax Rate	Alternate Tax Rate 4	Alternate Tax Rate 5	Alternate Tax Rate 6
Average - \$222,068	\$692.14	\$22.26	\$104.79	\$65.20	\$82.53	\$86.89	\$91.20	\$95.57
Average Homestead - \$218,030	\$672.54	\$21.83	\$101.83	\$63.36	\$80.20	\$84.43	\$88.62	\$92.86
Median - \$171,365	\$532.81	\$17.14	\$80.87	\$50.10	\$63.54	\$66.89	\$70.20	\$73.57



Mr. Carruth then called the Council’s attention to the City of Rockport – Budget Requests and Reductions for Fiscal Year 2015-2016 as follows:

Departmental FY 2015-2016 Budget Requests						
Account Number	Description	Total Request	Difference Over Prior Yr.	% Difference	Approved Amount	Comments
GENERAL FUND						
Mayor & Council						
602-2088	Contracted Services	\$ 1,200	\$ 290	20.83%	\$ 1,200	Higher expenses
602-4001	Schools/Seminars	\$ 20,000	\$ 4,870	29.35%	\$ 20,000	Additional TMI training and greater participation by Council
Subtotal Mayor & Council		\$ 21,200	\$ 5,160	24.34%	\$ 21,200	
Municipal Court						
605-1006	Overtime Pay	\$ 3,600	\$ 3,000	83.33%	\$ 3,600	Additional court trial volume
605-2015	Court Prosecutor	\$ 26,000	\$ 9,200	35.38%	\$ 26,000	Increase in case volume of City Attorney
Subtotal Municipal Court		\$ 29,600	\$ 12,200	41.22%	\$ 29,600	
Finance						
606-2046	Contracted Services	\$ 18,500	\$ 3,500	18.92%	\$ 18,500	Increase in incode annual maintenance
Subtotal Finance		\$ 18,500	\$ 3,500	18.92%	\$ 18,500	
City Secretary						
607-2012	Publishing Fees	\$ 4,000	\$ 1,500	37.50%	\$ 4,000	Increase in volume of advertising
607-4001	Schools/Seminars	\$ 9,000	\$ 3,000	33.33%	\$ 9,000	Increase in certification schools/seminars for staff
607-4002	Dues & Subscriptions	\$ 750	\$ 150	20.00%	\$ 750	Additional certifications for Assistant City Secretary
Subtotal City Secretary		\$ 13,750	\$ 4,650	33.82%	\$ 13,750	
City Manager						
608-4002	Dues & Subscriptions	\$ 2,000	\$ 700	35.00%	\$ 2,000	Increase for ICMA annual conference
608-8002	Office Equipment	\$ 3,000	\$ 3,000	100.00%	\$ 3,000	Replacement of computer
608-8000	Update of Personnel Policy	\$ 5,000	\$ 5,000	100.00%	\$ -	Ask to pay for prior to FY 15/16
Subtotal City Manager		\$ 10,000	\$ 8,700	87.00%	\$ 5,000	
Information & Technology						
609-1006	Overtime Pay	\$ 4,000	\$ 1,000	25.00%	\$ 4,000	More break/fix requests & deployment of new hardware & software
609-8001	Computer Equipment	\$ 6,050	\$ 8,050	100.00%	\$ 6,050	Replacement of firewall and rack/UPS
Subtotal Information & Technology		\$ 10,050	\$ 7,050	70.15%	\$ 10,050	
Police Administration						
611-1006	Overtime Pay	\$ 750	\$ 750	100.00%	\$ 750	Additional clerical time
611-2031	Empl. Applicant Exams	\$ 3,000	\$ 2,000	66.67%	\$ 3,000	Higher turnover rate
611-2033	Prisoner Expenses	\$ 30,000	\$ 30,000	100.00%	\$ 30,000	Increased Aransas County Jail fees
611-2045	Contracted Services	\$ 64,000	\$ 7,064	11.04%	\$ 64,000	TMPC recognition program application
611-3002	Postage	\$ 2,000	\$ 1,000	50.00%	\$ 2,000	Greater volume of mail sent out
611-3028	Publications	\$ 3,250	\$ 2,500	76.92%	\$ 3,250	Legislative updates following 2015 session
611-4001	Schools/Seminars	\$ 5,800	\$ 800	13.79%	\$ 5,800	Increase in schools/seminars for staff
611-4001	Computer Software	\$ 1,000	\$ 1,000	100.00%	\$ 1,000	PTS Module
611-8002	Office Furniture/Equip	\$ 1,500	\$ 1,000	100.00%	\$ -	Furniture/Equip. needed
Subtotal Police Administration		\$ 110,800	\$ 36,114	32.56%	\$ 109,600	

Account Number	Description	Total Request	Difference Over Prior Yr.	% Difference	Approved Amount	Comments
Police Patrol						
612-1001	Base Pay	\$ 21,606	\$ 21,606	100.00%	\$ 21,606	Two COPS Grant Patrol Officers @25% beginning Q3
612-2036	Communications Services	\$ 26,000	\$ 2,000	7.69%	\$ 26,000	Increase in cost of cell phones and vehicle GPS units
612-3008	Operations Supplies	\$ 14,800	\$ 6,200	41.89%	\$ 14,800	Historical trend
612-3047	Water Safety	\$ 5,000	\$ 1,000	20.00%	\$ 5,000	Overhaul of patrol boat motor
612-4001	Schools/Seminars	\$ 13,500	\$ 1,500	11.11%	\$ 13,500	Increase in schools/seminars for staff
612-4002	Dues & Subscriptions	\$ 1,200	\$ 100	8.33%	\$ 1,200	Additional certifications
612-8012	Patrol Equipment	\$ 12,500	\$ (17,500)	-140.00%	\$ 12,500	Replacement of 8 Tazers; New Individual First Aid Kits
612-8999	Ticket Writers	\$ 65,000	\$ 65,000	100.00%	\$ -	Ticket writer hardware and software - moved to Court Tech Fund
Subtotal Police Patrol		\$ 159,606	\$ 79,906	50.06%	\$ 94,606	
Police CID						
613-2036	Communications Services	\$ 1,000	\$ 3,500	350.00%	\$ 1,000	Increase in cost of cell phones and vehicle GPS units
613-2045	Contracted Services	\$ 15,000	\$ 5,000	33.33%	\$ 15,000	Additional sexual assault examinations
613-3008	Operations Supplies	\$ 7,000	\$ 1,000	14.29%	\$ 7,000	Additional costs for supplies
613-4001	Schools/Seminars	\$ 5,000	\$ 1,000	20.00%	\$ 5,000	Additional Schools/Seminars for Staff
613-8002	Office Furniture/Equipment	\$ 14,000	\$ 14,000	100.00%	\$ 3,000	Gun safes to comply with evidence vault guidelines
Subtotal Police CID		\$ 42,000	\$ 24,500	58.33%	\$ 31,000	
Building Development Administration						
621-1001	Base Pay-Additional Position	\$ 6,318	\$ 6,318	100.00%	\$ -	New Position split .25/.75 with Inspections (salary only)
621-2002	Credit Card Charges	\$ 1,200	\$ 1,200	100.00%	\$ 1,200	Merchant fees for customer credit card payments
621-2036	Communications Services	\$ 3,000	\$ 750	25.00%	\$ 3,000	Increased cell phone fees
621-3002	Postage	\$ 1,000	\$ 475	47.50%	\$ 1,000	Additional mail volume
Subtotal Building Development Administration		\$ 11,518	\$ 8,743	75.91%	\$ 8,743	
Building Development Inspections						
622-1001	Base Pay - Additional Position	\$ 18,954	\$ 18,954	100.00%	\$ -	New Position split .25/.75 with Inspections (salary only)
622-2046	Contracted Svcs - Bureau Veritas	\$ 5,000	\$ 5,000	100.00%	\$ 5,000	Third party plan review and inspections - budget neutral
Subtotal Building Development Inspections		\$ 23,954	\$ 23,954	100.00%	\$ 5,000	
Building Development Code Enforcement						
623-2065	Compliance Expense	\$ 25,000	\$ 5,000	20.00%	\$ 25,000	Increased violation volume
Subtotal Building Development Code Enforcement		\$ 25,000	\$ 5,000	20.00%	\$ 25,000	
Streets & Drainage						
631-1005	Part-time Pay	\$ 7,500	\$ 7,500	100.00%	\$ 7,500	Additional cost for Part-time help needed
631-1006	Overtime Pay	\$ 10,000	\$ 5,000	50.00%	\$ 10,000	Increase in additional time needed for repairs and Maint.
631-3030	Signs & Posts	\$ 30,000	\$ 10,000	33.33%	\$ 30,000	New MUTCD Sign regulation compliance
631-8020	Neighborhood Impr-Seal Coat	\$ 165,000	\$ 15,000	9.09%	\$ 165,000	Increase in fees from Aransas County
Subtotal Streets & Drainage		\$ 212,500	\$ 37,500	17.65%	\$ 212,500	
Building Operation & Maintenance						
632-2050		\$ 25,000	\$ 25,000	100.00%	\$ 25,000	New account to track fire station expenses - budget neutral

Account Number	Description	Total Request	Difference Over Prior Yr.	% Difference	Approved Amount	Comments
Subtotal Building Operation & Maintenance						
		\$ 25,000	\$ 25,000	100.00%	\$ 50,000	
Parks & Leisure Services						
661-1001	Base Pay	\$ 26,000	\$ 26,000	100.00%	\$ 26,000	Fulltime Maintenance Technician - Most cost covered by Pathways
661-2048	Field & Court Lighting	\$ 3,000	\$ 1,000	33.33%	\$ 3,000	Additional Expenses for lighting maintenance
661-3020	Safety Equip/Tools	\$ 4,000	\$ 1,000	25.00%	\$ 4,000	Purchase of compressor
661-3025	Christmas Lights & Maint	\$ 3,000	\$ 1,000	33.33%	\$ 3,000	Additional for cost of LED light replacement and maint.
661-7002	Maintenance Repair	\$ 55,000	\$ 10,000	18.18%	\$ 55,000	More Topsoil for ballfields -upgrade façade on restrooms
661-7003	Tree Maintenance	\$ 15,000	\$ 3,000	20.00%	\$ 15,000	Additional tree maintenance needs
661-7005	Landscape Maintenance	\$ 15,000	\$ 3,000	20.00%	\$ 15,000	Additional cost for landscape maintenance
661-8020	Children's Play Unit	\$ 28,000	\$ 28,000	100.00%	\$ 28,000	Replace Play Unit at Spencer Park
661-8025	Children's slide at Memorial Park	\$ 10,000	\$ 10,000	100.00%	\$ -	Purchase slide to attach to existing Play Unit
661-8057	HMAC & Striping at LL Parking Lot	\$ 45,000	\$ 45,000	100.00%	\$ -	Repair and replace HMAC and restripe parking lot
Subtotal Parks & Leisure Services		\$ 204,000	\$ 128,000	62.75%	\$ 149,000	
Sports Complex						
663-2046	Contracted Services	\$ 2,000	\$ 2,000	100.00%	\$ 2,000	New Department
663-3011	Chemicals	\$ 500	\$ 500	100.00%	\$ 500	New Department
663-3022	Janitorial	\$ 300	\$ 300	100.00%	\$ 300	New Department
663-3024	Electricity	\$ 3,600	\$ 3,600	100.00%	\$ 3,600	New Department
663-7002	Maintenance Repair	\$ 2,500	\$ 2,500	100.00%	\$ 2,500	New Department
663-7003	Tree Maintenance	\$ 2,500	\$ 2,500	100.00%	\$ 2,500	New Department
663-8002	Equipment & Furniture	\$ 3,000	\$ 3,000	100.00%	\$ 3,000	New Department
Subtotal Sports Complex		\$ 14,400	\$ 14,400	100.00%	\$ 14,400	
GENERAL FUND GRAND TOTAL		\$ 931,878	\$ 424,077	45.51%	\$ 764,409	

UTILITY SYSTEM FUND						
Environmental						
634-2036	Communications Services	\$ 3,000	\$ 1,500	50.00%	\$ 3,000	Increase in cost of cell phones and vehicle GPS units
634-4001	Schools/Seminars	\$ 5,000	\$ 1,000	20.00%	\$ 5,000	Additional schools/seminars for staff
634-4004	Public Awareness	\$ 3,000	\$ 500	16.67%	\$ 3,000	Increased cost and volume of public education materials & postage
634-8005	Household Hazardous Waste	\$ 40,000	\$ 40,000	100.00%	\$ 40,000	Household hazardous waste pickup event
Subtotal for Environmental		\$ 51,000	\$ 43,000	84.31%	\$ 51,000	
Water Storage & Distribution						
641-1005	Part-Time	\$ 15,000	\$ 5,000	33.33%	\$ 15,000	Part-time help needed
641-2056	Security System Monitoring	\$ 5,000	\$ 500	10.00%	\$ 5,000	Increased contract fees
641-3011	Chemicals	\$ 6,500	\$ 3,000	46.15%	\$ 6,500	Additional cost of chemicals
641-4001	Schools & Seminars	\$ 20,000	\$ 2,000	10.00%	\$ 20,000	Additional schools/seminars for staff
641-7012	Water System Maintenance	\$ 20,000	\$ 5,000	25.00%	\$ 20,000	Increased maintenance for aging infrastructure
Subtotal Water Storage & Distribution		\$ 66,500	\$ 15,500	23.31%	\$ 66,500	

Page 3 of 5 Green = Approved/ yellow = Reduced/Red = Denied Revised 07/19/15

Account Number	Description	Total Request	Difference Over Prior Yr.	% Difference	Approved Amount	Comments
Wastewater Collection & Treatment						
646-2037	Equipment Rental	\$ 5,100	\$ 2,100	41.18%	\$ 5,100	Increase in cost of rental equipment
646-2055	WWTP Waste Removal	\$ 90,000	\$ 30,000	33.33%	\$ 90,000	Higher sludge removal fees
Subtotal Wastewater Collection & Treatment		\$ 95,100	\$ 32,100	33.75%	\$ 95,100	
Utility Customer Service						
651-1001	Base Pay	\$ 26,000	\$ 26,000	100.00%	\$ 26,000	Fill vacant position that has been vacant for 6 years
651-1006	Overtime Pay	\$ 1,000	\$ 1,000	100.00%	\$ 1,000	Increase in additional clerical time needed
651-2002	Credit Card Charges	\$ 25,000	\$ 13,000	52.00%	\$ 25,000	Merchant fees from higher volume of customers using credit cards
651-2045	Contracted Services	\$ 50,000	\$ 6,800	13.60%	\$ 50,000	Increase for Incode annual maintenance. Higher copier volume
651-8001	Computer Equipment	\$ 7,000	\$ 1,000	14.29%	\$ 7,000	Replace computer
Subtotal Utility Customer Service		\$ 109,000	\$ 47,800	43.85%	\$ 109,000	
UTILITY SYSTEM FUND GRAND TOTAL		\$ 321,600	\$ 138,400	43.03%	\$ 321,600	

NATURAL GAS SYSTEM FUND						
Natural Gas Distribution						
648-2036	Communications Services	\$ 4,200	\$ 4,200	100.00%	\$ 4,200	Increase in cost of cell phones and vehicle GPS units
648-2037	Equipment Rental	\$ 4,000	\$ 1,000	25.00%	\$ 4,000	Increase in cost of rental equipment
648-4001	Schools & Seminars	\$ 4,500	\$ 2,700	60.00%	\$ 4,500	Additional schools/seminars for staff
Subtotal Natural Gas Distribution		\$ 12,700	\$ 7,900	62.20%	\$ 12,700	
NATURAL GAS SYSTEM FUND GRAND TOTAL		\$ 12,700	\$ 7,900	62.20%	\$ 12,700	

COMMUNITY AQUATIC CENTER						
Aquatic Center						
672-1001	Base Pay	\$ 26,000	\$ 26,000	100.00%	\$ 26,000	Add full-time Business Office Manager
672-1005	Part-Time	\$ 100,000	\$ 24,000	24.00%	\$ 100,000	Additional cost for part time help needed
672-2046	Contract Services	\$ 18,000	\$ 3,000	16.67%	\$ 18,000	Replacement of sand in filter for small pool
672-7002	Maintenance/Repair	\$ 17,000	\$ 3,000	17.65%	\$ 17,000	Dry deck in guard room
672-7003	Materials	\$ 5,000	\$ 5,000	100.00%	\$ 5,000	Cost of purchasing materials
672-8037	Replace Chemtrol System	\$ 6,000	\$ 6,000	100.00%	\$ 6,000	Replace Chemtrol system
672-8040	Re-Plaster Small Pool	\$ 40,000	\$ 40,000	100.00%	\$ -	Re-plaster small pool - moved to 2015 bond
Subtotal Aquatic Center		\$ 212,000	\$ 107,000	50.47%	\$ 172,000	
COMMUNITY AQUATIC CENTER FUND GRAND TOTAL		\$ 212,000	\$ 107,000	50.47%	\$ 172,000	

SPECIAL REVENUE FUNDS						
Fleet Operations & Maintenance						
633-2036	Communications Services	\$ 2,000	\$ 2,000	100.00%	\$ 2,000	Increase in cost of Cell Phones and Vehicle GPS Units

Page 4 of 5 Green = Approved/ yellow = Reduced/Red = Denied Revised 07/19/15

Account Number	Description	Total Request	Difference Over Prior Yr.	% Difference	Approved Amount	Comments
633-3027	Parts/PM	\$ 100,000	\$ 20,000	20.00%	\$ 85,000	Increase in cost of parts and volume needed
633-4001	Schools & Seminars	\$ 2,500	\$ 1,500	60.00%	\$ 2,500	Additional Schools/Seminars for Staff
633-8013	Fuel Mgmt System Software	\$ 10,000	\$ 4,000	40.00%	\$ 10,000	Replacement of software
Subtotal Fleet Operations & Maintenance		\$ 114,500	\$ 27,500	24.02%	\$ 99,500	
Hotel Occupancy Tax Administration						
660-1001	Base Pay	\$ 9,031	\$ 9,031	100.00%	\$ 9,031	Allocate 25% of Asst. City Secretary Time to HOT
660-2001	RF Chamber of Commerce Mktg	\$ 320,000	\$ 10,000	3.13%	\$ 320,000	
660-2040	RCFTA-Rockport Ctr for Arts	\$ 109,700	\$ 23,700	21.60%	\$ 109,700	
660-2044	Rockport Yacht Club - Nautical	\$ 4,000	\$ 2,000	50.00%	\$ 4,000	
660-2050	Tropical Christmas	\$ 15,000	\$ 2,000	13.33%	\$ 15,000	
Subtotal Hotel Occupancy Tax Administration		\$ 457,731	\$ 46,731	10.21%	\$ 457,731	
SPECIAL REVENUE FUNDS GRAND TOTAL		\$ 572,231	\$ 74,231	12.97%	\$ 557,231	

Discussion was held among Council, City Manager and Staff in regard to the budget requests as presented by the City Manager.

Rockport-Fulton Area Chamber of Commerce Past President Karen Mella, Cindy Duck and Paula Dean asked several clarification questions in regard to the budget presented by City Manager Kevin Carruth.

Council recessed from 11:35 a.m. until 12:50 p.m. for lunch.

The Council then reviewed the budget worksheets for each City department.

Council took a brief recess from 1:50 p.m. to 2:00 p.m.

Mayor Wax asked the Council if they would like the City to host a Texas Municipal League (TML) Region 11 meeting in spring of next year.

Discussion was held among Council and it was the consensus of Council to place \$1500.00 in the budget to host a TML Region 11 meeting next spring.

City Manager Kevin Carruth stated the Council will have another Budget Workshop on Wednesday, July 22, 2015, at 9:00 a.m. at the Rockport Service Center.

3. Adjournment.

At 2:51 p.m., it was the consensus of Council to adjourn the Workshop Session.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY OF ROCKPORT

MINUTES

CITY COUNCIL BUDGET WORKSHOP MEETING

9:00 a.m., Wednesday, July 22, 2015

Rockport Service Center, 2751 State Highway 35 Bypass

On the 22nd day of July 2015, the City Council of the City of Rockport, Aransas County, Texas convened in Workshop Session at 9:00 a.m. at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
 Mayor Pro-Tem Pat Rios, Ward 3
 Council Member J.D. Villa, Ward 2
 Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

Council Member Rusty Day, Ward 1

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
 City Secretary Teresa Valdez
 Finance Director Patty Howard
 Police Chief Tim Jayroe
 Public Works Director Mike Donoho
 IT Manager Brian Jacobs
 Parks & Leisure Services Director Tom Staley
 Communications Center Administrator Lee Zapata

ELECTED OFFICIALS

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Budget Workshop Meeting of the Rockport City Council was called to order by Mayor Wax at 9:14 a.m. on Wednesday, July 22, 2015, at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

Regular Agenda.

2. Hear and deliberate on presentation of proposed Fiscal Year 2015-2016 Budget.

Finance Director Patty Howard gave a brief recap of the changes requested in the proposed budget as presented on Monday July 20, 201, as follows:

- Decreased Municipal Court revenue to \$200,000

- Corrected distribution on Halo Flight and Workers Compensation expenses
- Changed Police Patrol certification to \$65,000
- Added \$1,500 for hosting a Texas Municipal League Region 11 quarterly meeting
- Increased Sales Tax income projection to 7.67%

City Manager Kevin Carruth then called the Council's attention to the Ad Valorem Tax Rate Comparison FY 2015-2016 chart (below) which included changes from Monday's Budget Workshop.

Ad Valorem Tax Rate Comparison FY 2015-2016									
	Effective Tax Rate (ETR)	Alternate Tax Rate 1 \$0.01 Increase Above ETR	Alternate Tax Rate 2 \$0.01 Increase Above Rollback	Alternate Tax Rate 3	Rollback Tax Rate	Alternate Tax Rate 4	Alternate Tax Rate 5	Alternate Tax Rate 6	
Percentage M & O Increase	0%	-5.91%	13.13%	4.00%	8.00%	9.00%	10.00%	11.00%	
M & O Tax Rate	\$ 0.173244	\$ 0.183244	\$ 0.220320	\$ 0.202534	\$ 0.210320	\$ 0.212275	\$ 0.214212	\$ 0.216175	
I & S Tax Rate	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	
TOTAL TAX RATE	\$ 0.310924	\$ 0.320924	\$ 0.358000	\$ 0.340214	\$ 0.348000	\$ 0.349955	\$ 0.351892	\$ 0.353855	
Total Taxable Value	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	
Total Tax Levy									
Total Tax Levy	\$ 3,731,790	\$ 3,851,813	\$ 4,296,809	\$ 4,083,337	\$ 4,176,786	\$ 4,200,251	\$ 4,223,499	\$ 4,247,059	
Over 65 Frozen taxes	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	\$ 756,815	
Disabled Frozen taxes	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	
Total Tax Levy	\$ 4,504,050	\$ 4,624,073	\$ 5,069,069	\$ 4,855,597	\$ 4,949,046	\$ 4,972,511	\$ 4,995,759	\$ 5,019,319	
Total Tax Revenue									
Total Levy	\$ 4,504,050	\$ 4,624,073	\$ 5,069,069	\$ 4,855,597	\$ 4,949,046	\$ 4,972,511	\$ 4,995,759	\$ 5,019,319	
Collection Ratio	99%	99%	99%	99%	99%	99%	99%	99%	
Total Tax Revenue	\$ 4,459,010	\$ 4,577,832	\$ 5,018,378	\$ 4,807,041	\$ 4,899,556	\$ 4,922,786	\$ 4,945,801	\$ 4,969,126	
Revenue Allocation by Fund									
M & O General Fund (59.43%)	\$ 1,868,669	\$ 1,987,491	\$ 2,428,037	\$ 2,216,700	\$ 2,309,215	\$ 2,332,445	\$ 2,355,460	\$ 2,378,785	
I&S Debt Service Fund (40.57%)	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	\$ 2,590,341	
Total Tax Revenue	\$ 4,459,010	\$ 4,577,832	\$ 5,018,378	\$ 4,807,041	\$ 4,899,556	\$ 4,922,786	\$ 4,945,801	\$ 4,969,126	
Revenue Difference									
Additional Revenue	\$0	\$118,822	\$559,368	\$348,031	\$440,546	\$463,776	\$486,791	\$510,116	
% Increase in Revenue	0.0%	2.7%	12.5%	7.8%	9.9%	10.4%	10.9%	11.4%	
Residential Taxpayer Impact Analysis									
Residential Value	ETR Tax Paid	Difference in Tax Paid from Effective Tax Rate							
		Alternate Tax Rate 1	Alternate Tax Rate 2	Alternate Tax Rate 3	Rollback Tax Rate	Alternate Tax Rate 4	Alternate Tax Rate 5	Alternate Tax Rate 6	
Average - \$222,088	\$692.14	\$22.26	\$104.79	\$65.20	\$82.53	\$86.89	\$91.20	\$95.57	
Average Homestead - \$216,030	\$672.54	\$21.63	\$101.83	\$63.36	\$80.20	\$84.43	\$88.62	\$92.86	
Median - \$171,365	\$532.81	\$17.14	\$80.67	\$50.19	\$63.54	\$66.89	\$70.20	\$73.57	

Mr. Carruth explained the differences in the Alternate Tax Rates and stated the proposed budget is based on the Rollback Tax Rate of 8.00%.

Mr. Carruth then reviewed the rate design alternatives for the water, wastewater and natural gas accounts (below).

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Table 1
Rate Design Alternatives - Water
FY 2016

	Existing Rates	Options		
		1 3% Merit, Portion of 5%	2 3% Merit, 5%	3 3% Merit, 15%
Gallons in Minimum Bills	2,000	1,500	1,500	1,500
1 Monthly Minimum Bills:				
2 5/8 x 3/4 Inch	\$ 18.42	\$ 18.79	\$ 18.88	\$ 19.16
3 1 Inch	22.28	22.73	22.84	23.17
4 1.5Inch	41.51	42.34	42.55	43.17
5 2 Inch	64.60	65.89	66.22	67.18
6 3 Inch	126.18	128.70	129.33	131.23
7 4 Inch & Larger	195.45	199.36	200.34	203.27
8				
9 Outside to Inside Ratios	1.38	1.38	1.38	1.38
10				
11 Volumetric Rates:				
Residential:				
12 1 to 1,000	\$ -	\$ -	\$ -	\$ -
13 1,001 to 1,500	-	-	-	-
14 1,501 to 2,000	-	4.93	4.95	5.02
15 2,001 to 5,000	4.83	4.93	4.95	5.02
16 5,001 to 10,000	4.83	4.93	4.95	5.02
17 10,001 to 15,000	5.69	5.80	5.83	5.92
18 15,001 to 20,000	6.48	6.61	6.64	6.74
19 Over 20,000	6.48	6.61	6.64	6.74
20				
21				
Commercial:				
22 1 to 1,000	\$ -	\$ -	\$ -	\$ -
23 1,001 to 1,500	-	-	-	-
24 1,501 to 2,000	-	4.93	4.95	5.02
25 2,001 to 5,000	4.83	4.93	4.95	5.02
26 5,001 to 10,000	4.83	4.93	4.95	5.02
27 10,001 to 15,000	5.69	5.80	5.83	5.92
28 15,001 to 20,000	6.48	6.61	6.64	6.74
29 Over 20,000	6.48	6.61	6.64	6.74
30				
31				
32 Outside to Inside Ratios	1.41	1.41	1.41	1.41
33				
34 Revenues Generated:				
35 From Monthly Minimum Bill	\$ 2,236,096	\$ 2,280,818	\$ 2,291,998	\$ 2,325,540
36 From Volume Rates	4,469,959	4,731,678	4,774,971	4,844,845
37 Totals	\$ 6,705,689	\$ 7,032,496	\$ 7,066,969	\$ 7,170,384
38 Change in Revenues->		4.87%	5.39%	6.93%
39 Water: Avg. Res. Bill @ 7,000 Gallons	\$ 44.99	\$ 45.88	\$ 46.11	\$ 46.78
40 Change->	\$	0.90	1.12	1.40

Table 2
Rate Design Alternatives - Wastewater
FY 2016

	Existing Rates	Options		
		1 3% Merit, Portion of 5%	2 3% Merit, 5%	3 3% Merit, 15%
Gallons in Minimum Bills	2,000	1,500	1,500	1,500
1 Monthly Minimum Bills:				
2 5/8 x 3/4 inch	\$ 16.40	\$ 16.62	\$ 17.34	\$ 17.49
3 1 inch	20.61	21.02	21.55	21.86
4 1.5inch	20.61	21.02	21.55	21.86
5 2 inch	20.61	21.02	21.55	21.86
6 3 inch	20.61	21.02	21.55	21.86
7 4 inch & Larger	20.61	21.02	21.55	21.86
8				
9 Outside to Inside Ratios	-	-	-	-
10				
11 Volumetric Rates:				
Residential:				
12 1 to 1,000	\$ -	\$ -	\$ -	\$ -
13 1,001 to 1,500	-	-	-	-
14 1,501 to 2,000	-	3.08	3.16	3.20
15 2,001 to 5,000	3.02	3.08	3.16	3.20
16 5,001 to 10,000	3.55	3.62	3.71	3.77
17 10,001 to 15,000	-	3.62	3.71	3.77
18 15,001 to 20,000	-	-	-	-
19 Over 20,000	-	-	-	-
20				
21				
Commercial:				
22 1 to 1,000	\$ -	\$ -	\$ -	\$ -
23 1,001 to 1,500	-	-	-	-
24 1,501 to 2,000	-	3.08	3.16	3.20
25 2,001 to 5,000	3.02	3.08	3.16	3.20
26 5,001 to 10,000	3.55	3.62	3.71	3.77
27 10,001 to 15,000	-	3.62	3.71	3.77
28 15,001 to 20,000	3.55	3.62	3.71	3.77
29 Over 20,000	3.55	3.62	3.71	3.77
30				
31				
32 Outside to Inside Ratios	1.40	1.40	1.40	1.40
33				
34 Revenues Generated:				
35 From Monthly Minimum Bill	\$ 1,123,304	\$ 1,145,770	\$ 1,151,387	\$ 1,168,217
36 From Volume Rates	1,140,553	1,370,615	1,377,333	1,397,489
37 Totals	\$ 2,263,857	\$ 2,516,385	\$ 2,528,720	\$ 2,565,726
38 Change in Revenues->		11.15%	11.70%	13.33%
39 Sewer: Avg. Res. Bill @ 7,000 Gallons	\$ 32.65	\$ 34.84	\$ 35.71	\$ 36.24
40 Change->	\$	2.19	3.06	3.59

Table 3
Rate Design Alternatives - Natural Gas
FY 2016

	Existing Rates	Options		
		1 3% Merit, Portion of 5%	2 3% Merit, 5%	3 3% Merit, 15%
1 Monthly Minimum Bills:				
2 Residential - Fulton	\$ 17.85	\$ 17.85	\$ 17.85	\$ 17.85
3 Residential - Inside	17.85	17.85	17.85	17.85
4 Residential - Outside	17.85	17.85	17.85	17.85
5 Commercial - Fulton	17.85	17.85	17.85	17.85
6 Commercial - Inside	17.85	17.85	17.85	17.85
7 Commercial - Outside	17.85	17.85	17.85	17.85
8				
9 Volumetric Rates:				
Residential:				
10 1 to 1,000	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99
11 1,001 to 2,000	1.99	1.99	1.99	1.99
12 2,001 to 3,000	1.99	1.99	1.99	1.99
13 3,001 to 5,000	1.99	1.99	1.99	1.99
14 5,001 to 10,000	1.99	1.99	1.99	1.99
15 10,001 to 15,000	1.99	1.99	1.99	1.99
16 Over 15,000	1.99	1.99	1.99	1.99
17				
18				
Commercial:				
19 1 to 1,000	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99
20 1,001 to 2,000	1.99	1.99	1.99	1.99
21 2,001 to 3,000	1.99	1.99	1.99	1.99
22 3,001 to 5,000	1.99	1.99	1.99	1.99
23 5,001 to 10,000	1.99	1.99	1.99	1.99
24 10,001 to 15,000	1.99	1.99	1.99	1.99
25 Over 15,000	1.99	1.99	1.99	1.99
26				
27				
28 Revenues Generated:				
29 From Monthly Minimum Bill	\$ 989,229	\$ 989,229	\$ 989,229	\$ 989,229
30 From Volume Rates	376,036	376,036	376,036	376,036
31 Totals	\$ 1,365,265	\$ 1,365,265	\$ 1,365,265	\$ 1,365,265
32 Change in Revenues->				0.0%
33 Gas: Avg. Res. Bill @ 2,000 BTU	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83
34 Change->	\$	-	-	-

Mr. Carruth presented the water and wastewater financial summary (below). Mr. Carruth stated the proposed budget is based on Option 1 that includes: 3% merit increases, 5% compensation plan phase 1, which will begin at second quarter of Fiscal Year 2015-2016.

		Options FY 2015 - 2016				
		1	2	3		
		3% Merit	3% Merit	3% Merit		
		1,500 Gallons	1,500 Gallons	1,500 Gallons		
		15,000 Gallons	15,000 Gallons	15,000 Gallons		
		Part of 5%	5%	15%		
Description	Actual 2013-14	Revised 2014-15	Salary Survey	Salary Survey	Salary Survey	
Salary Changes ->						
Change Minimum to Include 1,500 Gallons						
Residential Sewer Cap from 10,000 Gallons						
1 Water Sales	\$ 6,268,964	\$ 6,627,497	\$ 7,032,496	\$ 7,066,969	\$ 7,170,388	
2 Wastewater Sales	2,051,706	2,217,998	2,516,385	2,528,720	2,565,726	
3 Fulton Sewer Revenue	178,371	196,822	180,000	180,000	180,000	
4 All Other Charges for Services	444,520	69,308	414,000	414,000	414,000	
5 Transfers	90,000	90,000	90,000	90,000	90,000	
6 Other Revenues	67,465	77,293	82,500	82,500	82,500	
7 Interest on Investments	5,953	6,020	6,000	6,000	6,000	
8 Total Sources of Funds	\$ 9,106,979	\$ 9,284,938	\$ 10,321,381	\$ 10,368,189	\$ 10,508,614	
9						
10 Customer Service	\$ 339,959	\$ 378,386	\$ 458,659	\$ 461,885	\$ 487,557	
11 Water Storage & Distribution	4,207,208	4,309,284	4,776,314	4,781,698	4,847,589	
12 Sewer Collection & Treatment	1,405,665	1,595,527	1,869,570	1,874,846	1,917,139	
13 Environmental	94,491	138,241	194,372	195,540	204,925	
14 Non-departmental O&M	132,449	101,694	141,303	141,303	141,303	
15 Total Operating & Maintenance	\$ 6,179,771	\$ 6,523,131	\$ 7,440,218	\$ 7,455,272	\$ 7,598,513	
16						
17 Debt Service - Existing	\$ 1,709,032	\$ 1,747,791	\$ 1,758,017	\$ 1,758,017	\$ 1,758,017	
18 Debt Service - Planned	-	-	-	-	-	
18 Payment-In-Lieu-of-Taxes	350,314	375,971	394,770	394,770	394,770	
19 Transfer to General Fund - G&A	329,989	383,017	424,937	424,937	424,937	
20 Transfer to General Fund - Admin	235,000	249,100	261,555	261,555	261,555	
21 Other Transfers	21,790	21,790	21,790	21,790	21,790	
22 Non-Operating - Subtotal	\$ 2,646,125	\$ 2,777,669	\$ 2,861,069	\$ 2,861,069	\$ 2,861,069	
23						
24 Total Uses of Funds	\$ 8,825,896	\$ 9,300,799	\$ 10,301,286	\$ 10,316,341	\$ 10,459,581	
25						
26 Sources Minus Uses of Funds	\$ 281,083	\$ (15,861)	\$ 20,095	\$ 51,849	\$ 49,033	
27						
28 Beginning Working Capital Balance	\$ 5,105,326	\$ 5,803,097	\$ 5,787,236	\$ 5,787,236	\$ 5,787,236	
29 Ending Working Capital Balance	\$ 5,803,097	\$ 5,787,236	\$ 5,807,330	\$ 5,839,084	\$ 5,836,268	
30 Days of Working Capital->	240	227	206	207	204	
31						
32 <u>Percentage Increases:</u>						
33 Water	17.74%	2.38%	2.00%	2.50%	4.00%	
34 Sewer	4.88%	6.68%	2.00%	2.50%	4.00%	
35 Overall	14.29%	3.43%	6.46%	6.98%	8.55%	

Mr. Carruth reviewed the residential utility rate proposal customer impacts (below).

Residential Utility Rate Proposal Customer Impacts				
Utility	Current	Option 1 3% Merit	Option 2 3% Merit + 5%	Option 3 3% Merit + 15%
Water	\$ 44.99	\$ 45.88	\$ 46.11	\$ 46.78
Wastewater	\$ 32.65	\$ 34.84	\$ 35.71	\$ 36.24
Gas	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83
Garbage	\$ 20.11	\$ 20.51	\$ 20.51	\$ 20.51
Total	\$ 119.58	\$ 123.06	\$ 124.16	\$ 125.36
Difference	\$ -	\$ 3.48	\$ 4.58	\$ 5.78
% Change	0.0%	2.9%	3.8%	4.8%

**Assumes average consumption of 7,000 gallons*

A brief recess was taken by Council from 10:00 a.m. until 10:16 a.m.

Mayor Wax stated the Council would now review the Hotel Occupancy Tax fund. Mayor Wax said the projections for Fiscal Year 2015-2016 are \$845,968.

Discussion was held among Council in regard to the policy that had previously been set in regard to funding events for the first year only with Hotel Occupancy Tax revenue.

Mayor Wax stated the Council should establish a policy for Hotel Occupancy Tax revenue disbursement for non-profits and for-profit organizations and look at what the organizations are producing per the hotel occupancy tax guidelines.

Mayor Wax stated that an additional request and application had been received from AIM Hospice in the amount of \$2,000.

Council held discussion on the amounts requested from each organization.

It was the consensus of Council to reduce the amount of hotel occupancy tax revenue grant funds to the Rockport Yacht Club to \$2500.

It was the consensus of Council that a separate fund account should be set up for the City's Sesquicentennial Celebration, with all expenditures to be approved by Council.

City Manager Kevin Carruth stated this will be done by a Resolution of the Council.

Discussion was held among Council in regard to establishing a line item for purchase of a trolley.

It was the consensus of Council to place \$35,000 into a line item for a trolley.

Mayor Wax asked if the Council Members had any other items they would like to discuss in regard to the proposed budget.

Mayor Pro-Tem Rios stated he would like to revisit the Public Works Department request for an additional staff person.

Discussion was held among Council, Mr. Carruth, and Mr. Donoho in regard to the request for an additional staff person for the reception area of the Service Center.

Council took a recess for lunch from 11:30 a.m. until 12:20 a.m.

Discussion was held among Council and Mr. Carruth in regard to the fund balance as it relates to operating days.

Mayor Wax noted that the budget numbers this year do not allow for annexation, but the City is going to have to annex in the near future.

Ms. Howard informed the Council that the tentative dates for the two (2) required public hearings are August 25, 2015 at 6:30 p.m. and September 8, 2015 at 1:30 p.m.

Mayor Wax thanked Mr. Carruth, Ms. Howard and Department Directors for the clarity of the proposed budget. Mayor Wax thanked the citizens who attended the budget workshops.

3. Adjournment.

At 12:55 p.m., the meeting adjourned.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING 1:30 p.m., Tuesday, July 28, 2015 Rockport City Hall, 622 East Market Street

On the 28th day of July 2015, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 1:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member Rusty Day, Ward 1
Council Member J. D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
Attorney Rob Baiamonte
City Secretary Teresa Valdez
Police Chief Tim Jayroe
Public Works Director Mike Donoho
Finance Director Patty Howard
Information Technology Director Brian Jacobs
Parks & Leisure Services Director Tom Staley

ELECTED OFFICIALS

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Regular Meeting of the Rockport City Council was called to order by Mayor Wax at 1:30 p.m. on Tuesday, July 28, 2015, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

2. Pledge of Allegiance.

Mayor Pro-Tem Rios led the Pledges of Allegiance to the U.S. and Texas flags.

3. Citizens to be heard.

At this time comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary

before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take any action on any item that has not been posted on the agenda.

There were no citizen comments.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

4. **Deliberate and act on approval of City Regular Meeting Minutes of July 14, 2015.**
5. **Deliberate and act on cancellation of September 22, 2015, Workshop and Regular City Council meetings and scheduling a Special Meeting for September 15, 2015.**

Mayor Wax called for requests to remove any item from the Consent Agenda for separate discussion. There being no requests, Mayor Wax called for a motion.

MOTION: Council Member Villa moved to adopt the Consent Agenda Items as presented. Council Member Gurtner seconded the motion. Motion carried unanimously.

Regular Agenda

6. **Hear and deliberate on presentation by Aransas County Independent School District on Tax Ratification Election.**

Aransas County Independent School District Superintendent Joey Patek addressed the Council. Mr. Patek presented information (below) on Aransas County Independent School District's August 18th tax ratification election.

 	<ul style="list-style-type: none"> • Ballot Proposition: Approving the combined ad valorem tax rate of \$1.156 per \$100 valuation in Aransas County Independent School District for the current. • What it means: Voters are being asked to raise the Maintenance and Operations (M&O) tax rate by two cents to provide for additional teaching staff and an improved Teacher Salary Scale. The Interest and Sinking (I&S) rate will be reduced by two cents, leaving the overall school tax rate the same at \$1.156. ACISD is able to keep 100% of the additional taxes raised – <u>none of it has to be sent to the State.</u>
<p>Aransas County ISD</p> <p>TRE</p> <p>Election Facts</p>	

- **Why we need this election:** ACISD's existing (M&O) tax rate of \$1.04 has been the same since 2007, but our expenses have not. The extra tax money raised through property valuation increases has been sent to the State as a part of its Robin Hood redistribution. We continue to lose ground.
- ACISD has an opportunity to provide much needed additional Teacher positions and to improve our Teacher Salary Scale. This will help us keep pace with other school districts. This two cent increase is the **ONLY** source of additional revenue available to us under Texas law.

Median Teacher Salaries Within 30 mile radius (based on 2014-15 Salary Schedules)	
District	Current Salary
Aransas County ISD	\$45,896
Sinton	\$48,170
Aransas Pass	\$48,229
Port Aransas	\$49,167
Ingleside	\$50,450
Gregory Portland	\$52,064

- **What is the difference between M&O tax rate and I&S tax rate:**

The M&O tax rate is what is used to pay for everyday expenses: salaries, utilities, equipment, technology and transportation. I&S is used to pay off bonds the District sells for major projects including new facilities and other construction projects. ACISD recently refinanced its bonded debt and plans to reduce the I&S tax rate by two cents.

	M&O	I&S	Total
Current	\$1.04005	0.116	\$1.15605
Proposed	\$1.06	0.096	\$1.156

- Approval of this two cents tax increase is a way to keep tax money working for ACISD instead of being sent to the State for redistribution. Since 2003, ACISD has sent \$61.6 million in local tax revenue to Austin to be parceled out to other school districts. That amounts to nearly 20% of our annual M&O budget. **Saying Yes** ensures your tax money **stays local**.

Election Ballot language will have the statement below which can be confusing to voters:

- Approving the ad valorem tax rate of \$1.156 per 100 valuation in the Aransas County Independent School District for the current year, a rate that is \$.02 higher per 100 valuation than the school district rollback rate.

	M&O	I&S	Total
Current	\$1.04005	0.116	\$1.15605
Proposed	\$1.06	0.096	\$1.156

- Remember, the total Tax Rate **stays** the **same**!

Dates of the Election

- **Early Voting**
August 3—14, 2015 from 8:00 a.m.—4:30 p.m.
- **Election Day**
August 18, 2015 from 7:00 a.m.—7:00 p.m.
- **Place**
Aransas County ISD Administration Building
1700 Omohundro Street, Rockport, Texas

Mr. Patek stated he was concerned about the ballot language; he felt it was confusing to voters. Mr. Patek said the important thing to remember was that the total tax rate stays the same.

Discussion was held among Council and Mr. Patek.

7. Deliberate and act on establishment of a YMCA Development Committee.

Mayor Wax stated that last night was the last meeting of the YMCA Project Committee. Mayor Wax said the YMCA Project Committee had been given a sunset date of July 31st to bring a proposal to the City Council, and the Council had received a presentation from the YMCA Project Committee at the July 14th Council meeting. Mayor Wax added that the Committee had produced a long-range plan responsive to survey results, as well as an artist drawing of a proposed YMCA building. Mayor Wax informed everyone that the next step is appointment of a YMCA Development Committee to take the work done by the YMCA Project Committee and advance to point-to-plan. Mayor Wax stated the YMCA Development Committee should be a cross-section of the community and consist of approximately seven (7) members. Mayor Wax said the target date for appointment of the YMCA Development Committee will be the end of August.

MOTION: Mayor Wax moved to establish a YMCA Development Committee consisting of approximately seven (7) members. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

8. Hear and deliberate on Republic Services request for a Consumer Price Index increase for the base residential rate.

Republic Services Municipal Marketing Manager Mike Reeves addressed the Council. Mr. Reeves stated per the contract with the City, Republic Services is requesting a 4.15% increase in rates due to increases in the Consumer Price Index and gasoline. Mr. Reeves said that per the contract, Republic Services will need to adjust the calculation method to cover the unusual changes in operating costs. Mr. Reeves informed the Council that the new Index will more accurately reflect a true measurement of the costs associated with the services, and is in line with what City residents are invoiced for water, sewer, and garbage fees. Mr. Reeves explained the calculations as shown in the letter (below) he had sent to the City Manager.

July 21, 2015

Mr. Kevin Carruth
City Manager
City of Rockport
622 E. Market St.
Rockport, TX 78382

Dear Mr. Carruth:

In accordance with section 14.02 (a)-(d) of the Solid Waste Collection and Disposal Contract between Allied Waste Services of Texas/Republic Services of Corpus Christi and the City of Rockport, we hereby submit a comparative statement reflecting a 4.15% increase in the Base Residential Rate to become effective October 1, 2015.

Our operating and disposal costs have increased over the past few years and continue to rise. Per our contract we will need to adjust the calculation method to cover the unusual changes in these operating costs. This new Index will more accurately reflect a true measurement of the costs associated with our services, and is in line with what your residents are invoiced for regarding water, sewer, and garbage fees.

The following calculation will be used moving forward: *All Urban Consumers (Water, Sewer and Trash Collection Services)* U.S. City Average, as published by United States Department of Labor, Bureau of Statistics (the "CPI"). Rates will be adjusted using the most recently available trailing 12 months average CPI compared to the 12 months preceding. For example, if the CPI price increase is scheduled for October 1, 2015, and the latest CPI index available is the month of June 1, 2015 the CPI price increase percentage would be computed as the % change from:

The average CPI for the 12 months - June 2014 through May, 2015
against
The average CPI for the 12 months - June 2013 through May, 2014*

W/S/T Index	
CPI June 2015	208.720
CPI June 2014	200.404
Index Change	8.32
Net Percentage Change	4.15
Applicable Contract Percentage	100%
Rate Modification Percentage	4.15%

The Base Residential Contract Rate at October 1, 2014 was \$20.11 and applying the above "Combined Rate Modification Percentage," the new Base Residential Rate effective October 1, 2015 will become \$20.94.

Should you have any questions concerning the price increase or our service, please do not hesitate to call me.

Sincerely,

Mike Reeves
Municipal Marketing Manager
361-549-3097
mreeves@republicservices.com



Option 2-

	W/S/T	Gasoline
CPI June 2015	208.720	241.676
CPI June 2014	200.404	317.962
Index Change	8.32	-75.69
Net Percentage Change	4.15	-23.85
Applicable Contract Percentage	100%	10.0%
Rate Modification Percentage	4.15	-2.39
Combined Rate Modification %		1.76%

Mr. Reeves stated the proposed new rate would increase the residential rate from \$20.11 by \$.083 to \$20.94 but Republic Services is also offering a second option with an increase of 1.76% or \$0.35 to \$20.46.

Discussion was held among Council, City Manager Kevin Carruth, and Mr. Reeves.

Mayor Wax stated this was not an action item for consideration today but will have to be placed on another Agenda for consideration.

Louis M. Tanner addressed the Council . Mr. Tanner stated he previously lived in San Antonio where there is automated garbage service. Mr. Tanner voiced comments in support of the City moving toward automated garbage service.

9. Deliberate and act on second reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 3404 Highway 35 South; also known as Lot 1, 18.733 acres, Bays of Rockport, Rockport, Aransas County, Texas from R-1 (1st Single-Family Dwelling District) to R-6 (Hotel/Motel District); repealing all ordinances in conflict therewith; providing for severability; and providing an effective date.

Mayor Wax stated there had been no changes in form or content of the Ordinance since its first reading.

MOTION: Council Member Villa moved to approve the second reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 3404 Highway 35 South; also known as Lot 1, 18.733 acres, Bays of Rockport, Rockport, Aransas County, Texas, from R-1 (1st Single-Family Dwelling District) to R-6 (Hotel/ Motel District); repealing all ordinances in conflict therewith; providing for severability; and providing an effective date, until the developer submits additional information on the development plans. Mayor Pro Tem Rios seconded the motion. Motion carried unanimously.

10. Reports from Council.

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee, Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Keep Rockport Beautiful Advisory Board; Parks & Leisure Services Advisory Board; Planning Zoning Commission; Rockport Heritage Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Project Committee; Texas Maritime Museum; Fulton Mansion; Rockport Center for the Arts; Aransas County; Aransas County Independent School District; Aransas County Navigation District; Town of Fulton; and Texas Municipal League. No formal action can be taken on these items at this time.

Mayor Wax stated he had previously informed the Council of a discussion with Fulton Mayor Kendrick regarding enhanced trolley operations. Mayor Wax said he has talked to Mayor Kendrick and asked if he would be willing to serve as the City's agent to go and inspect some compressed

natural gas trolleys . Mayor Wax informed the Council that Mayor Kendrick has said he is willing to act as the City's agent and technical advisor and will charge the City only for travel.

Mayor Wax thanked Attorney Rob Baiamonte for filling in while City Attorney Terry Baiamonte is accompanying their daughter while she takes her bar exam.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

- 11. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: 1) Templeton, 2) Petty, 3) Aumada, and 4) Bay Education Center.**
- 12. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.**

At 2:11 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: 1) Templeton, 2) Petty, 3) Aumada, and 4) Bay Education Center; and Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

- 13. City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.**

At 2:32 p.m., Mayor Wax reconvened the Rockport City Council into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

No action was taken.

14. Adjournment

At 2:33 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios and carried unanimously.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 5

Deliberate and act to appoint a citizen to Rockport Parks & Leisure Services Board.

SUBMITTED BY: Mayor Charles J. Wax

APPROVED FOR AGENDA: PKC

BACKGROUND: An application to serve on the Parks and Leisure Services Board was received from Kathryn Morrow. Ms. Morrow had previously served on the Board for two years and recently went off the board.

Park and Leisure Services Advisory Board

Place	Member	End of Term	Ward	Comments
1	<i>VACANT</i>	June 1, 2018		
2	Ty Brigill	June 1, 2018	1	
3	Leo Villa	June 1, 2017	2	
4	Kathryn Morrow	June 1, 2018	3	
5	Cassandra Perkins	June 1, 2017	2	
6	<i>VACANT</i>	June 1, 2016		
7	Ellen Kennard	June 1, 2016	4	

Council Liaison: J.D. Villa

Staff Liaison: Tom Staley

FISCAL ANALYSIS: N/A

STAFF RECOMMENDATION: Staff recommends appointment of Kathryn Morrow to the Parks and Leisure Services Board, as presented.

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 6

Conduct a Public Hearing on proposal to increase water, wastewater, and solid waste collection rates for all customers.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: The proposed FY 2015-2016 budget assumes the following increases in the utility rates:

- Water – 5.39% and lowering the minimum from 2,000 gallons to 1,500 gallons
- Wastewater – 11.7% and increasing the cap from 10,000 gallons to 15,000 gallons
- Sanitation – 1.76%

There are no changes proposed of the gas rate.

FISCAL ANALYSIS: The proposed rates will result in 206 days of operating capital for water and sewer, down from the expected end of year total of 227 days. The operating capital for the gas system will go from 239 days to 233 days. The City's goal for all funds is a minimum of 180 days of operating capital. The table below details the impact on the average residential customer.

**Proposed Utility Rate Impacts
on Average Residential Customer**

Utility	Current	Proposed
Water*	\$ 44.99	\$ 45.88
Wastewater *	\$ 32.65	\$ 34.84
Gas	\$ 21.83	\$ 21.83
Solid Waste	\$ 20.11	\$ 20.46
Total	\$ 119.58	\$ 123.01
Difference	\$ -	\$ 3.43
% Change	0.0%	2.9%

**Average consumption of 7,000 gallons*

RECOMMENDATION: Not an action item.



PUBLIC HEARING

Rockport City Council

NOTICE is hereby given that the City of Rockport will hold a Public Hearing on Tuesday, August 11, 2015 at 6:30 p.m. at the Rockport City Hall, 622 E. Market Street, Rockport, Texas on a proposal to increase water, wastewater and solid waste for all customers. The rate will be effective on September 15, 2015. The City's customers will note an increase in rates with the November 1, 2015 utility billing.

The City encourages citizens to participate and to make their views known at this public hearing. Citizens unable to attend this meeting may submit their written comments to City Manager Kevin Carruth, 622 E. Market Street, Rockport, TX 78382 or email at citymgr@cityofrockport.com. For further information please contact the Finance Director Patty Howard at 361-729-2213 ext. 228 or email at finance@cityofrockport.com. This facility and parking spaces are wheelchair accessible. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting by contacting the Office of the City Secretary at 361/729-2213 extension 225 or email at citysec@cityofrockport.com. Braille is not available.

POSTED this the 28th day of July 2015, by 5:00 p.m., on the bulletin board at Rockport City Hall, 622 E. Market Street, Rockport, Texas 78382 and on the webpage at www.cityofrockport.com.

PUBLISHED in *The Rockport Pilot* in the Saturday, August 1, 2015, Edition.

CITY OF ROCKPORT

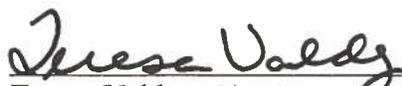

Teresa Valdez, City Secretary

Table 1
Proposed Rates - Water
FY 2016

	Existing Rates		Proposed	
	Inside Rates	Outside Rates	Inside Rates	Outside Rates
Gallons in Minimum Bills	2,000	2,000	1,500	1,500
1 Monthly Minimum Bills:				
2 5/8 x 3/4 Inch	\$ 18.42	\$ 25.46	\$ 18.79	\$ 25.97
3 1 Inch	22.28	30.83	22.73	31.45
4 1.5inch	41.51	57.56	42.34	58.71
5 2 Inch	64.60	89.65	65.89	91.44
6 3 Inch	126.18	175.25	128.70	178.76
7 4 Inch & Larger	195.45	271.54	199.36	276.97
8				
9 Volumetric Rates:				
10 <u>Residential:</u>				
11 1 to 1,000	\$ -	\$ -	\$ -	\$ -
12 1,001 to 1,500	-	-	-	-
13 1,501 to 2,000	-	-	4.93	6.97
14 2,001 to 5,000	4.83	6.83	4.93	6.97
15 5,001 to 10,000	4.83	6.83	4.93	6.97
16 10,001 to 15,000	5.69	8.06	5.80	8.22
17 15,001 to 20,000	6.48	9.19	6.61	9.37
18 Over 20,000	6.48	9.19	6.61	9.37
19				
20 <u>Commercial:</u>				
21 1 to 1,000	\$ -	\$ -	\$ -	\$ -
22 1,001 to 1,500	-	-	-	-
23 1,501 to 2,000	-	-	4.93	6.97
24 2,001 to 5,000	4.83	6.83	4.93	6.97
25 5,001 to 10,000	4.83	6.83	4.93	6.97
26 10,001 to 15,000	5.69	8.06	5.80	8.22
27 15,001 to 20,000	6.48	9.19	6.61	9.37
28 Over 20,000	6.48	9.19	6.61	9.37
29				
30 Wholesale Rates		5.24		5.34
31				
32 <u>Revenues Generated:</u>				
33 From Monthly Minimum Bill		\$ 2,236,096		\$ 2,280,818
34 From Volume Rates		4,469,593		4,751,678
35 Totals		\$ 6,705,689		\$ 7,032,496
36 Change in Revenues->				4.87%
37 Water: Avg. Res. Bill @ 7,000 Gallons	\$ 42.57	\$ 59.61	\$ 45.88	\$ 64.29
38 Change ->			\$ 3.31	\$ 4.68

Table 2
Rate Design Alternatives - Wastewater
FY 2016

	Existing Rates		Proposed	
	Inside Rates	Outside Rates	Inside Rates	Outside Rates
Gallons in Minimum Bills	2,000	2,000	1,500	1,500
1 Monthly Minimum Bills:				
2 5/8 x 3/4 Inch	\$ 16.49	\$ 23.09	\$ 16.82	\$ 23.55
3 1 Inch	20.61	28.85	21.02	29.43
4 1.5inch	20.61	28.85	21.02	29.43
5 2 Inch	20.61	28.85	21.02	29.43
6 3 Inch	20.61	28.85	21.02	29.43
7 4 Inch & Larger	20.61	28.85	21.02	29.43
8				
9 Volumetric Rates:				
10 <u>Residential:</u>				
11 1 to 1,000	\$ -	\$ -	\$ -	\$ -
12 1,001 to 1,500	-	-	-	-
13 1,501 to 2,000	-	-	3.08	4.31
14 2,001 to 5,000	3.02	4.23	3.08	4.31
15 5,001 to 10,000	3.55	4.97	3.62	5.07
16 10,001 to 15,000	-	-	3.62	5.07
17 15,001 to 20,000	-	-	-	-
18 Over 20,000	-	-	-	-
19				
20 <u>Commercial:</u>				
21 1 to 1,000	\$ -	\$ -	\$ -	\$ -
22 1,001 to 1,500	-	-	-	-
23 1,501 to 2,000	-	-	-	-
24 2,001 to 5,000	3.02	4.23	3.08	4.31
25 5,001 to 10,000	3.55	4.97	3.62	5.07
26 10,001 to 15,000	3.55	4.97	3.62	5.07
27 15,001 to 20,000	3.55	4.97	3.62	5.07
28 Over 20,000	3.55	4.97	3.62	5.07
29				
30 <u>Revenues Generated:</u>				
31 From Monthly Minimum Bill		\$ 1,123,304		\$ 1,145,770
32 From Volume Rates		1,140,553		1,370,615
33 Totals		\$ 2,263,857		\$ 2,516,385
34 Change in Revenues->				11.15%
35 Sewer: Avg. Res. Bill @ 7,000 Gallons	\$ 32.65	\$ 45.72	\$ 34.84	\$ 48.79
36 Change ->			\$ 2.19	\$ 3.07



City of Rockport, Texas

CPI Adjustment Commencing October 1, 2015

Consumer Price Index	(W/S/T) for:		10 % of Fuel	
	June 2015	208.7200	June 2015	241.676
	June 2014	200.4040	June 2014	317.362

Computation of Increase :	All Items:	=	4.15%
	Fuel:	=	-2.38%
	TOTAL=		1.76%

CATEGORY	FREQUENCY OF COLLECTION	RATE PER MONTH	INCREASE FACTOR	NEW RATE PER MONTH					
Residential Hand Collectio		\$20.11	1.0176	\$20.46					
Commercial Hand Collectic		\$28.32	1.0176	\$28.82					New Rate
Commercial : Container Service						Additional Containers			
2 Cubic Yard Container	1/wk	\$74.05	1.0176	\$75.36	2 Cu Yd	1/wk	\$56.87	1.0176	\$57.87
	2/wk	\$150.06	1.0176	\$152.71		2/wk	\$103.90	1.0176	\$105.73
	3/wk	\$190.98	1.0176	\$194.35		3/wk	\$138.65	1.0176	\$141.10
	4/wk	\$234.87	1.0176	\$239.01		4/wk	\$181.47	1.0176	\$184.67
	5/wk	\$300.46	1.0176	\$305.76		5/wk	\$232.04	1.0176	\$236.13
	6/wk	\$346.28	1.0176	\$352.39		6/wk	\$267.70	1.0176	\$272.42
3 Cubic Yard Container	1/wk	\$89.79	1.0176	\$91.37	3 Cu Yd	1/wk	\$69.36	1.0176	\$70.58
	2/wk	\$182.96	1.0176	\$186.19		2/wk	\$130.06	1.0176	\$132.36
	3/wk	\$232.64	1.0176	\$236.75		3/wk	\$162.68	1.0176	\$165.55
	4/wk	\$280.25	1.0176	\$285.20		4/wk	\$205.45	1.0176	\$209.08
	5/wk	\$328.14	1.0176	\$333.93		5/wk	\$256.07	1.0176	\$260.59
	6/wk	\$392.38	1.0176	\$399.30		6/wk	\$306.28	1.0176	\$311.69
4 Cubic Yard Cont	1/wk	\$106.55	1.0176	\$108.43	4 Cu Yd	1/wk	\$82.50	1.0176	\$83.96
	2/wk	\$205.80	1.0176	\$209.43		2/wk	\$157.77	1.0176	\$160.55
	3/wk	\$294.80	1.0176	\$300.00		3/wk	\$233.28	1.0176	\$237.40
	4/wk	\$409.26	1.0176	\$416.48		4/wk	\$317.52	1.0176	\$323.12
	5/wk	\$505.93	1.0176	\$514.86		5/wk	\$391.50	1.0176	\$398.41
	6/wk	\$625.73	1.0176	\$636.77		6/wk	\$485.18	1.0176	\$493.74
6 Cubic Yard Container	1/wk	\$126.45	1.0176	\$128.68	6 Cu Yd	1/wk	\$98.85	1.0176	\$100.59
	2/wk	\$247.64	1.0176	\$252.01		2/wk	\$201.04	1.0176	\$204.59
	3/wk	\$369.55	1.0176	\$376.07		3/wk	\$280.59	1.0176	\$285.54
	4/wk	\$487.32	1.0176	\$495.92		4/wk	\$381.39	1.0176	\$388.12
	5/wk	\$623.16	1.0176	\$634.16		5/wk	\$487.23	1.0176	\$495.83
	6/wk	\$732.46	1.0176	\$745.39		6/wk	\$573.17	1.0176	\$583.29
8 Cubic Yard Container	1/wk	\$161.15	1.0176	\$163.99	8 Cu Yd	1/wk	\$126.28	1.0176	\$128.51
	2/wk	\$318.95	1.0176	\$324.58		2/wk	\$235.41	1.0176	\$239.56
	3/wk	\$445.70	1.0176	\$453.57		3/wk	\$345.08	1.0176	\$351.17
	4/wk	\$575.44	1.0176	\$585.60		4/wk	\$431.23	1.0176	\$438.84
	5/wk	\$712.01	1.0176	\$724.58		5/wk	\$560.47	1.0176	\$570.36
	6/wk	\$854.08	1.0176	\$869.15		6/wk	\$672.33	1.0176	\$684.20

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 7

Deliberate and act on presentation of proposed Fiscal Year 2015-2016 Budget.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: Pursuant to the City of Rockport Charter Article VII, Municipal Finance, Section 7.02 the City Manager shall submit a proposed budget for the ensuing fiscal year and budget message on or before the first regular scheduled meeting in August of each year.

Sec. 7.02 Submission of Budget

- 1) On or before the first regular scheduled meeting in August of each year, the City Manager shall submit to the City Council a proposed budget for the ensuing fiscal year and budget message. The City Council shall review the proposed budget and make any appropriate changes prior to publishing the final budget.

Sec. 7.03 Budget

- 1) The Budget shall consist of three (3) parts as follows:
 - a) Part I shall contain:
 - i. Budget message prepared by the City Manager which shall outline a fiscal policy for the City government, describing therein the important features of the budget with reference both to proposed expenditures and anticipated income for the ensuing year;
 - ii. A general budget summary with supporting schedules, which shall exhibit the aggregate figures of the budget in such manner as to show a balanced relationship between the total proposed expenditures and the total anticipated income for the fiscal year covered by the budget, and which shall compare these figures with the corresponding figures of the last completed fiscal year and the year in progress.
 - b) Part II shall contain:
 - i. Detailed estimates of all proposed expenditures, showing the corresponding expenditures for each item for the current fiscal year and the last preceding fiscal year with explanations of increases or decreases recommended as compared with appropriations for the current fiscal year;
 - ii. Detailed estimates of anticipated revenues and other income;

- iii. Delinquent taxes for current and preceding years, with estimated percentages collectible;
 - iv. Statements of the bonded debt redemption and interest requirements, the debt authorized and unissued, the condition of the sinking funds, if any, and the borrowing capacity of the City.
- c) Part III shall contain a complete draft of the budget ordinance, including an appropriation ordinance and such other ordinances as may be required to finance the budget.

The Budget Message will be presented at the meeting.

FISCAL ANALYSIS:

RECOMMENDATION: Staff recommends approval of the budget as presented.

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 8

Deliberate and act by taking record vote on proposed 2015 property tax rate for Fiscal Year 2015-2016 Budget and scheduling dates for two required public hearings on proposed tax rate.

SUBMITTED BY: Finance Director Patty Howard

APPROVED FOR AGENDA: PKC

BACKGROUND: During the course of the budget workshops, the City Council has determined that an 8% effective increase in the maintenance and operation portion of ad valorem taxes is necessary. The proposed rate is \$0.364858 per \$100.00 of valuation. State law requires a taxing unit's government body to vote on any increase in the effective tax rate by a record vote. The government body is also required to schedule two public hearings on the proposed tax rate increase.

FISCAL ANALYSIS: As shown in the accompanying table, the proposed rate will increase ad valorem revenue 8.5% (\$397,390) and result in an increase in ad valorem taxes paid by the average homestead by \$72.79.

RECOMMENDATION: Staff recommends the City Council propose a tax rate of \$0.364858 and schedule two public hearings, the first on August 25, 2015 at 6:30 p.m. and the second on September 8, 2015 at 1:30 p.m. By statute, a roll call vote must be taken and recorded by the City Secretary.

Final Ad Valorem Tax Rate Comparison FY 2015-2016

Percentage M & O Increase	Effective	Alternate	Alternate	Alternate	Rollback	Alternate	Alternate	Alternate
	Tax Rate (ETR)	Tax Rate 1 \$0.01 Increase Above ETR	Tax Rate 2 \$0.01 Increase Above Rollback	Tax Rate 3	Tax Rate	Tax Rate 4	Tax Rate 5	Tax Rate 6
	0%	-3.67%	12.93%	4.00%	8.00%	9.00%	10.00%	11.00%
M & O Tax Rate	\$ 0.185370	\$ 0.195370	\$ 0.229047	\$ 0.210930	\$ 0.219047	\$ 0.221075	\$ 0.223095	\$ 0.225135
I & S Tax Rate	\$ 0.145811	\$ 0.145811	\$ 0.145811	\$ 0.145811	\$ 0.145811	\$ 0.145811	\$ 0.145811	\$ 0.145811
TOTAL TAX RATE	\$ 0.331181	\$ 0.341181	\$ 0.374858	\$ 0.356741	\$ 0.364858	\$ 0.366886	\$ 0.368906	\$ 0.370946
Total Taxable Value	\$ 1,191,922,557	\$ 1,191,922,557	\$ 1,191,922,557	\$ 1,191,922,557	\$ 1,191,922,557	\$ 1,191,922,557	\$ 1,191,922,557	\$ 1,191,922,557
Total Tax Levy								
Total Tax Levy	\$ 3,947,421	\$ 4,066,613	\$ 4,468,017	\$ 4,252,076	\$ 4,348,825	\$ 4,372,997	\$ 4,397,074	\$ 4,421,389
Over 65 Frozen taxes	\$ 757,050	\$ 757,050	\$ 757,050	\$ 757,050	\$ 757,050	\$ 757,050	\$ 757,050	\$ 757,050
Disabled Frozen taxes	\$ 14,396	\$ 14,396	\$ 14,396	\$ 14,396	\$ 14,396	\$ 14,396	\$ 14,396	\$ 14,396
Total Tax Levy	\$ 4,718,867	\$ 4,838,059	\$ 5,239,463	\$ 5,023,522	\$ 5,120,271	\$ 5,144,443	\$ 5,168,520	\$ 5,192,835
Total Tax Revenue								
Total Levy	\$ 4,718,867	\$ 4,838,059	\$ 5,239,463	\$ 5,023,522	\$ 5,120,271	\$ 5,144,443	\$ 5,168,520	\$ 5,192,835
Collection Ratio	99%	99%	99%	99%	99%	99%	99%	99%
Total Tax Revenue	\$ 4,671,678	\$ 4,789,679	\$ 5,187,068	\$ 4,973,287	\$ 5,069,068	\$ 5,092,999	\$ 5,116,835	\$ 5,140,907
Revenue Allocation by Fund								
M & O General Fund (55.31%)	\$ 2,583,614	\$ 2,701,615	\$ 3,099,004	\$ 2,885,223	\$ 2,981,004	\$ 3,004,935	\$ 3,028,771	\$ 3,052,843
I&S Debt Service Fund (44.69%)	\$ 2,088,064	\$ 2,088,064	\$ 2,088,064	\$ 2,088,064	\$ 2,088,064	\$ 2,088,064	\$ 2,088,064	\$ 2,088,064
Total Tax Revenue	\$ 4,671,678	\$ 4,789,679	\$ 5,187,068	\$ 4,973,287	\$ 5,069,068	\$ 5,092,999	\$ 5,116,835	\$ 5,140,907
Revenue Difference								
Additional Revenue	\$0	\$118,000	\$515,390	\$301,609	\$397,390	\$421,320	\$445,156	\$469,228
% Increase in Revenue	0.0%	2.5%	11.0%	6.5%	8.5%	9.0%	9.5%	10.0%
Residential Taxpayer Impact Analysis								
Residential Value	ETR Tax Paid	Difference in Tax Paid from Effective Tax Rate						
		Alternate Tax Rate 1	Alternate Tax Rate 2	Rollback Tax Rate	Rollback Tax Rate	Alternate Tax Rate 3	Alternate Tax Rate 4	Alternate Tax Rate 5
Average - \$222,692	\$737.51	\$22.27	\$97.27	\$56.92	\$75.00	\$79.51	\$84.01	\$88.55
Average Homestead - \$216,139	\$715.81	\$21.61	\$94.40	\$55.25	\$72.79	\$77.17	\$81.54	\$85.95
Median - \$170,385	\$564.28	\$17.04	\$74.42	\$43.55	\$57.38	\$60.84	\$64.28	\$67.75

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 9

Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article II. “Water Service”, Division 3. “Service Charges” by Amending Water Rates for all Customers; Providing for the Validity of Said Ordinance; Repealing all Prior Ordinances in Conflict Herewith; and Providing for an Effective Date.

SUBMITTED BY: Finance Director Patty Howard

APPROVED FOR AGENDA: PKC

BACKGROUND: Chapter 102 of the Code of Ordinances covers the Utilities provided by the City of Rockport.

The average residential user inside the city limits of Rockport with 7,000 gallons of water use will see a \$3.31 increase for water on the utility. The average residential user outside the city limits of Rockport with 7,000 gallons of water use will see a \$4.68 increase for water on the utility.

Robert McLain of McLain Decision Support Systems, our rate consultant, has projected water revenues for FT 2015-2016 to be \$7,032,496 with a 4.87% volumetric and minimum increase, and lowering the minimum charge from 2,000 to 1,500 gallons.

FISCAL ANALYSIS: This increase will generate the revenue needed to maintain the FY 2015-2016 budget.

RECOMMENDATION: Staff recommends approval of the Ordinance amending the water volumetric and minimum rate by 4.87% and lowering the minimum charge to 1,500 gallons.

Table 1
Proposed Rates - Water
FY 2016

	Existing Rates		Proposed	
	Inside Rates	Outside Rates	Inside Rates	Outside Rates
Gallons in Minimum Bills	2,000	2,000	1,500	1,500
1 Monthly Minimum Bills:				
2 5/8 x 3/4 Inch	\$ 18.42	\$ 25.46	\$ 18.79	\$ 25.97
3 1 Inch	22.28	30.83	22.73	31.45
4 1.5inch	41.51	57.56	42.34	58.71
5 2 Inch	64.60	89.65	65.89	91.44
6 3 Inch	126.18	175.25	128.70	178.76
7 4 Inch & Larger	195.45	271.54	199.36	276.97
8				
9 Volumetric Rates:				
10 <u>Residential:</u>				
11 1 to 1,000	\$ -	\$ -	\$ -	\$ -
12 1,001 to 1,500	-	-	-	-
13 1,501 to 2,000	-	-	4.93	6.97
14 2,001 to 5,000	4.83	6.83	4.93	6.97
15 5,001 to 10,000	4.83	6.83	4.93	6.97
16 10,001 to 15,000	5.69	8.06	5.80	8.22
17 15,001 to 20,000	6.48	9.19	6.61	9.37
18 Over 20,000	6.48	9.19	6.61	9.37
19				
20 <u>Commercial:</u>				
21 1 to 1,000	\$ -	\$ -	\$ -	\$ -
22 1,001 to 1,500	-	-	-	-
23 1,501 to 2,000	-	-	4.93	6.97
24 2,001 to 5,000	4.83	6.83	4.93	6.97
25 5,001 to 10,000	4.83	6.83	4.93	6.97
26 10,001 to 15,000	5.69	8.06	5.80	8.22
27 15,001 to 20,000	6.48	9.19	6.61	9.37
28 Over 20,000	6.48	9.19	6.61	9.37
29				
30 Wholesale Rates		5.24		5.34
31				
32 <u>Revenues Generated:</u>				
33 From Monthly Minimum Bill		\$ 2,236,096		\$ 2,280,818
34 From Volume Rates		4,469,593		4,751,678
35 Totals		\$ 6,705,689		\$ 7,032,496
36 Change in Revenues->				4.87%
37 Water: Avg. Res. Bill @ 7,000 Gallons	\$ 42.57	\$ 59.61	\$ 45.88	\$ 64.29
38 Change ->			\$ 3.31	\$ 4.68

ORDINANCE NO.

AN ORDINANCE AMENDING THE CITY OF ROCKPORT CODE OF ORDINANCES CHAPTER 102 “UTILITIES”, ARTICLE II. “WATER SERVICE”, DIVISION 3. “SERVICE CHARGES” BY AMENDING WATER RATES FOR ALL CUSTOMERS; PROVIDING FOR THE VALIDITY OF SAID ORDINANCE; REPEALING ALL PRIOR ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. AMENDMENT

That Chapter 102 “Utilities”, Article II. “Water Service”, Division 3 “Service Charges” is hereby amended to wit:

Sec. 102-56. - Water rates inside city limits.

(a) There shall be charged and collected by the city from all residential customers of water supplied by the city inside its city limits, as now or hereafter established, the amount of money based upon the size of the customers tap and the customers usage (in gallons of water), as set forth in the following schedule of rates and charges:

(1) For the first 1,500 gallons, or fractional part thereof, used in any one regular billing cycle by any one user, the following sum per cycle:

Tap Size (In Inches)	MINIMUM CHARGES	NEW CHARGES
3/4	\$18.42	\$18.79
1	\$22.28	\$22.73
1½	\$41.51	\$42.34
2	\$64.60	\$65.89
3	\$126.18	\$128.70
4	\$195.45	\$199.36
6	\$195.45	\$199.36

(2) If applicable, for all additional gallons used over 1,501 to 10,000, the sum of ~~\$4.83~~ **\$4.93** per month for each 1,000 gallons, or fractional part thereof, used in any one regular billing cycle.

(3) Conservation billing. If applicable for all gallons used over 10,001 to 15,000, the sum of ~~\$5.69~~ **\$5.80** each 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

(4) Conservation billing. If applicable for all gallons used over 15,001 and up, the sum of ~~\$6.48~~ **\$6.61** for each 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

(b) There shall be charged and collected by the city from all commercial customers of water supplied by the city inside its city limits, as now or hereafter established, the amount of money based upon the size of the customers tap and the customers usage (in gallons of water), as set forth in the following schedule of rates and charges, used in any one regular billing cycle by any one user, the following sum per cycle.

(1) For the first 1,500 gallons, or fractional part thereof, used in any one regular billing cycle by any one user, the following sum per cycle:

Tap Size (In Inches)	MINIMUM CHARGES	NEW CHARGES
¾	\$18.42	\$18.79
1	\$22.28	\$22.73
1½	\$41.51	\$42.34
2	\$64.60	\$65.89
3	\$126.18	\$128.70
4	\$195.45	\$199.36
6	\$195.45	\$199.36

(2) If applicable, for all additional gallons used over 1,501 to 10,000, the sum of ~~\$4.83~~ **\$4.93** per month for each 1,000 gallons, or fractional part thereof, used in any one regular billing cycle.

(3) Conservation billing. If applicable for all gallons used over 10,001 to 15,000, the sum of ~~\$5.69~~ **\$5.80** each 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

(4) Conservation billing. If applicable for all gallons used over 15,001 and up, the sum of ~~\$6.48~~ **\$6.61** for each 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

Sec. 102-57. - Wholesale water rates.

There shall be charged and collected by the city from all contracted resale customers, the sum of ~~\$5.24~~ **\$5.34** per month for each 1,000 gallons, or fractional part thereof, used in any one regular billing cycle.

Sec. 102-58. - Water rates outside city limits.

(a) There shall be charged and collected by the city from all customers of water supplied by the city outside its city limits, including customers residing within the Town of Fulton city limits, the amount of money based upon the size of the customer's tap and the customer's usage (in gallons of water), as set forth in the following schedule of rates and charges:

(1) For the first 1,500 gallons, or fractional part thereof, used in any one regular billing cycle by any one user, the following sum per cycle:

Tap Size (In Inches)	MINIMUM CHARGES	NEW CHARGES
¾	\$25.46	\$25.97
1	\$30.83	\$31.45
1½	\$57.56	\$58.71
2	\$89.65	\$91.44
3	\$175.25	\$178.76
4	\$271.54	\$276.97
6	\$271.54	\$276.97

(2) If applicable, for all additional gallons used over 1,501 to 10,000 gallons, the sum of ~~\$6.83~~ **\$6.97** per month for each 1,000 gallons, or fractional part thereof, used in any one regular billing cycle.

(3) Conservation billing. If applicable, for all gallons used over 10,001 to 15,000 the sum of ~~\$8.06~~ **\$8.22** per 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

(4) Conservation billing. If applicable for all gallons used over 15,001 and up, the sum of ~~\$9.19~~ **\$9.37** for each 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

(b) There shall be charged and collected by the city, for all commercial customers of water supplied by the city outside its city limits, as now or hereafter established, the amount of money based upon the size of the customers tap and the customer's usage (in gallons of water), as set forth in the following schedule of rates and charges, used in any one regular billing cycle by any one user, the following sum per cycle:

(1) For the first 1,500 gallons, or fractional part thereof, used in any one regular billing cycle by any one user, the following sum per cycle:

Tap Size (In Inches)	MINIMUM CHARGES	NEW CHARGES
3/4	\$25.46	\$25.97
1	\$30.83	\$31.45
1½	\$57.56	\$58.71
2	\$89.65	\$91.44
3	\$175.25	\$178.76
4	\$271.54	\$276.97
6	\$271.54	\$276.97

(2) If applicable, for all additional gallons used over 1,501 to 10,000 gallons, the sum of ~~\$6.83~~ **\$6.97** per month for each 1,000 gallons, or fractional part thereof, used in any one regular billing cycle.

(3) Conservation billing. If applicable, for all gallons used over 10,001 to 15,000 the sum of ~~\$8.06~~ **\$8.22** per 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

(4) Conservation billing. If applicable for all gallons used over 15,001 and up, the sum of ~~\$9.19~~ **\$9.37** for each 1,000 gallons or fractional part thereof, used in any one regular billing cycle.

Secs. 102-59—102-70. - Reserved.

SECTION 2. REPEALER.

Any previously adopted ordinances, and any subsequent amendments to them, which are in conflict with this Ordinance, are all hereby repealed.

SECTION 3. SEVERABILITY.

If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is, for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

SECTION 4. EFFECTIVE DATE.

This ordinance shall become effective upon adoption on second reading by the Rockport City Council and publication of the Ordinance caption in the official newspaper of the City of Rockport. Rates would become effective on September 15, 2015 and reflected on the November 1, 2015 billing.

APPROVED on first reading this the 11th day of August 2015.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second and final reading, this _____ day of August 2015.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 10

Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article III. “Wastewater Service”, Division 4. “Service Charges” by Amending Wastewater Rates for all Customers; Providing for the Validity of Said Ordinance; Repealing all Prior Ordinances in Conflict Herewith; and Providing for an Effective Date.

SUBMITTED BY: Finance Director Patty Howard

APPROVED FOR AGENDA: PKC

SUMMARY STATEMENT: Chapter 102 of the Code of Ordinances covers the Utilities provided by the City of Rockport

The average residential user inside the city limits of Rockport with 7,000 gallons of water use will see a \$2.19 increase for wastewater on the utility. The average residential user outside the city limits of Rockport with 7,000 gallons of water use will see a \$3.07 increase for wastewater on the utility.

BACKGROUND: Robert McLain of McLain Decision Support Systems, our rate consultant, has projected wastewater revenues for FY 2015-2016 to be \$2,516,385 with an 11.15% volumetric, and minimum increase as well as lowering the minimum to 1,500 and raising the cap to 15,000 for residential customers.

FISCAL ANALYSIS: This increase will generate the revenue needed to maintain the FY 2015-2016 budget.

RECOMMENDATION: Staff recommends approval of the Ordinance amending the waste water volumetric and minimum rate by 11.15% and lowering the minimum to 1,500 and raising the cap to 15,000 for residential customers.

Table 2
Rate Design Alternatives - Wastewater
FY 2016

	Existing Rates		Proposed	
	Inside Rates	Outside Rates	Inside Rates	Outside Rates
Gallons in Minimum Bills	2,000	2,000	1,500	1,500
1 Monthly Minimum Bills:				
2 5/8 x 3/4 Inch	\$ 16.49	\$ 23.09	\$ 16.82	\$ 23.55
3 1 Inch	20.61	28.85	21.02	29.43
4 1.5inch	20.61	28.85	21.02	29.43
5 2 Inch	20.61	28.85	21.02	29.43
6 3 Inch	20.61	28.85	21.02	29.43
7 4 Inch & Larger	20.61	28.85	21.02	29.43
8				
9 Volumetric Rates:				
10 <u>Residential:</u>				
11 1 to 1,000	\$ -	\$ -	\$ -	\$ -
12 1,001 to 1,500	-	-	-	-
13 1,501 to 2,000	-	-	3.08	4.31
14 2,001 to 5,000	3.02	4.23	3.08	4.31
15 5,001 to 10,000	3.55	4.97	3.62	5.07
16 10,001 to 15,000	-	-	3.62	5.07
17 15,001 to 20,000	-	-	-	-
18 Over 20,000	-	-	-	-
19				
20 <u>Commercial:</u>				
21 1 to 1,000	\$ -	\$ -	\$ -	\$ -
22 1,001 to 1,500	-	-	-	-
23 1,501 to 2,000	-	-	-	-
24 2,001 to 5,000	3.02	4.23	3.08	4.31
25 5,001 to 10,000	3.55	4.97	3.62	5.07
26 10,001 to 15,000	3.55	4.97	3.62	5.07
27 15,001 to 20,000	3.55	4.97	3.62	5.07
28 Over 20,000	3.55	4.97	3.62	5.07
29				
30 <u>Revenues Generated:</u>				
31 From Monthly Minimum Bill		\$ 1,123,304		\$ 1,145,770
32 From Volume Rates		1,140,553		1,370,615
33 Totals		\$ 2,263,857		\$ 2,516,385
34 Change in Revenues->				11.15%
35 Sewer: Avg. Res. Bill @ 7,000 Gallons	\$ 32.65	\$ 45.72	\$ 34.84	\$ 48.79
36 Change ->			\$ 2.19	\$ 3.07

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY OF ROCKPORT CODE OF ORDINANCES CHAPTER 102 “UTILITIES”, ARTICLE III. “WASTEWATER SERVICE”, DIVISION 4. “SERVICE CHARGES” BY AMENDING WASTEWATER RATES FOR ALL CUSTOMERS; PROVIDING FOR THE VALIDITY OF SAID ORDINANCE; REPEALING ALL PRIOR ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. AMENDMENT

That Chapter 102 “Utilities”, Article II. “Wastewater Service”, Division 4 “Service Charges” is hereby amended to wit:

Sec. 102-266. Wastewater rates inside city limits.

a) *Residential/single-family.* There shall be charged and collected by the city from all residential/single-family customers connected to wastewater utility system inside its city limits, as now or hereafter established, the amount of money based upon the customer's water tap and the customer's usage (in gallons of water, as set forth in the following schedule of rates and charges:

1. For the first 0 to 1,500 gallons, or fractional part thereof, used in any one billing calendar month by any one user, the following sum per month:

TABLE INSET:

Wastewater Tap Size (Inches)	Minimum Charge	New Rate
3/4	\$16.49	\$16.82
1 or larger	\$20.61	\$21.02

2. For all additional gallons used over 1,500 gallons the sum of ~~\$3.02~~ **\$3.08** for each 1,000 gallons up to 5,000 gallons or fractional part thereof, used in any one billing cycle.
3. For all additional gallons used over 5,000 gallons the sum of ~~\$3.55~~ **\$3.62** for each 1,000 gallons up to 15,000 gallons or fractional part thereof, used in any one calendar month.

b) *Nonresidential/non-single-family.* There shall be charged and collected by the city from all nonresidential/non-single-family customers connected to wastewater utility system inside its city limits, as now or hereafter established, the amount of money based upon the customer's water tap and the customer's water usage (in gallons of water), as set forth in the following schedule or rates and charges:

1. For the first 1,500 gallons, or fractional part thereof, used in any one billing calendar month by any one user, the following sum per month, to wit:

TABLE INSET:

Water Tap Size (Inches)	Minimum Charge	New Charges
3/4	\$16.49	\$16.82
1	\$20.61	\$21.02
1 -1/2	\$24.74	\$25.24
2	\$32.98	\$33.64
3	\$65.96	\$67.28
4 and larger	\$103.07	\$105.12

2. For all additional gallons used over 1,500 the sum of ~~\$3.02~~ **\$3.08** for each 1,000 gallons up to 5,000 or fractional part thereof.
3. For all additional gallons used over 5,000 the sum of ~~\$3.55~~ **\$3.62** for each 1,000 gallons or fractional part thereof.

Sec. 102-267. Wastewater rates outside city limits.

- a) *Residential/single-family.* There shall be charged and collected by the city from all residential/single-family customers connected to wastewater utility system outside its city limits, as now or hereafter established, the amount of money based upon the customer's water tap and the customer's water usage (in gallons of water), as set forth in the following schedule of rates and charges:
 1. For the first 0 to 1,500 gallons, or fractional part thereof, used in any one billing calendar month by any one user the following sum per month:

TABLE INSET:

Water Tap Size (Inches)	Minimum Charge	New Charges
3/4	\$23.09	\$23.55
1 or larger	\$28.85	\$29.43

2. For all additional gallons used over 1,500 gallons the sum of ~~\$4.23~~ **\$4.31** for each 1,000 gallons up to 5,000 gallons or fractional part thereof, used in any one billing cycle.
3. For all additional gallons used over 5,000 gallons the sum of ~~\$4.97~~ **\$5.07** for each 1,000 gallons up to 15,000 gallons or fractional part thereof, used in any one calendar month.

- b) *Nonresidential/non-single-family.* There shall be charged and collected by the city from all nonresidential/non-single-family customers connected to wastewater utility system outside its city limits, as now or hereafter established, the amount of money based upon the customer's water tap and the customer's water usage (in gallons of water), as set forth in the following schedule of rates and charges:
 1. For the first 0 to 1,500 gallons, or fractional part thereof, used in any one billing calendar month by any one user, the following sum per month:

TABLE INSET:

Water Tap Size (Inches)	Minimum Charge	New Charges
3/4	\$23.09	\$23.55
1	\$28.85	\$29.43
1 1/2	\$34.64	\$35.33
2	\$46.18	\$47.10
3	\$92.36	\$94.19
4 or larger	\$144.30	\$147.17

2. For all additional gallons used over 1,500 the sum of ~~\$4.23~~ **\$4.31** for each 1,000 gallons up to 5,000 or fractional part thereof.
3. For all additional gallons used over 5,000 the sum of ~~\$4.97~~ **\$5.07** for each 1,000 gallons or fractional part thereof.

Sec. 102-268. Contracted wastewater rates.

Wastewater rates charged to contracted wastewater customers shall not be affected by this division.

Sec. 102-269. Rates if not on city water.

Any person using the city wastewater utility system, and not connected full-time to its municipal water system shall pay the following monthly charges:

TABLE INSET:

Account Type	Inside the City Limits	NEW – Inside City Limits	Outside the City Limits	NEW – Outside City Limits
Residential/Single-family	\$29.25	\$29.84	\$39.48	\$40.27
Nonresidential/non-single family	\$33.37	\$33.96	\$45.04	\$45.83
Commercial operations (car washes/laundry), minimum*	\$139.10	\$147.90	\$185.00	\$196.70

*Rate will be determined by the director of public works or his designee by comparing like services to other nonresidential users.

Secs. 102-270--102-290 Reserved for future use.

SECTION 2. REPEALER.

Any previously adopted ordinances, and any subsequent amendments to them, which are in conflict with this Ordinance, are all hereby repealed.

SECTION 3. SEVERABILITY.

If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is, for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

SECTION 4. EFFECTIVE DATE.

This ordinance shall become effective upon adoption on second reading by the Rockport City Council and publication of the Ordinance caption in the official newspaper of the City of Rockport. Rates would become effective on September 15, 2015 and reflected on the November 1, 2015 billing.

APPROVED on first reading this the 11th day of August 2015.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second and final reading, this _____ day of August 2015.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Special Meeting: Tuesday, August 11, 2015

AGENDA ITEM: 11

Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances, Chapter 82 “Solid Waste” Article II. “Refuse Collection”, Section 82.39 “Fee Schedule” Setting New Fees For Service; Repealing all Prior Ordinances in Conflict Herewith; and Providing for Publication and an Effective Date.

SUBMITTED BY: Finance Director Patty Howard, City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: As authorized in section 14.02 of the accompanying agreement, RepublicServices of Corpus Christi is requesting a 1.76% increase in rates due to increases in the Consumer Price Index. The proposed new rate would increase the residential rate from \$20.11 by \$0.35 to \$20.46.

FISCAL ANALYSIS: This will be an increase of \$0.35 on a residential customer solid waste bill monthly. There will be a small increase in the revenues for franchise and administration fees to General Fund due to this increase. The new rates and fees will be reflected on the November 1, 2015 utility bill.

RECOMMENDATION: Staff recommends City Council approve on first reading an Ordinance increasing solid waste rates by 1.76%, as presented.

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY OF ROCKPORT CODE OF ORDINANCES, CHAPTER 82 “SOLID WASTE” ARTICLE II. “REFUSE COLLECTION”, SECTION 82.39 “FEE SCHEDULE”; REPEALING ALL PRIOR ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. SECTION 82.39 "FEE SCHEDULE" AMENDMENT.

That the Rockport Code of Ordinances, Chapter 82 “Solid Waste”, Article II. “Refuse Collection”, Section 82.39 “Fee Schedule, is hereby amended to read as follows:

Sec. 82-39. - Fee schedule.

The monthly fees charged for refuse collection shall be as follows:

- (1) Residential hand collection rate: ~~\$20.11~~—**\$20.46**
- (2) Commercial hand collection rate: ~~\$28.32~~—**\$28.82**
- (3) Commercial container customers, each additional container price and extra pickup charges:

Commercial Container Customers

Container Size	1X	2X	3X	4X	5X	6X
2 cu yd	74.05	150.06	190.98	234.87	300.46	346.28
3 cu yd	89.79	182.96	232.64	280.25	328.14	392.38
4 cu yd	106.55	205.80	294.80	409.26	505.93	625.73
6 cu yd	126.45	247.64	369.55	487.32	623.16	732.46
8 cu yd	161.15	318.95	445.70	575.44	712.01	854.08

<u>Container Size</u>	<u>1X</u>	<u>2X</u>	<u>3X</u>	<u>4X</u>	<u>5X</u>	<u>6X</u>
<u>2 cu vd</u>	<u>\$75.36</u>	<u>\$152.71</u>	<u>\$194.35</u>	<u>\$239.01</u>	<u>\$305.76</u>	<u>\$352.39</u>
<u>3 cu vd</u>	<u>\$91.37</u>	<u>\$186.19</u>	<u>\$236.75</u>	<u>\$285.20</u>	<u>\$333.93</u>	<u>\$399.30</u>
<u>4 cu vd</u>	<u>\$108.43</u>	<u>\$209.43</u>	<u>\$300.00</u>	<u>\$416.48</u>	<u>\$514.86</u>	<u>\$636.77</u>
<u>6 cu vd</u>	<u>\$128.68</u>	<u>\$252.01</u>	<u>\$376.07</u>	<u>\$495.92</u>	<u>\$634.16</u>	<u>\$745.39</u>
<u>8 cu vd</u>	<u>\$163.99</u>	<u>\$324.58</u>	<u>\$453.57</u>	<u>\$585.60</u>	<u>\$724.58</u>	<u>\$869.15</u>

Each Additional Container

Container Size	1X	2X	3X	4X	5X	6X
2 cu yd	56.87	103.90	138.65	181.47	232.04	267.70
3 cu yd	69.36	130.06	162.68	205.45	256.07	306.28
4 cu yd	82.50	157.77	233.28	317.52	391.50	485.18
6 cu yd	98.85	201.04	280.59	381.39	487.23	573.17
8 cu yd	126.28	235.41	345.08	431.23	560.47	672.33

<u>Container Size</u>	<u>1X</u>	<u>2X</u>	<u>3X</u>	<u>4X</u>	<u>5X</u>	<u>6X</u>
<u>2 cu vd</u>	<u>\$57.87</u>	<u>\$105.73</u>	<u>\$141.10</u>	<u>\$184.67</u>	<u>\$236.13</u>	<u>\$272.42</u>
<u>3 cu vd</u>	<u>\$70.58</u>	<u>\$132.36</u>	<u>\$165.55</u>	<u>\$209.08</u>	<u>\$260.59</u>	<u>\$311.69</u>
<u>4 cu vd</u>	<u>\$83.96</u>	<u>\$160.55</u>	<u>\$237.40</u>	<u>\$323.12</u>	<u>\$398.41</u>	<u>\$493.74</u>
<u>6 cu vd</u>	<u>\$100.59</u>	<u>\$204.59</u>	<u>\$285.54</u>	<u>\$388.12</u>	<u>\$495.83</u>	<u>\$583.29</u>
<u>8 cu vd</u>	<u>\$128.51</u>	<u>\$239.56</u>	<u>\$351.17</u>	<u>\$438.84</u>	<u>\$570.36</u>	<u>\$684.20</u>

SECTION 2. REPEALER.

Any previously adopted ordinances, and any subsequent amendments to them, which are in conflict with this Ordinance, are all hereby repealed.

SECTION 4. SEVERABILITY.

If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is, for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

SECTION 5. EFFECTIVE DATE.

This ordinance shall become effective upon adoption on second reading by the Rockport City Council and publication of the Ordinance caption in the official newspaper of the City of Rockport. Rates would become effective on September 15, 2015 and reflected on the November 1, 2015 billing.

APPROVED on first reading this the 11th day of August 2015.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second and final reading, this the ____ day of August 2015.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

July 21, 2015

Mr. Kevin Carruth
 City Manager
 City of Rockport
 622 E. Market St.
 Rockport, TX. 78382

Dear Mr. Carruth;

In accordance with section 14.02 (a)-(d) of the Solid Waste Collection and Disposal Contract between Allied Waste Services of Texas//Republic Services of Corpus Christi and the City of Rockport, we hereby submit a comparative statement reflecting a 4.15% increase in the Base Residential Rate to become effective October 1, 2015.

Our operating and disposal costs have increased over the past few years and continue to rise. Per our contract we will need to adjust the calculation method to cover the unusual changes in these operating costs. This new Index will more accurately reflect a true measurement of the costs associated with our services, and is in line with what your residents are invoiced for regarding water, sewer, and garbage fees.

The following calculation will be used moving forward: *All Urban Consumers (Water, Sewer and Trash Collection Services)* U.S. City Average, as published by United States Department of Labor, Bureau of Statistics (the "CPI"). Rates will be adjusted using the most recently available trailing 12 months average CPI compared to the 12 months preceding. For example, if the CPI price increase is scheduled for October 1, 2015, and the latest CPI index available is the month of June 1, 2015 the CPI price increase percentage would be computed as the % change from:

The average CPI for the 12 months – June 2014 through May, 2015
 against

The average CPI for the 12 months - June 2013 through May, 2014"

	<u>W/S/T Index</u>
CPI June 2015	208.720
CPI June 2014	200.404
Index Change	8.32
Net Percentage Change	4.15
Applicable Contract Percentage	100%
Rate Modification Percentage	4.15%

The Base Residential Contract Rate at October 1, 2014 was \$20.11 and applying the above "Combined Rate Modification Percentage," **the new Base Residential Rate effective October 1, 2015 will become \$20.94.**

Option 2-

	<u>W/S/T</u>	<u>Gasoline</u>
CPI June 2015	208.720	241.676
CPI June 2014	200.404	317.362
Index Change	8.32	-75.69
Net Percentage Change	4.15	-23.85
Applicable Contract Percentage	100%	10.0%
Rate Modification Percentage	4.15	-2.39
Combined Rate Modification %		1.76%

Current Contract Method-

	<u>All Items</u>	<u>Gasoline</u>
CPI June 2015	236.619	262.081
CPI June 2014	230.829	297.060
Index Change	5.79	-34.98
Net Percentage Change	2.51	-11.70
Applicable Contract Percentage	100%	10.0%
Rate Modification Percentage	2.51	-1.17
Combined Rate Modification %		1.34%

**The All Items will not be used moving forward if the City approves the index change to W/S/T. The fuel index can remain or be removed as listed in option 2. Please approve option 1 or 2 at the next Council meeting.

**Gasoline is based on "All Types" vs. unleaded on option 2.

Should you have any questions concerning the price increase or our service, please do not hesitate to call me.

Sincerely,

Mike Reeves
Municipal Marketing Manager
361-549-3097
mreeves@republicservices.com





City of Rockport, Texas

CPI Adjustment Commencing October 1, 2015

Consumer Price Index

(W/S/T) for:			10 % of Fuel	
June 2015	208.7200		June 2015	241.676
June 2014	200.4040		June 2014	317.362

Computation of Increase :

All Items:	=	4.15%
Fuel:	=	-2.38%
TOTAL=		1.76%

CATEGORY	FREQUENCY OF COLLECTION	RATE PER MONTH	INCREASE FACTOR	NEW RATE PER MONTH					
Residential Hand Collectio		\$20.11	1.0176	\$20.46					
Commercial Hand Collectic		\$28.32	1.0176	\$28.82					New Rate
Commercial : Container Service									Additional Containers
2 Cubic Yard Container	1/wk	\$74.05	1.0176	\$75.36	2 Cu Yd	1/wk	\$56.87	1.0176	\$57.87
	2/wk	\$150.06	1.0176	\$152.71		2/wk	\$103.90	1.0176	\$105.73
	3/wk	\$190.98	1.0176	\$194.35		3/wk	\$138.65	1.0176	\$141.10
	4/wk	\$234.87	1.0176	\$239.01		4/wk	\$181.47	1.0176	\$184.67
	5/wk	\$300.46	1.0176	\$305.76		5/wk	\$232.04	1.0176	\$236.13
	6/wk	\$346.28	1.0176	\$352.39		6/wk	\$267.70	1.0176	\$272.42
3 Cubic Yard Container	1/wk	\$89.79	1.0176	\$91.37	3 Cu Yd	1/wk	\$69.36	1.0176	\$70.58
	2/wk	\$182.96	1.0176	\$186.19		2/wk	\$130.06	1.0176	\$132.36
	3/wk	\$232.64	1.0176	\$236.75		3/wk	\$162.68	1.0176	\$165.55
	4/wk	\$280.25	1.0176	\$285.20		4/wk	\$205.45	1.0176	\$209.08
	5/wk	\$328.14	1.0176	\$333.93		5/wk	\$256.07	1.0176	\$260.59
	6/wk	\$392.38	1.0176	\$399.30		6/wk	\$306.28	1.0176	\$311.69
4 Cubic Yard Cont	1/wk	\$106.55	1.0176	\$108.43	4 Cu Yd	1/wk	\$82.50	1.0176	\$83.96
	2/wk	\$205.80	1.0176	\$209.43		2/wk	\$157.77	1.0176	\$160.55
	3/wk	\$294.80	1.0176	\$300.00		3/wk	\$233.28	1.0176	\$237.40
	4/wk	\$409.26	1.0176	\$416.48		4/wk	\$317.52	1.0176	\$323.12
	5/wk	\$505.93	1.0176	\$514.86		5/wk	\$391.50	1.0176	\$398.41
	6/wk	\$625.73	1.0176	\$636.77		6/wk	\$485.18	1.0176	\$493.74
6 Cubic Yard Container	1/wk	\$126.45	1.0176	\$128.68	6 Cu Yd	1/wk	\$98.85	1.0176	\$100.59
	2/wk	\$247.64	1.0176	\$252.01		2/wk	\$201.04	1.0176	\$204.59
	3/wk	\$369.55	1.0176	\$376.07		3/wk	\$280.59	1.0176	\$285.54
	4/wk	\$487.32	1.0176	\$495.92		4/wk	\$381.39	1.0176	\$388.12
	5/wk	\$623.16	1.0176	\$634.16		5/wk	\$487.23	1.0176	\$495.83
	6/wk	\$732.46	1.0176	\$745.39		6/wk	\$573.17	1.0176	\$583.29
8 Cubic Yard Container	1/wk	\$161.15	1.0176	\$163.99	8 Cu Yd	1/wk	\$126.28	1.0176	\$128.51
	2/wk	\$318.95	1.0176	\$324.58		2/wk	\$235.41	1.0176	\$239.56
	3/wk	\$445.70	1.0176	\$453.57		3/wk	\$345.08	1.0176	\$351.17
	4/wk	\$575.44	1.0176	\$585.60		4/wk	\$431.23	1.0176	\$438.84
	5/wk	\$712.01	1.0176	\$724.58		5/wk	\$560.47	1.0176	\$570.36
	6/wk	\$854.08	1.0176	\$869.15		6/wk	\$672.33	1.0176	\$684.20



City of Rockport

Collection and Disposal of Solid Waste Contract

Amendment of Contract

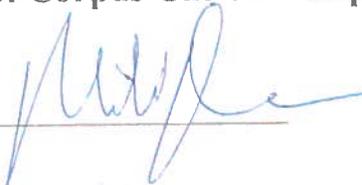
The following is an extension of the Contract dated and approved July 3, 2007 with the proposed changes: The effective date of the current base Contract was August 1, 2007.

Section One: Extension of Contract: BFI Waste Services of Texas LP d/b/a Allied Waste Services of Corpus Christi // Republic Services of Corpus Christi and the City of Rockport, Texas have agreed to extend the initial term of Contract from July 31, 2012 for a period of five (5) years. The new term will be August 1, 2012 through July 31, 2017. The extension of the five (5) year term of this Contract shall automatically be extended for successive additional five (5) year terms, unless either party notifies the other party in writing, not less than one hundred and twenty (120) days prior to the expiration of the initial five (5) year extension or of an successive five (5) year term, of its intentions to terminate this Contract. Any such written notice shall be serviced by certified or registered mail, return receipt requested.

Section Two: Service Changes

In the event the City of Rockport requests a change in frequency of service and/or requires an enhancement of services, the Contractor will allow these changes within the current term of the Contract provided both parties agree upon services and pricing. Any changes agreed upon by both parties may take 90-180 days to be implemented depending on the scope of work, capital investment, and equipment involved.

Allied Waste Services of Corpus Christi // Republic Services of Corpus Christi

By: Mike Reeves 

Title: Municipal Marketing Manager
P.O. Box 9236
Corpus Christi, Texas 78469



City of Rockport

By: Charles L. Wap

Title: Mayor City of Rockport

622 E. Market St,
Rockport, Texas 78382



CONTRACT

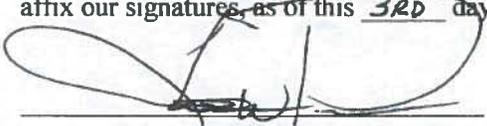
THIS CONTRACT, made and entered into this 1st day of August, 2007 by and between the City of Rockport, Texas (hereinafter called the "City"), and Allied Waste Services of Corpus Christi (hereinafter called "Contractor").

WITNESSES, THAT In consideration of the covenants and agreements, to be performed by the parties hereto and of the payments hereinafter agreed to be made, it is mutually agreed as follows:

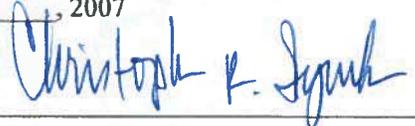
1. The Contractor is hereby granted the sole and exclusive franchise, license and privilege within the territorial jurisdiction of the City and shall furnish all personnel, labor, equipment, trucks, and all other items necessary to provide Residential Solid Waste & Yard Waste Collection and Disposal, Recycling Collection Services as specified and to perform all of the work called for and described in the Contract Documents.
2. The Contractor Documents shall include the following documents, and this Contract does hereby expressly incorporate same herein as fully as if set forth verbatim in this Contract:
 - a. The Contract
 - b. The General Specifications
 - c. Any addenda or changes to the forgoing documents agreed to by the parties hereto.
3. All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties, which consent shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.
4. This Contract is entered into subject to the following conditions:
 - a. The Contractor shall procure and keep in full force and effect throughout the term of this Contract all of the insurance policies specified in, and required by, the Contract Documents.
 - b. Neither the Contractor nor the City shall be liable for the failure to perform their duties if such is caused by a catastrophe, riot, war, governmental order or regulation, strike, fire, accident, act of God or other similar or different contingency beyond reasonable control of the Contractor.
 - c. In the event that any provision or portion thereof any Contract Document shall be found to be invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion of the Contract Documents.

- d. The failure or delay on the part of either party to exercise any right, power, privilege or remedy under this Contract shall not constitute a waiver thereof. No modification or waiver by either party of any provision shall be deemed to have been made unless made in writing. Any waiver by a party for one or more similar events shall not be construed to apply to any other events whether similar or not.
- e. This Contract shall be interpreted and governed by the laws of the state where the work is performed.
- f. This Contract sets forth the entire agreement of the parties and supersedes all prior agreements, whether written or oral, that exist between the parties regarding the subject matter of this Contract.
- g. If any litigation is commenced under this Contract, the successful party shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses and court or other costs incurred in such litigation or proceeding.

IN WITNESS WHEREOF, we, the contracting parties, by our duly authorized agents, hereto affix our signatures, as of this 3RD day of JULY, 2007



CITY OF ROCKPORT



ALLIED WASTE SERVICES

Todd W Pearson

PRINTED NAME

CHRISTOPHER R. SYNEK

PRINTED NAME



WITNESSES



WITNESS

ON: 17th July, 2007

CITY OF ROCKPORT

August 1, 2007

EXHIBIT A

<u>Residential Hand Collection</u>	\$18.75
City retains: 6% gross revenue fee	-\$1.13
2% bad debt allowance	-\$0.38
City billing fee	<u>-\$0.40</u>
Net amount paid to BFI/Allied Waste	\$16.84 per resident/ monthly

PER UNIT AS OUTLINED IN SPECIFICATION

Residential Unit Rate: \$18.75

Curbside Residential Garbage Collection – Twice a week pick-up

Curbside Residential Recycling Collection – Once a week pick up
Items for recycling: Aluminum Cans, Newspaper, Plastic #1 & #2, Tin

Curbside Residential Bundle Brush Pick-up
Cut and bundle brush tied in four-foot lengths second and forth
Wednesday and Saturday of the month

<u>Commercial Hand Collection:</u>	\$26.41
City retains: 6% gross revenue fee	-\$1.58
2% bad debt allowance	-\$0.53
City billing fee	<u>-\$0.40</u>
Net amount paid to BFI/Allied Waste	\$23.90

Commercial Hand Collection Rate: \$26.41
1 to 6 (30 gallon) containers picked up twice a week

NOTE: The City of Rockport will be responsible for billing all residential and commercial accounts within the City limits.

CITY OF ROCKPORT

PRICE MATRIX

AUGUST 1,2007

COMMERCIAL CONTAINER CUSTOMERSFREQUENCY PER WEEK

<u>Container Size</u>	<u>1X</u>	<u>2X</u>	<u>3X</u>	<u>4X</u>	<u>5X</u>	<u>6X</u>
2 cu yd	\$64.11	\$130.05	\$163.27	\$199.27	\$255.48	\$293.27
3 cu yd	\$76.32	\$155.79	\$194.71	\$231.69	\$268.95	\$321.44
4 cu yd	\$89.48	\$172.16	\$245.27	\$342.12	\$422.39	\$524.23
6 cu yd	\$103.10	\$201.29	\$300.15	\$395.18	\$507.03	\$594.13
8 cu yd	\$130.53	\$257.91	\$356.37	\$457.60	\$565.20	\$677.92

EACH ADDITIONAL CONTAINER PRICE

2 cu yd	\$48.08	\$87.01	\$114.47	\$149.48	\$191.69	\$220.01
3 cu yd	\$57.27	\$106.46	\$129.48	\$161.95	\$201.75	\$241.16
4 cu yd	\$67.06	\$127.37	\$187.90	\$256.59	\$315.70	\$393.17
6 cu yd	\$77.37	\$157.85	\$217.21	\$296.39	\$380.28	\$445.60
8 cu yd	\$98.00	\$180.01	\$262.54	\$323.11	\$423.90	\$508.44

CITY OF ROCKPORT, TEXAS

2007

CONTRACT DOCUMENTS
&

SPECIFICATIONS

SOLID WASTE COLLECTION AND DISPOSAL

SOLID WASTE COLLECTION AND DISPOSAL

GENERAL SPECIFICATIONS

1.00 DEFINITIONS

- 1.01 Bags
- 1.02 Bulky Waste
- 1.03 Bundle
- 1.04 City
- 1.05 Commodity
- 1.06 Commodity Buyer
- 1.07 Construction Debris
- 1.08 Container or (Bin)
- 1.09 Contract Documents
- 1.10 Contractor
- 1.11 Dead Animals
- 1.12 Disposal Site
- 1.13 Garbage
- 1.14 Hazardous Waste and Biohazard Medical Waste
- 1.15 Producer
- 1.16 Recyclable Materials
- 1.17 Refuse
- 1.18 Residential Refuse
- 1.19 Residential Unit
- 1.20 Commercial Refuse
- 1.21 Commercial Unit
- 1.22 Rubbish
- 1.23 Stable Matter

2.00 SCOPE OF WORK

- 2.01 General
- 2.02 Storms and Other Disasters

3.00 TYPE OF COLLECTION

- 3.01 Service Provided
- 3.02 Location of Containers, Bags and Bundles for Collection

4.00 OPERATION

- 4.01 Hours of Operation
- 4.02 Routes of Collection
- 4.03 Holidays
- 4.04 Complaints
- 4.05 Collection Equipment
- 4.06 Office
- 4.07 Hauling
- 4.08 Disposal

- 4.09 Delivery
- 4.10 Notification
- 4.11 Point of Contact

- 5.00 COMPLIANCE WITH LAWS

- 6.00 EFFECTIVE DATE

- 7.00 NONDISCRIMINATION

- 8.00 INDEMNITY

- 9.00 LICENSES AND TAXES

- 10.00 TERM

- 11.00 INTERRUPTION OF SERVICE & DEFAULT

- 12.00 INSURANCE

- 13.00 BOND
 - 13.01 Performance Bond
 - 13.02 Power of Attorney

- 14.00 BASIS AND METHOD OF PAYMENT
 - 14.01 Rates
 - 14.02 Modification to Rates
 - 14.03 Documentation
 - 14.04 Contractor Billings to City
 - 14.05 Rolloff Dumpsters

- 15.00 TRANSFERABILITY OF CONTRACT

- 16.00 EXCLUSIVE CONTRACT

- 17.00 DAMAGE TO PROPERTY

- 18.00 ATTORNEYS' FEES

- 19.00 INDEPENDENT CONTRACTOR

1.00 DEFINITIONS

- 1.01 Bags - Plastic sacks designed to store Refuse with sufficient wall strength to maintain physical integrity when lifted by top. Total weight of a bag and its contents shall not exceed 35 lbs.
- 1.02 Bulky Waste – Stoves, refrigerators and air conditioning units which are de-energized of chlorofluorocarbons (CFCs); water tanks, washing machines, furniture and other waste materials other than Construction Debris, Dead Animals, Hazardous Waste or Stable Matter with weights or volumes greater than those allowed for Containers.
- 1.03 Bundle – Tree, shrub and brush trimmings or newspaper and magazines securely tied together forming an easily handled package not exceeding three feet in length or 35 lbs. in weight.
- 1.04 City – City of Rockport, Texas
- 1.05 Commodity- Material that can be sold in a spot or future market for processing and use or reuse. Each Commodity shall retain its own identity and be kept separate.
- 1.06 Commodity Buyer- A buyer or processor, selected by the Contractor.
- 1.07 Construction Debris - Waste building materials resulting from construction, remodeling, repair or demolition operations at a Residential Unit or Municipal Facility.
- 1.08 Container or (Bin) – A receptacle designed for the purpose of curbside collection Recyclable Material. The receptacle shall be one made of plastic that has been accepted by other cities with experience in curbside recycling.
- 1.09 Contract Documents – This contract and any changes to it agreed to be the City and the Contractor in writing.
- 1.10 Contractor – The person, corporation or partnership performing collection under contract with the City.
- 1.11 Dead Animals – Animals or portions thereof equal to or greater than 10 lbs. in weight that have expired from any cause, except those slaughtered or killed for human use or consumption.
- 1.12 Disposal Site – A Refuse depository including, but not limited to, sanitary landfills, transfer stations, incinerators, and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive Refuse and Dead Animals for processing or final disposal.
- 1.13 Garbage – Any and all dead animals of less than 10 lbs. weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing,

consumption, dealing in, handling, packaging, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers: and all put rescible or easily decomposable animal or vegetable waste matter which is likely to attract flies or rodents): except (in all cases) any matter included in the definition of Bulky Waste, Construction Debris, Dead Animals, Hazardous Waste, Rubbish or Stable Matter.

- 1.14 Hazardous Waste – Waste, in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency or appropriate State agency by or pursuant to Federal or State law, or waste, in any amount, which is regulated under Federal or State law. For purposes of this Contract, the term Hazardous Waste shall also include motor oil, gasoline, paint and paint cans.
Biohazard Medical Waste – Waste in any amount is defined characterized or designated as Biohazard Medical Waste by the Occupational Safety & Health Administration or appropriate State or Federal agency.
- 1.15 Producer – An occupant of a residential or commercial unit who generates refuse.
- 1.16 Recyclable Materials- Those commodities which are collected by Contractor pursuant to the Contract Documents such as newsprint, aluminum, and metal cans, plastics, or any other Commodity set forth in this Contract.
- 1.17 Refuse – The term shall refer to Residential and Commercial Refuse and Bulky Waste, Commercial Debris and Stable Matter generated at a residential or commercial unit unless context otherwise requires.
- 1.18 Residential Refuse – All Garbage and Rubbish generated by a Producer at a Residential Unit.
- 1.19 Residential Unit – A dwelling within the corporate limits of the City occupied by a person or group of persons comprising not more than four families. A Residential Unit shall be deemed occupied when either water, sewer or domestic light and power services are being supplied thereto. A condominium dwelling, whether of single or multi-level construction, consisting of four or less contiguous or separate single-family dwelling units, shall be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit shall be billed separately as a Residential unit.
- 1.20 Commercial Refuse – All Garbage and Rubbish generated by a Producer at a Commercial Industrial Unit.
- 1.21 Commercial Unit – A Commercial establishment within the corporate limits of the City occupied by a person or persons who are engaged in the business of selling, or offering for sale, any goods or services. A Commercial Unit shall be deemed occupied when either water, sewer or electricity services are being supplied thereto.

- 1.22 Rubbish – All waste wood, wood products, tree trimmings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging, or wrapping crockery and glass, ashes, cinders, floor sweeping, glass, mineral or metallic substances, and any and all other waste materials not included in the definition of Bulky Waste, Construction Debris, Dead Animals, Garbage, Hazardous Waste or Stable Matter.
- 1.23 Stable Matter – All manure and other matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from the keeping of animals, poultry or livestock.

2.00 SCOPE OF WORK

2.01 General

- (a) The work under this Contract shall consist of all the supervision, materials, equipment, labor and all other items necessary to complete said work in accordance with the Contract Documents. The work under this Contract does not include the collection of any increased volume resulting from a flood, hurricane, or similar or different act of God over which the Contractor has no control.
- (b) It is the intent under this Contract for the Contractor to collect certain source separated Commodities to be recycled. The Contractor will not be required to collect those Commodities which are mixed with garbage, trash and rubbish normally collected by sanitation crews. The Contractor will tag the container as being unacceptable for collection.

- 2.02 Storms and Other Disasters – In case of a storm, flood, hurricane or other disaster or other Acts of God, the City shall grant the Contractor reasonable variances from regular schedules and routes. In case of a storm or other disaster or other Acts of God where it is necessary for the Contractor to perform services beyond the scope of this Contract, the Contractor and the City shall negotiate the amounts to be paid to the Contractor.

3.00 TYPE OF COLLECTION

3.01 Service Provided

- (a) Contractor shall provide curbside collection service for the collection of Residential Refuse and Hand Collected Commercial Refuse to each such Residential and Commercial Unit 2 time(s) per week. With a maximum of (6) six thirty (30) gallon containers or 30 gallon trash bags per collection. Containers and bags shall be placed at curbside by 7:00 a.m. on the designated collection day.

(b) Contractor shall provide curbside collection service for the collection of Recyclable Material from each Residential Unit one (1) time each week. Containers shall be placed at curbside by 7:00 a.m. on the designated collection day.

(c) Contractor shall not provide for the collection from Residential or Hand Collected Commercial Units Construction Debris, non containerized Rubbish and Stable Matter.

(d) Hand Collected Commercial Units shall be entitled to same services (without recycling or brush collection) as a Residential Unit. Collection shall be twice a week but shall not exceed 6 (30 gallon) containers per pickup. Businesses that exceed the 6 can limit will be required to contract for a dumpster and choose a size and pickup schedule as outlined in the bid tabulation.

(e) Each dumpster Bin shall be placed in an accessible outside location on a hard surface on the private property of the customer according to individual agreement. Such locations must not interfere with or endanger the movement of vehicles, pedestrians, or obstructed alleys. Contractor may decline to collect Refuse in Bins not so placed.

3.02 Location of Containers, Bags and Bundles for Collection

(a) Each Container, Bag or Bundle shall be placed at curbside for collection: Curbside refers to that portion of right-of-way adjacent to paved or traveled City roadways. Containers, Bags and Bundles shall be placed as close to the roadway as possible without interfering with or endangering the movement of vehicles or pedestrians. When construction work is being performed in the right-of-way, Containers, Bags and Bundles shall be placed as close as possible to an access point for the collection vehicle. Contractor may decline to collect any Container, Bag or Bundle not so placed. EXCEPT those containers located at the dwelling of a handicapped or disabled person, (in those instances, a suitable location agreed upon by the person and Contractor shall be used).

4.00 OPERATION

4.01 Hours of Operation - Collection of Residential Refuse and Hand Collected Commercial Refuse shall not start before 7:00 a.m. or continue after 7:00 p.m. on the same day. Exceptions to collection hours shall be effected only upon the mutual agreement of the City and Contractor or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances. Collection of Commercial Refuse in Bins shall take place according to individual agreement between Contractor and Commercial customer. Contractor shall notify City of rates to be charged to Commercial Customers in a timely fashion so that said rate can be incorporated into the applicable utility billing statement that the City provides to customers.

4.02 Routes of Collection - Collection routes shall be established by the Contractor. Collection routes shall be modeled as closely as possible to existing routes to minimize customer confusion. Contractor shall submit a map designating the collection routes to the City for their approval, which approval shall not be unreasonably withheld. The Contractor may from time to time propose to City for approval changes in routes or days of collection, which approval shall not be unreasonably withheld. Notice of changes in collection routes and annual Holiday schedule will be the responsibility of the contractor and will be done in a timely fashion.

4.03 Holidays – The following shall be holidays for purposes of this Contract. No collection will be provided on holidays.

New Year's Day
 Memorial Day
 Independence Day
 Labor Day
 Thanksgiving Day
 Christmas Day

Contractor may decide to observe any or all of the above-mentioned holidays by suspension of collection service on the holiday, but such decision in no manner relieves Contractor of its obligation to provide collection service at Residential Units and Hand Collected Commercial Units at least one time per week.

4.04 Complaints – All complaints shall be made directly to the Contractor and shall be given prompt and courteous attention. In the case of alleged missed scheduled collection, the Contractor shall investigate and, if such allegations are verified, shall arrange for the collection of the Refuse not collected within 24 hours after the complaint is received. Contractor shall maintain effective telecommunications contact with their personnel during the scheduled route hours in order to minimize complaints. The Contractor will supply the City a monthly report summarizing customer complaints and problems.

4.05 Collection Equipment - The Contractor shall provide an adequate number of vehicles and equipment for regular collection services. All vehicles and other equipment shall be kept in good repair, appearance, and in a sanitary condition at all times. Each vehicle shall have clearly visible on each side vehicle number along with the identity and telephone number of the Contractor. Dumpsters and trucks shall be cleaned on a regular basis to prevent offensive odors from accumulating. All trucks fully loaded will comply with the City's street weight limit of 56,000 lb per vehicle. No trucks that are equipped with automatic driver release braking will be permitted.

4.06 Office – The Contractor shall maintain an office or such other facilities through which it can be contacted. It shall be equipped with sufficient telephones and shall have a responsible person in charge from 8:00 a.m. to 5:00 p.m. on regular collection days. The Contractor shall provide a local access or toll free phone number where the contractor maybe contacted.

- 4.07 Hauling - All Refuse hauled by the Contractor shall be so contained, tied or enclosed that leaking, spilling or blowing are prevented.
- 4.08 Disposal - All Refuse collected for disposal by the Contractor shall be hauled to a Disposal Site as designated by the Contractor. The charges for disposal shall be included in the rate set forth in the Proposal for each Commercial and Industrial Unit and Residential unit serviced by the Contractor. During the Term of the contract, any future increase in disposal cost shall be amended with new rates reflection the actual net change in such cost in accordance with Section 14.02 (d).
- 4.09 Delivery - All Commodities collected for delivery and sale by the Contractor shall be hauled to an Intermediate Processing Facility operated by the Contractor, where he shall prepare the commodities for sale.
- 4.10 Notification - The City shall notify all Producers about complaint procedures, sorting, preparing for collection, regulations, and day(s) for scheduled Recyclable Materials collection. The Contractor shall also inform the public of any condition and form required of materials to be collected. Recycle materials for collection will be newspaper, aluminum, tin cans, and plastics #1 & #2. Any changes to the items collected must have prior approval by Council.
- 4.11 Point of Contact - All dealings, contracts, etc., between the Contractor and the City shall be directed to the Contractor's Operations Manager and to the City's Utility Customer Service Supervisor.

5.00 COMPLAINCE WITH LAWS

The Contractor shall conduct operations under this Contract in compliance with all applicable laws; provided, however, that the General Specifications shall govern the obligations of the Contractor where there exists conflicting ordinances of the City on the subject.

6.00 EFFECTIVE DATE

This Contract shall be effective upon the execution of the Contract and performance of such Contract shall begin within 30 days or a date agreed upon by both parties.

7.00 NONDISCRIMINATION

The Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

8.00 INDEMNITY

The Contractor will indemnify and save harmless the City, its officers, agents, servants, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, and attorneys' fees to the extent resulting from the sole negligent or willful misconduct of the Contractor, its officers, agents, servants, and employees in the performance of this Contract; provided, however, that the Contractor shall not be liable for any suits, actions, legal proceedings, claims, demands, damages,

costs, expenses and attorneys' fees arising out of the award of this Contract or a willful or negligent act or omission of the City, its officers, agents, servants and employees.

9.00 LICENSES AND TAXES

The Contractor shall obtain all licenses and permits (other than the licenses and permits granted by the Contract) and promptly pay all taxes required by the City or other taxing entity.

10.00 TERM

The Contract shall be for a period beginning upon the date specified in section 6 and ending five (5) years thereafter. The term of this Contract shall be automatically extended for two successive (5) five year term, unless either party notifies the other party in writing, not less than one hundred and twenty (120) days prior to the expiration of the existing term of its intention to terminate this Contract. Any such written notice shall be served by certified or registered mail, return receipt requested.

11.00 INTERRUPTION OF SERVICE AND DEFAULT

11.01 Interruption in Service – In the event that the collection and disposal of garbage and refuse should be interrupted by any reason for more than forty-eight (48) hours, the City shall have the right to make temporary independent arrangements for the purpose of maintaining this necessary service to its residents in order to provide and protect the public health and safety.

11.02 Excessive Interruption in Service – If the interruption continues for a period of seventy- two (72) hours, then the City shall have the right to terminate this contract without in any manner affecting the Contractor's liability to the City hereunder for such breach and any damages, whether direct or consequential, arising from such breach, and/or the right to expect performance of the Contractor's responsibilities under the term of the Surety Bond required under section 13 OR, AT THE CITY'S CHOOSING, MAY OPT TO HAVE SOLID WASTE COLLECTION AND DISPOSAL SERVICES PERFORMED BY ANOTHER CONTRACTOR AND CHARGE THE ORIGINAL CONTRACTOR FOR SAID SERVICES.

11.03 Default – Contractor shall faithfully perform said contract and shall in all respects duly and faithfully observe and perform all and singular the covenants, conditions and agreements in and by said contract agreed and covenanted by the Contractor to be observed and performed, and according to the true intent and meaning of said contract. Failure to comply with this section of said contract, unless otherwise excepted, shall be considered default of the contract.

11.04 Force Majeure – Should contractor be prevented from complying with any term or condition of this contract by operation of force majeure, any federal or state law, or any order, rule or regulation of governmental authority or otherwise beyond Contractor's control, except lack of equipment, financial or labor dispute then while so prevented, Contractor's obligation to comply with said term and/ or condition shall be suspended and Contractor shall not be liable for damage for failure to comply therewith, but for a period not to exceed ninety (90) days in the

aggregate, at which time the City may elect but shall not be required to declare Contractor in default of this contract.

12.00 INSURANCE

The Contractor shall at all times during the Contract maintain in full force and effect Employer's Liability, Workmen's Compensation, Public Liability and Property Damage Insurance, including contractual liability coverage for the provision of Section 8.00. All insurance shall be by insurers and for policy limits reasonably acceptable to the City and before commencement of work hereunder the Contractor agrees to furnish the city certificates of insurance to the effect that such insurance has been procured and is in force. The certificates shall contain the following express obligation:

“ This is to certify that the policies of insurance described herein have been issued to the insured for whom this certificate is executed and are in force at this time. In the event of cancellation affecting the certificate holder, thirty (30) days prior to written notice will be given the certificate holder.”

For the purpose of the Contract, the Contractor shall carry the following types of insurance in at least the limits specified below:

<u>Coverages</u>	<u>Limits of Liability</u>
Workmen's Compensation	Statutory
Employer's Liability	\$500,000
Bodily Injury Liability Except Automobile	\$500,000 each occurrence \$1,000,000 aggregate
Property Damage Liability Except Automobile	\$500,000 each occurrence \$500,000 aggregate
Automobile Bodily Injury Liability	\$500,000 each person \$1,000,000 each occurrence
Automobile Property Damage Liability	\$500,000 each occurrence
Excess Umbrella Liability	\$500,000 each occurrence

To the extent permitted by law, all or any part of any required insurance coverage may be provided under a plan or plans of self-insurance. The coverage may be provided by the Contractor's parent corporation.

13.00 BOND

13.01 Performance Bond

- (a) The Contractor will be required to furnish a corporate surety bond as security for the performance of this Contract. Said surety bond must be in the amount

of \$100,000.00 over the term of the Contract. The bond shall be in place prior to operation by the contractor.

- (b) The premium for the bond described above shall be paid by the Contractor. A certificate from the surety showing that the bond premiums are paid in full shall accompany the bond.
- (c) The surety on the bond shall be a duly authorized corporate surety company authorized to do business in the State of Texas.

13.02 Power of Attorney – Attorneys-in-fact who sign performance bonds or contract bonds must file with each bond a certified and effectively dated copy of their power of attorney.

14.00 BASIS AND METHOD OF PAYMENT

14.01 Rates

- (a) For collection and disposal services required to be performed pursuant to Section 3.01 (a)-(b), the charges shall not exceed the rates as fixed by the Contract Documents, as adjusted in accordance with Section 14.02.
- (b) For special collection provided by the Contractor pursuant to Section 3.01 (d), the charges are to be negotiated between the Contractor and Producer prior to collection. If agreement cannot be reached, the matter may be submitted to the City for determination of a reasonable fee.
- (c) The rates to be charged under Section 3.01 (a)-(b) shall include all disposal and related costs and shall be modified as set forth in Section 14.02. If the Contractor receives notification of a disposal fee increase at a Disposal Site, then the Contractor shall promptly notify the City of said disposal fee increase. See Section 14.02.
- (d) Rates: The rates to be charged by Contractor for refuse collection will be those set forth in Exhibit "A" attached hereto and incorporated herein for all purposes. These rates will be binding and considered part of this contract.
- (e) Gross Revenue: For and in consideration of the City granting Contractor a contract within the city limits for commercial and residential refuse collection. Contractor hereby agrees to pay the City a six percent (6%) fee on all commercial and residential billings, calculated on the basis of gross billings within the City.
- (f) Billing: The City hereby designated as the billing and collection agent for all refuse services provided herein. The City shall receive a fee from Contractor equal to forty cents (\$0.40) for its billing and collection of funds for all refuse services. The City agrees to provide Contractor with a computer printout establishing the amount of all

billings by the City each month, said printout and any amounts due to be provided to Contractor no later than the twentieth (20) day of the month following the month billed.

14.02 Modification to Rates

- (a) The fees or compensation payable to the Contractor for the second and subsequent years of the term hereof, shall be adjusted upward or downward to reflect the percentage change in the cost of operations, as reflected by fluctuations in the Consumer Price Index for Urban Wage Earners and Clerical Workers (All Items) and the Consumer Price Index for Urban Wage Earners and Clerical Workers, Expenditures Category "Gasoline," both as published by the U.S. Department of Labor, Bureau of Labor Statistics.
- (b) In addition to the foregoing the fees which may be charged by the Contractor shall be increased to reflect increases in disposal cost, as well as increases in the number and type of Commodities that the Contractor is required to collect. All fee increases will be submitted to the City for approval by Council.
- (c) If any tax, fee, levy, host fee, charge or surcharge is imposed by the governmental or regulatory agency, body, or authority, on or with respect to any of the services provided herein. Contractor shall pass these expenses on in an equal amount.
- (d) In addition to the above, the Contractor may petition the City at any time for additional rate and price adjustments at reasonable times on the basis of unusual changes in its cost of operations, such as revised laws, ordinances, or regulations; changes in location of disposal sites; an increase in the number of Residential Units as set forth in paragraph 14 of the Instructions to Proponents, such as City growth or annexation; and for other reasons.

14.03 Documentation – The Contractor shall be responsible for the cost inherent in documenting and reporting all Recyclable Material volumes collected and shall report these results to the City along with the Monthly Complaint Report.

14.04 Contractor Billings to City – The Contractor shall collect for all residential and commercial sanitation collection along with the monthly water and sewer bills. The Contractor shall bill the City for service rendered within ten (10) days following the end of the month and the City shall pay the Contractor on or before the 20th day following the end of such month. Such billing and payment shall be based on the rates and schedules set forth in the Contract Documents. The Contractor shall be entitled to payment for services rendered irrespective of whether or not the City collects from the customer for such services.

14.05 Rolloff Dumpsters – Due to the complicated process associated with rolloff dumpsters, the City will direct all such calls to the Contractor for service and billing. The charges collected from these services will be subject to a City franchise fee and will be reported as a part of the Monthly Report from the