
CITY COUNCIL AGENDA

Notice is hereby given that the Rockport City Council will hold a regular meeting on Tuesday, September 13, 2016, 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. Presentation of Proclamation declaring September 16, 2016, as “National POW/MIA Day” in Rockport.
4. 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.

5. Deliberate and act on approval of Council Workshop Meeting Minutes and Regular Meeting Minutes of August 23, 2016.
6. Deliberate and act on a Resolution amending Resolution No. 2016-08 by revising the certification list and pay table.

Public Hearing

7. Call to Order – Rockport Planning & Zoning Commission.
8. Conduct a Joint Public Hearing with the Planning & Zoning Commission to consider a request to rezone property located at 2201 State Highway 35 Bypass; also known as Lot 44 (West 100’ x 49’), Block 1, West Terrace Unit 2, Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Dwelling District) to B-1 (General Business District) to allow development of a utility trailer sales lot.
9. Adjourn – Rockport Planning & Zoning Commission.
10. Conduct the second public hearing for City of Rockport 2015 Property Tax Rate for taxpayers to have an opportunity to express their views on the increase; the City of Rockport will adopt the budget and tax rate for Fiscal Year 2016-2017 on September 20, 2016, at 6:30 p.m. at City Hall located at 622 E. Market Street, Rockport, Texas.

Regular Agenda

11. Deliberate and act on first reading of an Ordinance of the City of Rockport approving the assessment and renditions for the 2016 taxable property as submitted by the Appraisal District; levying a tax rate for \$100.00 valuation for the City of Rockport, Aransas County, Texas, for the Tax Year 2016 of \$0.233912 for the purposes of Maintenance and Operation, \$0.389283 for the payment of Principal and Interest on debt of the City for a total tax rate of \$0.389283; and providing an effective date.
12. Deliberate and act on Texas Municipal League Intergovernmental Employee Benefits Pool Retiree Options.
13. Deliberate and act on selection of auditing firm to provide independent financial audit services, including preparation of the City's consolidated annual financial report, for the fiscal year ending September 30, 2016, and authorizing the Mayor to negotiate and execute all necessary documents.
14. Deliberate and act to select areas for annexation and authorize staff to prepare service plans, schedule public hearings, and draft annexation ordinance.
15. 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; Park & 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 Development 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:

16. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: (A) Bay Education Center, and (B) Texaz Construction and AZ Southwest Properties.
17. Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.
18. Section 551.072 Deliberation regarding real property - deliberate the purchase, exchange, lease, or value of real property: 40-foot wide portion of Young Street lying between Blocks 100 and 109, Manning Addition, and also a portion of Third Street lying between Blocks 100 & 101, Manning Addition.

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

Open Session

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.

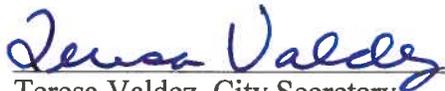
20. Adjournment.

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, September 9, 2016, 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, September 13, 2016

AGENDA ITEM: 3

Proclamation: POW/MIA Recognition Day - September 16, 2016.

SUBMITTED BY: Mayor Charles J. Wax

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying proclamation and history of the Day for additional information.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Not an action item.

PROCLAMATION

- WHEREAS,** throughout American history, brave and devoted citizens have answered the call to fight for freedom and serve our country during time of war. These men and women have traveled across the globe for a cause greater than individual glory – the preservation of our liberty and the American way of life; and
- WHEREAS,** members of America’s Armed Forces have made uncommon sacrifices as Prisoners of War (POW), serving our country under conditions of extreme hardship, while remaining steadfast even when their treatment violated fundamental standards of morality and international codes of conduct; and
- WHEREAS,** the United States Congress passed a resolution authorizing the first National POW/MIA Recognition Day to be observed on July 18, 1979, which is now formally commemorated on the third Friday of September; and
- WHEREAS,** we honor our POW who, in the act of serving our Nation, relinquished their freedom to protect the liberty we enjoy. We also honor those MIA, and should not forget the pain and suffering of war that continues for their families and friends and for all of us; and
- WHEREAS,** the POW/MIA Flag serves as a powerful reminder that our Nation will never cease in our task to recover, remember, and honor the courageous men and women who have served and sacrificed so much for each of us; and
- WHEREAS,** National POW/MIA Recognition Day is observed across the nation on the third Friday of September each year and many Americans take the time to remember those who were prisoners of war and those who are missing in action, as well as their families.

NOW, THEREFORE, I, Charles J. Wax, Mayor of the City of Rockport, do hereby proclaim Friday, September 16, 2016 as

POW/MIA RECOGNITION DAY

in the City of Rockport and urge all citizens to observe this day of honor and remembrance and pay special tribute to our Nation’s current and former Prisoners of War, those still listed as Missing in Action, and their families.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Rockport, Texas, to be affixed this 13th day of September 2016.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

FULFILLING OUR NATION'S PROMISE



www.dpaa.mil



NATIONAL POW/MIA RECOGNITION DAY
September 16, 2016



You are here: [Home](#) / [Events](#) / [Recognition Day](#) / Recognition Day – Background

Recognition Day – Background

Until July 18, 1979, no commemoration was held to honor America's POW/MIAs, those returned and those still missing and unaccounted for from our nation's wars. That first year, resolutions were passed in the Congress and the national ceremony was held at the National Cathedral, Washington, DC. The Missing Man Formation was flown by the 1st Tactical Squadron, Langley AFB, Virginia. The Veterans Administration published a poster with the letters "POW/MIA" and that format was continued until 1982, when a black and white drawing of a POW in harsh captivity was used to convey the urgency of the situation and the priority that President Ronald Reagan assigned to achieving the fullest possible accounting for Americans still missing from the Vietnam War. For the next ten years, the various renditions of the American Eagle, by artist and Vietnam Veteran Tom Nielsen, came to symbolize America's POW/MIAs and our nation's efforts to bring them home.

National POW/MIA Recognition Day legislation was introduced yearly until 1995 when Congress opted to discontinue considering legislation to designate special commemorative days. Since then, the President has signed an annual proclamation. In the early years, the date was routinely set in close proximity to the League's annual meetings. In the mid-1980's, the American Ex-POWs decided that they wished to see the date established as April 9th, the date during World War II when the largest number of Americans were captured. As a result, legislation urged by the American Ex-POWs was passed covering two years, July 20, 1984, as initially proposed, and April 9, 1985, the latter of which had to be cancelled due to inclement weather, a concern that had been expressed with the proposed April 9th date.

The 1984 National POW/MIA Recognition Day ceremony was held at the White House, hosted by President Reagan. At this most impressive ceremony, the Reagan Administration balanced the focus to honor all returned POWs and renew national commitment to accounting as fully as possible for those still missing. Perhaps the most impressive Missing Man Formation ever flown was that year, up the Ellipse and directly over the White House.

Subsequently, in an effort to accommodate all returned POWs and all Americans still missing and unaccounted for from all wars, the League proposed the third Friday in September, a date not associated with any particular war, not in conjunction with any organization's national convention and a time when weather nationwide is usually moderate. Most national ceremonies have been held at the Pentagon; however, in addition to the July 20, 1984, White House ceremony noted above, the September 19, 1986, national ceremony was held on the steps of the U.S. Capitol facing the National Mall, also concluding with a flight of high performance military aircraft in Missing Man Formation.

National POW/MIA Recognition Day ceremonies are now held throughout the nation and around the world on military installations, ships at sea, state capitols, at schools, churches, national veteran and civic organizations, police and fire departments, fire stations, etc. The League's POW/MIA flag is flown and the focus is to ensure that America remembers its responsibility to stand behind those who serve our Nation and do everything possible to account for those who do not return.

Recognition Day - Background

- [Recognition Day](#)
- [Missing Man Table and Honors Ceremony](#)
- [Press Page and Photos](#)
- [Recognition Day – Background](#)

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 5

Deliberate and act on approval of Council Workshop Meeting Minutes and Regular Meeting Minutes of August 23, 2106.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the workshop and regular meetings of August 23, 2016.

FISCAL ANALYSIS: N/A

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

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 5

Deliberate and act on approval of Council Workshop Meeting Minutes and Regular Meeting Minutes of August 23, 2106.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the workshop and regular meetings of August 23, 2016.

FISCAL ANALYSIS: N/A

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

CITY OF ROCKPORT

MINUTES

CITY COUNCIL WORKSHOP MEETING 1:30 p.m., Tuesday, August 23, 2016 Rockport City Hall, 622 East Market Street

On the 23rd day of August 2016, the City Council of the City of Rockport, Aransas County, Texas, convened in Workshop 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 (*arrived at 1:45 p.m.*)
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
City Attorney Terry Baiamonte
Public Works Director Mike Donoho
Community Planner Amanda Torres
Parks & Leisure Services Director Tom Staley
Finance Director Patty Howard
Police Chief Tim Jayroe
Police Commander Larry Sinclair
Police Commander Jerry Lawing
Information Technology Director Brian Jacobs

ELECTED OFFICIALS

Aransas County Navigation District Precinct 3
Commissioner Malcolm Dieckow

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Workshop Session of the Rockport City Council was called to order by Mayor Wax at 1:30 p.m. on Tuesday, August 23, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

Public Hearing

- 2. Conduct the first public hearing for City of Rockport 2016 Property Tax Rate for taxpayers to have an opportunity to express their views on the increase, the City of Rockport will adopt the budget and tax rate for Fiscal Year 2016-2017 on September 20, 2016, at 6:30 p.m. at City Hall located at 622 E. Market Street, Rockport, Texas.**

At 1:33 p.m., Mayor Wax opened the public hearing.

There were no public comments.

At 1:34 p.m., Mayor Wax closed the public hearing.

Regular Agenda

- 3. Hear and deliberate on update from Wings Rescue program.**

Kay Adams with Wings Rescue Center addressed the Council. Ms. Adams stated the Wings Rescue Center was started in late March 2016, and has obtained their 501(c)3 non-profit, tax exempt status. Ms. Adams said they are rescuing birds in Rockport, Fulton and Aransas County. Ms. Adams reported that to date they have received 197 calls of which 63 birds have been rescued in the City of Rockport. Ms. Adams added that the public thinks that the entities in Aransas County are paying Wings Rescue Center to rescue the birds, but the only entity paying the Wings Rescue Center is the Navigation District which pays them \$35 per bird rescued on Navigation District property. Ms. Adams requested the City of Rockport help with funds from the City for rescues within City limits.

Mayor Wax asked Ms. Adams to provide a copy of their agreement with the Navigation District to City Attorney Terry Baiamonte.

Discussion was held among Council and Ms. Adams.

Navigation District Commissioner Precinct 3 Malcolm Dieckow addressed the Council. Commissioner Dieckow urged the Council to support the Wings Rescue Center.

Mayor Wax thanked Ms. Adams and the volunteers with the Wings Rescue Center for the update and their work in rescuing birds.

- 4. Hear and deliberate on presentation of potential annexation scenarios.**

Community Planner Amanda Torres addressed the Council. Ms. Torres gave a presentation (below) on three (3) areas of potential annexation.



Annexation Focus Area Profiles FY 2016-17

Rockport City Council | August 2016 Workshop
Amanda Tomas, Community Planner




Overview

- Three areas of focus for FY 2016-17:
 - Market Street 1000 ft. corridor between Business and Bypass Hwy 35
 - Bypass Hwy 35 from Eighteenth St. to FM 188 (approximately)
 - Bypass Hwy 35 from Alexander Dr. to Griffith Dr. (approximately)
- Six alternate scenarios from the three areas of focus



TLGC Annexation Area Allocation Policy

• Sec. 43.055. MAXIMUM AMOUNT OF ANNEXATION EACH YEAR.:

- (a) In a calendar year, a municipality may not annex a total area greater than 30 percent of the incorporated area of the municipality as of January 1 of that year, plus any amount of area carried over to that year under Subsection (b). In determining the total area annexed in a calendar year, an area annexed for limited purposes is included, but an annexed area is not included if it is:
 - (1) annexed at the request of a majority of the qualified voters of the area and the owners of at least 50 percent of the land in the area,
 - (2) owned by the municipality, a county, the state, or the federal government and used for a public purpose,
 - (3) annexed at the request of at least a majority of the qualified voters of the area, or
 - (4) annexed at the request of the owners of the area.
- (b) If a municipality fails to annex in a calendar year the entire 30 percent amount permitted under Subsection (a), the municipality may carry over the unused allocation for use in subsequent calendar years.
- (c) A municipality carrying over an allocation may not annex in a calendar year a total area greater than 30 percent of the incorporated area of the municipality as of January 1 of that year.



Area 1: Market Street Corridor



Area 1: Land Use and Market Valuation

- Estimated Population: 365
- Land Use and Associated Market Valuation: 170.0248 acres total

Property Type	Count	VALUE	Acres	#
Total Single-Family Units	128	\$1,187M	13.18M	1,145,300.00
Total Multi-Family Units	2	0.007	0.007	214,000.00
Total Commercial Properties	43	\$5,209	0.18	9,188,050.00
Total Unimproved Properties	43	\$1,409	0.18	3,476,300.00

- Statistical Market Valuation:
 - Total Market Valuation: \$20,348,670.00
 - Average Value (including exempt property): \$95,984.00
 - Median Value (including): \$45,510.00
 - Average Value (excluding exempt property) \$85,277.50
 - Median Value (excluding): \$43,040.00
 - Average Homestead Value: \$102,851.80
 - 50 Properties are homesteaded
- # of Building Permits since 2003: 44



Area 1: Existing Infrastructure

Street Condition(s): Good
Chipped
No curb and gutter

• Streets:

Street	From	To	Length	Width
West Terrace Blvd	From	Bedford	4927	40
Harold	West Terrace Blvd	Market	142	40
Jim	West Terrace Blvd	Market	140	40
Kelly Ln	Market	End	200	40
Buckley	Market	End	270	40
North	Market	S. Douglas	600	40
Ray	North	Ray	440	40
Terry	North	Ray	442	40
S. Douglas	Ray	Market	1400	40
S. Kowalski	Market	Ray	200	40
Verde	Ray	Market	270	40
Verde	Commercial	End	150	40
Kipweath	Market	End	240	40
N. Douglas	Market	W. Commerce	800	40
N. Terry	Market	End	400	40
Harold	Market	End	220	40
Louisa	Market	Market	110	40
Waller	Louisa	Market	270	40
Taylor	Louisa	Market	750	40
Stewart	Louisa	Market	1200	40
Home	Market	Commerce	1400	40
Holly	Market	Apple	1000	40
Clay	Apple	Market	900	40
Pine	Market	Apple	800	40
Redwood	Apple	Market	700	40
Apple	Redwood	Market	800	40
Laurel	Stewart	Taylor	200	40
Commerce	Harold	N. Douglas	800	40
Corwood	Douglas	Future	900	40
		Partridge	1000	40
		Miles	200	40



CITY OF ROCKPORT, TEXAS

Area 1:
Cost of Maintenance

- **Capital Costs:** Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- **Maintenance and Operations:**

Miles of Street		3.04
Cost per mile	X \$	14,654.77
Annual cost for street	\$	44,466.06
Annual cost for St Light Elec	\$	3,434.48
Add to Operating Budget	\$	48,900.54
Installation of street lights	30 \$	38,000.00
- **Human Resources:**
 - One full-time Maintenance Technician would be required at an annual base salary of \$27,354.00 plus benefits.
 - An additional Code Enforcement Officer/Building Inspector would be needed at an annual base salary of \$45,000.00 plus benefits.

CITY OF ROCKPORT, TEXAS

Area 1a:
Market Street Corridor
(Alternate Scenario 1A)



CITY OF ROCKPORT, TEXAS

Area 1a:
Land Use and Market Valuation

- **Estimated Population:** 200
 - **Land Use and Associated Market Valuation:** 8a.2058 acres total
- | Property Type | Count | VALUE | Acres | \$ |
|-----------------------------|-------|---------|-------|-------------|
| Total Single-Family Units | 72 | 25,6866 | | \$5,536,970 |
| Total Multi-Family Units | 1 | 0.5077 | | \$239,580 |
| Total Commercial Properties | 26 | 34,2501 | | \$6,090,290 |
| Total Unimproved Properties | 26 | 20,7614 | | \$1,010,030 |
- **Statistical Market Valuation:**
 - Total Market Valuation: \$11,868,870.00
 - Average Value (including exempt property): \$103,761.21
 - Median Value (including): \$46,230.00
 - Average Value (excluding exempt property): \$88,148.55
 - Median Value (excluding): \$41,370.00
 - Average Homestead Value: \$115,992.76
 - 29 Properties are homesteaded
 - **# of Building Permits since 2003:** 15

CITY OF ROCKPORT, TEXAS

Area 1a:
Existing Infrastructure

Street Condition(s): Good
Chippal
No curb and gutter

• **Streets:**

Street	From	To	Length	Width
West Terrace Blvd	Raven	Redbird	2057	20
	West Terrace Blvd	Market	225	19
Seagull Blvd	West Terrace Blvd	Market	225	19
	Ibb Blvd	Market	225	19
Kelly Ln	Market	End	700	18
	Troyler	Laurel	Market	775
Stewart	Laurel	Market	730	18
	Nowe	Market	Orleans	1740
Hickory	Market	Apple	1040	18
	Oak	Apple	963	19
Pine	Market	Apple	838	20
	Redwood	Apple	Market	749
Apple	Redwood	Hickory	955	18
	Laurel	Stewart	Troyler	311
			Footage	11308
			Miles	4.14

CITY OF ROCKPORT, TEXAS

Area 1a:
Cost of Maintenance

- **Capital Costs:** Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- **Maintenance and Operations:**

Miles of Street		2.141987
Cost per mile	X \$	10,962.77
Annual cost for street	\$	23,521.94
Annual cost for St Light Elec	\$	4,061.78
Add to Operating Budget	\$	29,583.72
Installation of street lights	20 \$	20,000.00

CITY OF ROCKPORT, TEXAS

Area 1b:
Market Street Corridor
(Alternate Scenario 1B)





**Area 1b:
Land Use
and Market
Valuation**

- Estimated Population: 150
- Land Use and Associated Market Valuation: 73.7026 acres total

Property Type	Count	VALUE	Acres	\$
Total Single-Family Units	60	24,226	24,226	\$3,719,750
Total Multi-Family Units	0	0	0	0
Total Commercial Properties	17	20,488	20,488	\$2,867,220
Total Unimproved Properties	15	28,970	28,970	\$400,810

- Statistical Market Valuation:
 - Total Market Valuation: \$7,137,780.00
 - Average Value (including exempt property): \$77,639.89
 - Median Value (including): \$79,600.00
 - Average Value (excluding exempt property): \$85,184.78
 - Median Value (excluding): \$15,455.00
 - Average Homestead Value: \$85,184.78
 - 23 Properties are homesteaded
- # of Building Permits since 2003: 19



**Area 1b:
Existing
Infrastructure**

Street Condition(s)- Good
Chipseal
No curb and gutter

• Streets:

Street	From	To	Length	Width
Burton	Market	End	583	14
North	Burton	S. Doughty	950	18
Bay	Verne	Burton	1600	20
Terry	North	Bay	245	18
S. Doughty	Bay	Market	440	20
S. Kossuth	Market	Bay	360	18
Verne	Bay	Market	375	18
Verne	Cornwall	End	150	16
Kossuth	Market	End	578	18
N. Doughty	Market	W. Concho	670	20
N. Terry	Market	End	200	18
Hood	Market	End	575	20
Lorena	Market	Burton	715	18
Burton	Lorena	Market	387	18
Concho	Hood	N. Doughty	640	18
Cornwall	Doughty	Fuqua	946	16
		Footage	9414	
		Miles	1.782955	



**Area 1b:
Cost of
Maintenance**

- Capital Costs: Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- Maintenance and Operations:

Miles of Street		1.782955
Cost per mile	X \$	10,862.77
Annual cost for street	\$	19,321.94
Annual cost for 60 Light Elec	\$	3,361.47
Add to Operating Budget	\$	22,683.41
Installation of street lights	18 \$	18,000.00



**Area 2:
Bypass 35 –
18th St to FM
188**



**Area 2:
Land Use
and Market
Valuation**

- Estimated Population: 30
- Land Use and Associated Market Valuation: 1,205.028 acres total

Property Type	Count	VALUE	Acres	\$
Total Single-Family Units	12	24,235	24,235	\$51,580.00
Total Multi-Family Units	0	0	0	0
Total Commercial Properties	90	180,911	7,236,910.00	
Total Unimproved Properties	15	226,615	3,734,310.00	

- Statistical Market Valuation:
 - Total Market Valuation: \$46,839,430.00
 - Average Value (including exempt property): \$133,900.01
 - Median Value (including): \$129,430.00
 - Average Value (excluding exempt property): \$139,867.02
 - Median Value (excluding): \$133,900.00
 - Average Homestead Value: \$133,100.00
 - 6 properties are homesteaded
- # of Building Permits since 2003: 0



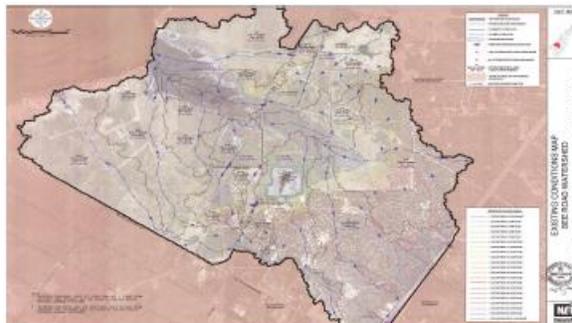
**Area 2:
Existing
Infrastructure**

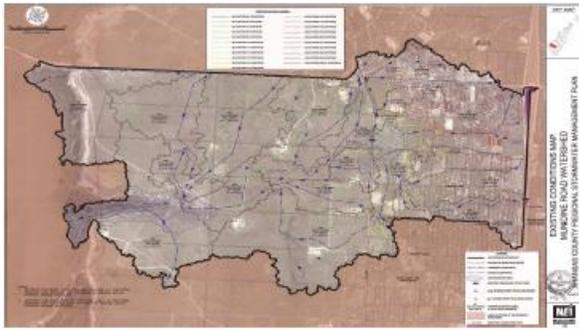
- Streets: Bypass 35 and FM 188 are TxDOT maintained and in good condition.
- Streetlights: Any streetlights in this area would be TxDOT-maintained.
- NO WASTEWATER OR NATURAL GAS IN THIS AREA



**Area 2:
Existing
Infrastructure**

- Streets: Bypass 35 and FM 188 are TxDOT maintained and in good condition.
- Streetlights: Any streetlights in this area would be TxDOT-maintained.
- NO WASTEWATER OR NATURAL GAS IN THIS AREA






Area 2:
Cost of Maintenance

- **Capital Costs:** No City capital projects of record exist at this time. Further asset inventory and analysis needed to determine cost. No current drainage projects.
- **Maintenance and Operations:** There are no roads or streets to maintain at this time.
- **Human Resources:** One full-time Maintenance Technician would be required at an annual base salary of \$27,352.00 plus benefits.



Area 2a:
Bypass 35 – 18th
St to FM 188
(Alternate Scenario 2A)




Area 2a:
Land Use and Market Valuation

- Estimated Population: 0
- Land Use and Associated Market Valuation: 893.243 acres total

Property Type	Count	VALUE	Acres	\$
Total Single-Family Units	0	0	0	0
Total Multi-Family Units	0	0	0	0
Total Commercial Properties	8	101,571	61,528,540	
Total Unimproved Properties	2	64,554	8,406,630	

- **Statistical Market Valuation:**
 - Total Market Valuation: \$7,315,110.00
 - Average Value (including exempt property): \$275,030.00
 - Median Value (including): \$198,030.00
 - Average Value (excluding exempt property): \$301,780.00
 - Median Value (excluding): \$198,030.00
 - Average Homestead Value: \$277,820.00
 - 1 Property is homesteaded
- # of Building Permits since 2003: 0



Area 2a:
Cost of Maintenance

- **Capital Costs:** No City capital projects of record exist at this time. Further asset inventory and analysis needed to determine cost. No current drainage projects.
- **Maintenance and Operations:** There are no roads or streets to maintain at this time.



Area 2b:
Bypass 35 – 18th
St to FM 188
(Alternate Scenario 2B)





**Area 2b:
Land Use
and Market
Valuation**

- Estimated Population: 30
- Land Use and Associated Market Valuation: 316.32 acres total

Property Type	Count	VALUE	Acres	\$
Total Single-Family Units	12		26.295	\$944,230
Total Multi-Family Units	0		0	0
Total Commercial Properties	66	80,628	56,713.130	
Total Unimproved Properties	14	142,908	111,48,230	

- Statistical Market Valuation:
 - Total Market Valuation: \$8,860,540
 - Average Value (including exempt property): \$94,261.06
 - Median Value (including): \$23,500.00
 - Average Value (excluding exempt property): \$79,890.85
 - Median Value (excluding): \$23,500.00
 - Average Homestead Value: \$120,352.00
 - 5 Properties are homesteaded
- # of Building Permits since 2003: 0



**Area 2b:
Cost of
Maintenance**

- Capital Costs: No City capital projects of record exist at this time. Further asset inventory and analysis needed to determine cost. No current drainage projects.
- Maintenance and Operations: There are no roads or streets to maintain at this time.



**Area 3:
Bypass 35 –
Alexander Dr.
to Griffith Dr.**



**Area 3:
Land Use
and Market
Valuation**

- Estimated Population: 40
- Land Use and Associated Market Valuation: 185.6192 acres total

Property Type	Count	VALUE	Acres	\$
Total Single-Family Units	16		33.4402	2,058,230.00
Total Multi-Family Units	0		0	0
Total Commercial Properties	5	36,163	1,599,300.00	
Total Unimproved Properties	27	113,018	1,110,980.00	

- Statistical Market Valuation:
 - Total Market Valuation: \$5,648,530.00
 - Average Value: \$167,677.29
 - Median Value: \$62,935.00
 - No tax-exempt property in the area.
 - Average Homestead Value: \$200,626.25
 - 13 properties are homesteaded
- # of Building Permits since 2003: 7



**Area 3:
Existing
Infrastructure**

• Streets:

Street	From	To	Length	Width
Corpus Christi	Sunset	Griffith	1200	32
Corpus Christi	Griffith	Bypass	3430	34
St. Francis	Griffith	Alexander	2194	30
Alexander	St. Francis	Holly	1232	32
Holly	Alexander	Bypass	1435	32
		Fortage	926	
		Mile	1.8	

- Street Condition(s): Good
- Chippal
- No curb and gutter



**Area 3:
Existing
Infrastructure**

• NOWASTEWATER IN THIS AREA






**Area 3:
Cost of
Maintenance**

- **Capital Costs:** Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- **Maintenance and Operations:**

Miles of Street	1.8
Cost per mile	\$ 14,362.27
Annual cost for street	\$ 25,852.09
Annual cost for St. Light Disc	\$ 3,413.79
Add to Operating Budget	\$ 29,265.88
- **Human Resources:** One full-time Maintenance Technician would be required at an annual base salary of \$27,352.00 plus benefits.



**Area 3a:
Bypass 35 –
Alexander Dr. to
Griffith Dr.
(Alternate Scenario 3A)**




**Area 3a:
Land Use
and Market
Valuation**

- **Estimated Population:** 38
- **Land Use and Associated Market Valuation:** 83.0602 acres total

Property Type	Count	VALUE	Acres	#
Total Single-Family Units	15	22,317.2	52,370.740	
Total Multi-Family Units	1	0	0	
Total Commercial Properties	3	36,303	1,077.350	
Total Unimproved Properties	8	24.44	344.900	
- **Statistical Market Valuation:**
 - Total Market Valuation: \$3,794,990.00
 - Average Value (including exempt property): \$171,408.80
 - Median Value (including): \$127,415.00
 - Average Value (excluding exempt property): \$136,305.90
 - Median Value (excluding): \$159,090.00
 - Average Homestead Value: \$208,511.80
 - 11 Properties are homesteaded
- **# of Building Permits since 2003:** 6



**Area 3a:
Existing
Infrastructure**

- **Streets:**

Street	From	To	Length	Width
Corpus Christi	Sunset	Griffith	1200	22
Griffith	Corpus Christi	Bypass	2490	24
St. Frances	Griffith	Alexander	2104	20
Alexander	St. Frances	Holly	1237	22
			Footage	7031
			Miles	1.331629
- **Street Condition(s):** Good
 - Chipseal
 - No curb and gutter



**Area 3a:
Cost of
Maintenance**

- **Capital Costs:** Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- **Maintenance and Operations:**

Miles of Street	1.33
Cost per mile	\$ 10,962.77
Annual cost for street	\$ 14,040.48
Annual cost for St. Light Disc	\$ 2,522.41
Add to Operating Budget	\$ 16,570.89
- **Installation of street lights:**

Installation of street lights	7	\$ 7,000.00
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**Area 3b:
Bypass 35 –
Alexander Dr. to
Griffith Dr.
(Alternate Scenario 3B)**





**Area 3b:
Land Use
and Market
Valuation**

- Estimated Population: 50
- Land Use and Associated Market Valuation: 120.903 acres total

Property Type	Count	VALUE	Acres	\$
Total Single-Family Units	4	11,123	253.720	
Total Multi-Family Units	0	0	0	
Total Commercial Properties	3	20,475	\$214,830	
Total Unimproved Properties	22	10,305	\$706,040	

- Statistical Market Valuation:
 - Total Market Valuation: \$5,936,590.00
 - Average Value (including exempt property): \$66,796.97
 - Median Value (including): \$37,420.00
 - Average Value (excluding exempt property): \$59,052.00
 - Median Value (excluding): \$30,240.00
 - Average Homestead Value: \$143,480.00
 - Properties are homesteaded
- # of Building Permits since 2003: 1



**Area 3b:
Existing
Infrastructure**

• Streets:

Street	Eros	Jo	Length	Width
Alexander	St. Frances	Holly	24	22
Holly	Alexander	Bypass	2495	22
			Footage	2519
			Miles	0.477083

- Street Condition(s): Good
 - Chipseal
 - No curb and gutter



**Area 3b:
Cost of
Maintenance**

- Capital Costs: Any capital costs are already incorporated into budgeted CIP projects. No curant drainage projects.

• Maintenance and Operations:

Miles of Street		0.48
Cost per mile	\$	10,962.77
Annual cost for street	\$	5,270.13
Annual cost for St. Light Elec	\$	910.34
Add to Operating Budget	\$	5,980.47
Installation of street lights	3 \$	3,000.00



**Staff
Recommendations**

- **Option 1:** Market Street A, Market Street B, SH 35 Bypass/Hwy 188 (all), Bypass 35 Connection (all)
 - Because of the TLGC statute, the City can annex up to 30% of the incorporated area of the municipality. Therefore, all proposed areas can be annexed if desired. However, it is recommended that the Market Street annexation be separated into two parts in order to meet the rooftop exemption requirement.
- **Option 2:** Market Street A, SH 35 Bypass/Hwy 188 (all), Bypass 35 Connection (all)
 - The Market Street annexation will require many additional personnel hours. In order to begin closing the city limits gap but not cause significant financial strain to the City, it is recommended that Market Street A be annexed first in this fiscal year because it is least costly, along with the two other areas that are less personnel dependent.
- **Option 3:** Market Street A, SH 35 Bypass/Hwy 188 (all)
 - The SH 35 Bypass/Hwy 188 corridor is the only annexation area that produced a net profit. It is recommended that this be combined with Market Street A, which will begin to close the city limit gap.



**Staff
Recommendations**

Annexation Options Summary

Category	Option 1	Option 2	Option 3
Population	420	246	246
Housing Units	161	101	89
Acres	1,545,5556	1,471,8530	266,8250
Net Rev/Expense	\$ (407,148)	\$ (234,287)	\$ (76,443)

- **Option 1:** Market Street A, Market Street B, SH 35 Bypass/Hwy 188 (all), Bypass 35 Connection (all)
- **Option 2:** Market Street A, SH 35 Bypass/Hwy 188 (all), Bypass 35 Connection (all)
- **Option 3:** Market Street A, SH 35 Bypass/Hwy 188 (all)

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Annexation Profile Summary

Category	Area 1		Area 2		Area 3		Total
	Market Street		Bypass 35/18th-FM 188		Bypass 35/Alexander - Griffith		
Expenses & Data							
Miscellaneous							
Population	365		30		40		435
Acres	170.01		1,205.03		185.62		1,560.66
Development Type							
Single Family	138		12		16		166
Multi-Family	1		0		0		1
Commercial	43		70		5		118
Unimproved	41		18		27		86
Property Valuation							
Total Market Valuation	\$ 20,348,670	\$	15,859,210	\$	5,648,510	\$	41,856,390
Average Value (excluding exempt)	\$ 85,278	\$	119,867	\$	117,677		
Median Value (excluding exempt)	\$ 43,040	\$	23,500	\$	62,930		
Average Homestead Value	\$ 102,852	\$	131,100	\$	200,626		
Building Permits Since 2003	44		0		7		51
Infrastructure							
Current Street Miles	3.92		0		1.8		5.72
Annual Street Maintenance Cost	\$ 41,406	\$	-	\$	19,013	\$	60,419
New Streetlights	38		0		10		48
Streetlight Installation Cost	\$ 38,000	\$	-	\$	10,000	\$	48,000
Streetlight Electrical Cost	\$ 7,434	\$	-	\$	3,414	\$	10,848
Total Capital Expense	\$ 38,000	\$	-	\$	10,000	\$	48,000
Total Annual O&M Expense	\$ 48,840	\$	-	\$	22,427	\$	71,267
Services							
New Police Labor Hours - Patrol	4,160.00		1,040.00		1,040.00		6,240.00
New Police Labor Hours - CID	2,773.33		693.33		693.33		4,160.00
New Police Labor Hours - Admin	1,386.67		346.67		346.67		2,080.00
New Building Inspector Hours	1,040.00		-		-		1,040.00
New Code Enforcement Officer Hours	1,040.00		-		-		1,040.00
New Parks Labor Hours	-		-		-		-
New Street Labor Hours	1,664.00		-		416.00		2,080.00
New Water Labor Hours	-		-		-		-
New Wastewater Labor Hours	-		-		-		-
Total Water Customers	135.00		3.00		5.00		143.00
Total Sewer Customers	24.00		-		-		24.00
Total Gas Customers	50.00		-		3.00		53.00
Total Sanitation Customers	189.00		82.00		21.00		292.00
Total New Labor Hours	10,400.00		2,080.00		2,080.00		14,560.00
Personnel Costs (includes salary and benefits at step 11, equipment costs excluded)							
Police - Patrol (3)	\$ 116,781.70	\$	29,195.42	\$	29,195.42	\$	175,172.55
Police - CID (2)	\$ 81,795.85	\$	20,448.96	\$	20,448.96	\$	122,693.78
Police - Admin (1)	\$ 33,566.83	\$	8,391.71	\$	8,391.71	\$	50,350.25
Building Inspector (0.5)	\$ 30,673.44	\$	-	\$	-	\$	30,673.44
Code Enforcement Officer(0.5)	\$ 22,807.42	\$	-	\$	-	\$	22,807.42
Parks Maintenance Techs (0)	\$ -	\$	-	\$	-	\$	-
Street Maintenance Techs (1)	\$ 31,466.82	\$	-	\$	7,866.71	\$	39,333.53
Water Maintenance Techs (0)	\$ -	\$	-	\$	-	\$	-
Wastewater Maintenance Techs (0)	\$ -	\$	-	\$	-	\$	-
Total Personnel Expense	\$ 317,092.07	\$	58,036.10	\$	65,902.80	\$	441,030.96
Revenue							
New Ad Valorem Revenue	\$ 74,243.75	\$	57,863.60	\$	20,609.04	\$	152,716.39
New Sales Tax Revenue							\$ -
New Permit Fee Revenue							\$ -
Difference in Water Revenue	\$ (1,790.91)	\$	(153.52)	\$	(37.09)	\$	(1,981.52)
Difference in Sewer Revenue	\$ (193.61)	\$	-	\$	-	\$	(193.61)
Difference in Gas Revenue	\$ -	\$	-	\$	-	\$	-
Summary							
Category	Area 1		Area 2		Area 3		Total
	Market Street		Bypass 35/18th-FM 188		Bypass 35/Alexander - Griffith		
Difference in Sanitation Revenue	\$ 2,575.98	\$	1,357.75	\$	282.88	\$	4,216.61
Total Revenue	\$ 74,835	\$	59,068	\$	20,855	\$	154,758
Net Revenue/Expense							
Total Capital Expense	\$ 38,000	\$	-	\$	10,000	\$	48,000
Total Annual O&M Expense	\$ 48,840	\$	-	\$	22,427	\$	71,267
Total Personnel Expense	\$ 317,092.07	\$	58,036.10	\$	65,902.80	\$	441,030.96
Total Expense	\$ 403,932	\$	58,036	\$	98,330	\$	560,298
Total Revenue	\$ 74,835	\$	59,068	\$	20,855	\$	154,758
Net Revenue/Expense	\$ (329,097)	\$	1,032	\$	(77,475)	\$	(405,540)

Annexation Profile Summary

	Area 1a	Area 1b	Area 2a	Area 2b	Area 3a	Area 3b	Total
Demographics & Data							
Miscellaneous							
Population	200	165	0	30	30	50	435
Acres	81.21	73.70	891.24	316.32	83.06	120.80	1,566.43
Development Type							
Single Family	72	60	0	12	15	4	163
Multi-Family	1	0	0	0	1	0	2
Commercial	25	17	8	66	3	3	122
Unimproved	26	15	2	14	8	22	87
Property Valuation							
Total Market Valuation	\$ 12,858,870	\$ 7,117,780	\$ 7,315,110	\$ 8,865,540	\$ 3,791,960	\$ 1,016,590	\$ 41,891,880
Average Value (including exempt)	\$ 88,249	\$ 85,185	\$ 301,780	\$ 72,891	\$ 156,205	\$ 59,052	\$ 126,205
Median Value (including exempt)	\$ 41,370	\$ 35,455	\$ 198,030	\$ 23,500	\$ 59,890	\$ 30,140	\$ 126,205
Average Homestead Value	\$ 111,993	\$ 85,185	\$ 177,820	\$ 120,252	\$ 208,512	\$ 142,480	\$ 142,480
Building Permits Since 2003	25	19	0	0	6	1	51
Infrastructure							
Current Street Miles	3.14	3.78	0	0	1.33	0.48	5.73
Annual Street Maintenance Cost	\$ 22,622	\$ 38,833	\$ -	\$ -	\$ 14,048	\$ 5,070	\$ 60,573.49
New Streetlights	20	18	0	0	7	3	48.00
Streetlight Installation Cost	\$ 20,000	\$ 18,000	\$ -	\$ -	\$ 7,000	\$ 3,000	\$ 48,000.00
Streetlight Electrical Cost	\$ 4,000	\$ 3,000	\$ -	\$ -	\$ 2,500	\$ 300	\$ 10,875.00
Total Capital Expense	\$ 20,000	\$ 18,000	\$ -	\$ -	\$ 7,000	\$ 3,000	\$ 45,000.00
Total Annual O&M Expense	\$ 26,684	\$ 22,214	\$ -	\$ -	\$ 16,571	\$ 5,980	\$ 65,469.00
Services							
New Police Labor Hours - Patrol	3,080.00	3,080.00	520.00	520.00	520.00	520.00	6,240.00
New Police Labor Hours - CID	1,386.67	1,386.67	346.67	346.67	346.67	346.67	4,160.00
New Police Labor Hours - Admin	693.33	693.33	173.33	173.33	173.33	173.33	2,080.00
New Building Inspector Hours	520.00	520.00	-	-	-	-	1,040.00
New Code Enforcement Officer Hours	520.00	520.00	-	-	-	-	1,040.00
New Parks Labor Hours	-	-	-	-	-	-	-
New Street Labor Hours	832.00	832.00	-	-	208.00	208.00	2,080.00
New Water Labor Hours	-	-	-	-	-	-	-
New Wastewater Labor Hours	-	-	-	-	-	-	-
Total Water Customers	70.00	65.00	1.00	2.00	5.00	-	143.00
Total Sewer Customers	3.00	21.00	-	-	-	-	24.00
Total Gas Customers	15.00	35.00	-	-	3.00	-	53.00
Total Sanitation Customers	98.00	77.00	8.00	78.00	38.00	7.00	237.00
Total New Labor Hours	5,200.00	5,200.00	1,040.00	1,040.00	1,040.00	1,040.00	14,560.00
Personnel Costs (includes salary and benefits for all employees under contract)							
Police - Patrol (1)	\$ 58,300.85	\$ 58,300.85	\$ 14,597.71	\$ 14,597.71	\$ 14,597.71	\$ 14,597.71	\$ 175,172.55
Police - CID (2)	\$ 40,897.93	\$ 40,897.93	\$ 10,224.48	\$ 10,224.48	\$ 10,224.48	\$ 10,224.48	\$ 122,691.78
Police - Admin (1)	\$ 16,783.42	\$ 16,783.42	\$ 4,195.85	\$ 4,195.85	\$ 4,195.85	\$ 4,195.85	\$ 50,350.25
Building Inspector (0.3)	\$ 15,336.72	\$ 15,336.72	\$ -	\$ -	\$ -	\$ -	\$ 30,673.44
Code Enforcement Officer(0.5)	\$ 11,403.71	\$ 11,403.71	\$ -	\$ -	\$ -	\$ -	\$ 22,807.42
Parks Maintenance Techs (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Maintenance Techs (1)	\$ 15,733.41	\$ 15,733.41	\$ -	\$ -	\$ 3,933.35	\$ 3,933.35	\$ 39,333.53
Water Maintenance Techs (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Maintenance Techs (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel Expense	\$ 158,546.03	\$ 158,546.03	\$ 29,018.05	\$ 29,018.05	\$ 22,851.40	\$ 22,851.40	\$ 441,030.96
Revenues							
New Ad Valorem Revenue	\$ 46,953.10	\$ 25,969.79	\$ 26,089.76	\$ 32,328.39	\$ 13,839.03	\$ 7,065.80	\$ 152,845.87
New Sales Tax Revenue	-	-	-	-	-	-	-
New Permit Fee Revenue	-	-	-	-	-	-	-
Difference in Water Revenue	\$ (864.66)	\$ (926.24)	\$ (35.83)	\$ (117.69)	\$ (37.09)	\$ -	\$ (1,981.51)
Difference in Sewer Revenue	\$ (18.90)	\$ (174.66)	\$ -	\$ -	\$ -	\$ -	\$ (193.56)
Difference in Gas Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference in Sanitation Revenue	\$ 1,316.17	\$ 1,020.52	\$ 138.34	\$ 1,288.58	\$ 236.02	\$ 190.98	\$ 4,110.61
Total Revenue	\$ 47,386	\$ 25,899	\$ 26,792	\$ 33,499	\$ 14,038	\$ 7,357	\$ 154,781
Net Revenue/Expense							
Total Capital Expense	\$ 20,000	\$ 18,000	\$ -	\$ -	\$ 7,000	\$ 3,000	\$ 48,000
Total Annual O&M Expense	\$ 26,684	\$ 22,214	\$ -	\$ -	\$ 16,571	\$ 5,980	\$ 71,469
Total Personnel Expense	\$ 158,546.03	\$ 158,546.03	\$ 29,018.05	\$ 29,018.05	\$ 22,851.40	\$ 22,851.40	\$ 441,031
Total Expense	\$ 205,230	\$ 198,760	\$ 29,018	\$ 29,018	\$ 46,522	\$ 41,831	\$ 560,480
Total Revenue	\$ 47,386	\$ 25,899	\$ 26,792	\$ 33,499	\$ 14,038	\$ 7,357	\$ 154,781
Net Revenue/Expense	\$ (157,844)	\$ (172,861)	\$ (2,226)	\$ (4,811)	\$ (32,484)	\$ (34,474)	\$ (405,699)

Annexation Options Summary

Category	Option 1	Option 2	Option 3
Population	420	246	246
Housing Units	161	101	89
Acres	1,545.5556	1,471.8530	266.8250
Net Rev/(Expense)	\$ (407,148)	\$ (234,287)	\$ (76,443)



Questions? Comments? Concerns?

Discussion was held among Council, City Manager Kevin Carruth, and Ms. Torres.

Mayor Wax stated that from a strategic prospective the City should begin to close gaps where our wards go out to Bypass 35; this would allow more options when redistricting is required and it would protect the City's Extraterritorial Jurisdiction (ETJ). Mayor Wax added that Area 2 in particular seems to be obvious and he likes Area 1a as he thinks the City needs to have better control over the appearance of entry into the City.

It was the consensus of Council that staff prepare annexation information for Area 1, Area 2 and part of Area 3 as presented and discussed.

City Manager Kevin Carruth asked when Council would like to discussion and take action on potential annexation.

Mayor Wax suggested this be brought back to Council for action at the earliest date possible.

5. Adjournment

At 2:50 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 OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING 6:30 p.m., Tuesday, August 23, 2016 Rockport City Hall, 622 East Market Street

On the 23rd day of August 2016, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 6:30 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 Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

Council Member J. D. Villa, Ward 2

PLANNING & ZONING COMMISSION MEMBERS PRESENT

Edward Bellion
Brian Olsen
Diana Severino-Saxon

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
City Attorney Terry Baiamonte
City Secretary Teresa Valdez
Community Planner Amanda Torres
Police Chief Tim Jayroe
Public Works Director Mike Donoho
Parks & Leisure Services Director Tom Staley
Parks Maintenance Superintendent Rick Martinez

ELECTED OFFICIALS PRESENT

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 6:33 p.m. on Tuesday, August 23, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

2. Pledge of Allegiance.

Boy Scout Scott Dwayne Almond led the Pledge of Allegiance to the U.S. flag.

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 Council Regular Meeting Minutes of August 9, 2016.

5. Deliberate and act on request from Rockport Center for the Arts for use of the festival site beginning June 19, 2017, through July 7, 2017, for the 48th Annual Rockport Art Festival.

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. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

Public Hearing

6. Call to Order – Rockport Planning & Zoning Commission.

There was no quorum of the Rockport Planning & Zoning Commission, so the meeting of the Rockport Planning & Zoning Commission was not called to order.

Mayor Wax stated since there were several people in attendance requesting to address the Council on the scheduled joint public hearing, he was going to take the prerogative to accept public comment on the two public hearings.

7. Conduct a Joint Public Hearing with the Planning & Zoning Commission to consider a request for Conditional Use Permit to allow development of a RV park, on property located at 121-R Lamar Dr.; also known as part of Lots 1, 2, and 3 (8.15 acres), Block 230, Burton and Danforth Subdivision, Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Dwelling District).

A Joint Public Hearing was not conducted, but citizen comments were accepted as follows:

April Clark, 142 Vergie Lane, addressed the Council. Ms. Clark stated her primary objection to the request for the Conditional Use Permit is safety. Ms. Clark said there will be an increased traffic flow and she urged the Council to consider the safety of children and residents in this area.

Candy Sargent, 214 Portia Ave., addressed the Council. Ms. Sargent stated she is concerned about flooding at her home and she fears that when a RV park is built, flooding will be worse. Ms. Sargent voiced concerns about traffic, fire, trash and crime if a RV park is allowed to be developed.

Nancy Norrell, 116 Spring Lane, addressed the Council. Ms. Norrell stated she has lived here for 38 years and she is concerned about development of an RV park in this area. Ms. Norrell said that valuation of her home will decrease and asked if the City will be setting a precedent by allowing RV parks to be built everywhere.

Doug Norrell, 116 Spring Lane, addressed the Council. Mr. Norrell stated he had researched how many times the City had allowed permits for RV parks. Mr. Norrell said the last permit he found was for an extension of Laguna Reef Resort in 2006. Mr. Norrell expressed that he would like to see that stay in effect and asked that Council deny this request.

Kim Resendez, 218 Portia Ave, addressed the Council. Ms. Resendez stated that the area where she lives floods very easily and she is concerned about what may happen when a RV park comes in. Ms. Resendez voiced concern over the increased traffic if a RV park is permitted.

Kasey Kimbrough, 122 Bishop Road, addressed the Council. Mr. Kimbrough stated that this area has recently initiated a neighborhood watch and is now better organized to look at what is going on in the neighborhood. Mr. Kimbrough said there are narrow streets in this area and a RV and another vehicle will not fit on the narrow street. Mr. Kimbrough said this area is a family neighborhood and there are many other areas of commercial property where a RV park could be build. Mr. Kimbrough expressed that Freese Lane and Lamar Drive are not designed to handle the type of traffic that a RV park would bring. Mr. Kimbrough said the neighborhood has been working with Aransas County on flooding issues in this area, and development of a RV park will not help the flooding. Mr. Kimbrough stated he would appreciate it if the Council would oppose the request for the Conditional Use Permit.

Doug Webb, 110 Lamar, addressed the Council. Mr. Webb stated he owns the RV park across from the proposed RV park. Mr. Webb stated he understood the concerns about increased traffic and safety. Mr. Webb expressed that the proposed RV park is located on wetlands and in order to make anything of this, the property will have to be elevated, and when it is elevated it will push water on his property and he will sue, and if it pushes water on someone else's property they will sue. Mr. Webb said this is not a good place for a RV park.

Adrian Wilson, 130 Spring Lane, addressed the Council. Mr. Wilson said this development will be in his back yard. Mr. Wilson stated he did some research and there are 853 RV sites within a one-mile radius of his home. Mr. Wilson expressed concern regarding what the mound septic systems in these RV sites are doing to the groundwater. Mr. Wilson stated he was adamantly against this request.

Jeff Massengill, 134 Spring Lane, addressed the Council. Mr. Massengill stated development of a RV park in this area will affect his property valuation, traffic, and ground contamination. Mr. Massengill said he is not in favor of this development and asked that Council oppose the request.

Joe Wilson, 216 Portia Ave., addressed the Council. Mr. Wilson stated this area floods and water sits for weeks at a time. Mr. Wilson said he is opposed to the request.

8. Conduct a Joint Public Hearing with the Planning & Zoning Commission to consider a request for Conditional Use Permit to allow development of a RV resort park, on property located at 3021-3099 Loop 1781; also known as 47.981 acres, A76 Joseph Hollis Survey which includes Lago Vista Village, Lot B, Rockport, Aransas County, Texas, currently zoned B-1 (General Business District).

A Joint Public Hearing was not conducted, but citizen comments were accepted as follows:

Marcie Simmons, 414 Old Salt Lake Road, addressed the Council. Ms. Simmons stated she lives next to the property seeking the Conditional Use Permit. Ms. Simmons expressed concerns regarding flooding and that only one entrance is being proposed for the RV resort park.

James Shaw, 624 Fulton Beach Road, addressed the Council. Mr. Shaw stated he is an investor in this project and this is the type of land that one would want to develop into an RV park.

Sandy Swanson, 112 Lee Circle, addressed the Council. Ms. Swanson distributed to the Council a document addressing the eight (8) Conditional Use Permit Application requirements and neighbor/resident concerns voiced at the previously conducted joint public hearing. Ms. Swanson said all eight (8) of the Conditional Use Permit requirements have been met and the neighbor/resident concerns have been addressed. Ms. Swanson informed the Council that the developer has agreed to another emergency entrance to the property. Ms. Swanson said the letter from the Army Corps of Engineers had been provided to the City. Ms. Swanson said this property is zoned commercial and they are requesting a Conditional Use Permit. Ms. Swanson requested Council approve the request.

Sandra Monty, 149 Old Salt Lake Road, addressed the Council. Ms. Monty stated she would like to see the study from the Army Corps of Engineers. Ms. Monty said the neighborhood is very unhappy about this proposed development; they want to keep the nice dark nights, wildlife and peace. Ms. Monty expressed concern in regard to the ecosystem impact, increased traffic, and the impact on water usage.

Mayor Wax informed everyone that the Planning and & Zoning Commission will be having a meeting to discuss these two (2) requests and he encouraged everyone to attend to voice their concerns. Mayor Wax added that a copy of the letter from the Army Corp of Engineers can be seen on the City's website in the Agenda packet for this meeting.

9. Adjourn – Rockport Planning & Zoning Commission.

Since there was no quorum of the Planning & Zoning Commission, the meeting of the Planning & Zoning Commission was not called to order and thus there was no adjournment.

10. Conduct a Public Hearing on City of Rockport Fiscal Year 2016-2017 budget.

At 7:11 p.m., Mayor Wax opened the Public Hearing.

There were no public comments.

At 7:12 p.m., Mayor Wax closed the Public Hearing.

Regular Agenda

- 11. Deliberate and act on second and final 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.**

Mayor Wax stated there had been no changes in content or format since the first reading of this Ordinance on August 9, 2016.

MOTION: Council Member Villa moved to approve the second and final 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. Council Member Gurtner seconded the motion. Motion carried unanimously.

- 12. Deliberate and act on second and final 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.**

Mayor Wax stated there had been no changes in content or format since the first reading of this Ordinance on August 9, 2016.

MOTION: Mayor Pro-Tem Rios moved to approve the second and final 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. Council Member Villa seconded the motion. Motion carried unanimously.

- 13. Deliberate and act on second and final reading of a proposed Ordinance amending the City of Rockport Code of Ordinances Chapter 102 "Utilities," Article V, "Natural Gas Service," Division 3, "Service Charges" by amending natural gas rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date.**

Mayor Wax stated there had been no changes in content or format since the first reading of this Ordinance on August 9, 2016.

MOTION: Council Member Villa moved to approve the second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 "Utilities," Article V, "Natural Gas Service," Division 3. "Service Charges" by amending natural gas rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date. Council Member Day seconded the motion. Motion carried unanimously.

14. Deliberate and act on authorizing the Mayor to negotiate and execute an agreement with Republic Services for waste collection services.

Mayor Wax stated that City Manager Kevin Carruth had emailed the proposed agreement to Council Members yesterday for their review.

Discussion was held among Council, Mr. Carruth and Mike Reeves, Republic Services Municipal Services Manager, in regard to the proposed agreement.

Mr. Carruth stated the agreement contains a 6% franchise fee and stated that Republic Services will have exclusivity for all waste collection services within the City of Rockport.

MOTION: Mayor Pro-Tem Rios moved to authorize the Mayor to negotiate and execute an agreement with Republic Services for waste collection services. Council Member Villa seconded the motion. Motion carried unanimously.

15. 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; 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 Development 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 the City had received a letter from the Friends of the History Center for Aransas County congratulating the City for being nominated as a "Steward of Nature" and inviting Council to attend a ceremony on September 10, 2016 at 6:00 p.m. at the History Center.

Mayor Wax announced that there will be a farewell party for Pool Manager Sally Harper on Wednesday at 11:00 a.m. at the pool.

Mr. Carruth announced that there will be a retirement party for Parks & Leisure Services Director Tom Staley on Tuesday, August 30, 2016, at 5:30 p.m. at the Poor Man's Country Club.

Mayor Wax thanked Tom Staley for his 18 years of great work as the City's Parks and Leisure Services Director. Mayor Wax commended Mr. Staley for his work in managing staff and funds.

Council Member J.D. Villa announced that the circular bench has been placed downtown at Veterans Park.

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:

- 16. Section 551.071(1)(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Texaz Construction and AZ Southwest Properties.**
- 17. Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.**
- 18. Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: (A) 0.02 acre being part of Block 255, Smith and Wood Division lying south of Linden Street and east of Lady Claire Street, and (B) Sweet Bay Avenue ROW from Lady Claire Street to approximately 190 feet west of Patton Street.**
- 19. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.**

At 7:37 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071910(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Texaz Construction and AZ Southwest Properties; Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter; Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: (A) 0.02 acre being part of Block 255, Smith and Wood Division lying south of Linden Street and east of Lady Claire Street, and (B) Sweet Bay Avenue ROW from Lady Claire Street to approximately 190 feet west of Patton Street; and Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

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 8:37 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 necessary actions related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

MOTION: Mayor Wax moved that Council authorize the Mayor to negotiate and execute the sale of 0.02 acre being part of Block 255, Smith and Wood Division lying south of Linden Street and east of Lady Claire Street. Council Member Villa seconded the motion. Motion carried unanimously.

20. Adjournment

At 8:40 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios. Motion carried unanimously.

APPROVED:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 6

Deliberate and act on a Resolution amending Resolution No. 2016-08 by revising the certification list and pay table.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: As shown in the accompanying draft resolution, the proposed changes to the certification pay schedule are in the Police Department, Parks and Leisure Services Department, City Secretary Department, Information Technology Department and Gas Department.

Council discussed the financial impact of the additional certifications and amendments during the budget workshops. The proposed changes are detailed in the table below:

Certification	Current Incentive	Proposed Incentive
FBI National Academy Certificate	\$100	\$150
School of Police Supervision	\$-0-	\$100
Certified Pool Operator	\$-0-	\$45
City Secretary TRMC Certification	\$45	\$250
City Secretary CMC Certification	\$-0-	\$300
City Secretary MMC Certification	\$-0-	\$350
Cisco Certified Entry Networking Technician	\$-0-	\$65
Gas Operator – Level I	\$-0-	\$45
Gas Operator – Level II	\$-0-	\$100
Gas Operator – Level III	\$-0-	\$150

FISCAL ANALYSIS: As presented in the initial proposed certification pay plan in 2014, the net total annual cost was estimated at \$223,871.79. The actual annual expense for certification/education pay, based on current employees and their certifications, is \$186,397.67. The proposed additional certifications will add a maximum annual amount of \$21,480.00, for a grand total of \$207,877.67. The additional expense is included in the proposed FY 2016-2017 budget.

RECOMMENDATION: Staff recommends Council approve the proposed resolution, as presented.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF ROCKPORT, TEXAS AMENDING RESOLUTION NO. 2016-08 ADDING CERTIFICATION PAY POLICY; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS ADOPTED WAS OPEN TO THE PUBLIC, THAT THE PUBLIC NOTICE OF TIME, PLACE, AND THE SUBJECT MATTER OF THE PUBLIC BUSINESS TO BE CONSIDERED WAS POSTED AS REQUIRED BY LAW, INCLUDING THIS RESOLUTION.

WHEREAS, in FY 2013-2014, it was determined that it had become increasingly difficult to recruit and retain quality personnel with the current Employee Grade/Step Pay Schedule and Grading System as adopted by Resolution No. 2012-11; and

WHEREAS, the City of Rockport encourages its employees to participate in advance training and education, acknowledging that additional training is important to the employees and is an overall benefit to the operation of the City of Rockport.

WHEREAS, Resolution 2014-07 was adopted February 25, 2014, providing for an Employee Certification Pay policy for all qualified full-time employees; and

WHEREAS, Resolution 2014-07 was amended on June 10, 2014 by Resolution 2014-13 to include additional categories of certifications; and

WHEREAS, Resolution 2014-13 was amended on April 12, 2016 by Resolution 2016-08 to include certifications for positions in the Park & Leisure Services Department; and

WHEREAS, it has been determined that Resolution 2014-13 Certification Pay policy did not include all applicable categories of certifications for positions in the Park & Leisure Services Department:

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

Section 1: The City of Rockport adopts the following Amended Employee Certification Pay Policy for all qualified full-time employees.

Approved Certification List and Pay

<u>List of Approved Certifications</u>	<u>Approved Pay Per Month</u>
EDUCATION COMPENSATION	
Associate Degree	\$250.00
Bachelor's Degree	\$350.00
Master's Degree	\$450.00

POLICE DEPARTMENT CERTIFICATION/LICENSES	
State Certified Fire Marshall	\$100.00
FBI National Academy Certificate	\$100.00 \$150.00
Administrative Assistant Certification	\$100.00
Intermediate Police Certificate	\$100.00
Advanced Police Certificate	\$200.00
Master Police Certificate	\$300.00
School of Police Supervision	\$100.00
POLICE TELECOMMUNICATIONS OPERATOR CERTIFICATION/LICENSES	
Intermediate TCOLE Certificate	\$100.00
Advanced TCOLE Certificate	\$200.00
Master TCOLE Certificate	\$300.00
PUBLIC WORKS DEPARTMENT CERTIFICATION/LICENSES	
Class D Water Operator	\$ 45.00
Class C Water Operator	\$175.00
Class B Water Operator	\$260.00
Class A Water Operator	\$350.00
Class D Wastewater Operator	\$ 45.00
Class C Wastewater Operator	\$175.00
Class B Wastewater Operator	\$260.00
Class A Wastewater Operator	\$350.00
Stormwater Inspector	\$ 45.00
Hazmat Certification	\$ 45.00
CSI Certification	\$ 45.00
Herbicide/Pesticide Certification	\$ 45.00
Commercial Driver's License	\$ 45.00
Administrative Assistant Certification	\$100.00
PARKS DEPARTMENT CERTIFICATION/LICENSES	
Herbicide/Pesticide Certification	\$ 45.00
Master Gardner's Certification	\$ 45.00
Master Naturalist's Certification	\$ 45.00
Commercial Driver's License	\$ 45.00
Administrative Assistant Certification	\$100.00
Certified Water or Waterfront Lifeguard Instructor	\$ 45.00
Certified Water or Waterfront Lifeguard Instructor Trainer	\$ 45.00
Certified Water or Waterfront Safety Instructor	\$ 45.00
Certified Water or Waterfront Safety Instructor Trainer	\$ 45.00
Certified First Aid/CPR/AED Instructor	\$ 45.00
Certified First Aid/CPR/AED Instructor Trainer	\$ 45.00
Certified Aquatic Facility (AFO) Operator	\$ 45.00
Certified Pool Operator	\$ 45.00
BUILDING AND DEVELOPMENT, INSPECTION, CODE ENFORCEMENT CERTIFICATION/LICENSES	
ICC Certified Building Official	\$100.00
ICC Certified Mechanical Inspector	\$ 45.00

ICC Certified Residential Electrical Inspector	\$ 45.00
ICC Certified Commercial Electrical Inspector	\$ 45.00
ICC Certified Commercial Energy Plans Inspector	\$ 45.00
TFMA Certified Floodplain Manager	\$ 45.00
State Licensed Plumbing Inspector	\$ 45.00
State Certified Code Enforcement Officer	\$ 45.00
State Licensed Master Electrician	\$ 45.00
State Licensed HVAC Contractor	\$ 45.00
Administrative Assistant Certification	\$100.00
CITY SECRETARY DEPARTMENT CERTIFICATION/LICENSES	
Human Resources Certification	\$ 45.00
Records Management Certification	\$ 45.00
City Secretary TRMC Certification	\$ 45.00 \$250.00
City Secretary CMC Certification	\$300.00
City Secretary MMC Certification	\$350.00
Administrative Assistant Certification	\$100.00
MUNICIPAL COURT DEPARTMENT CERTIFICATION/LICENSES	
Municipal Court Clerk Level 1	\$ 45.00
Municipal Court Clerk Level 2	\$ 90.00
Municipal Court Clerk Level 3	\$135.00
FLEET DEPARTMENT	
Underground Storage Tank Operator	\$ 45.00
ANIMAL CONTROL DEPARTMENT CERTIFICATION/LICENSES	
Advanced Animal Control License	\$ 45.00
Euthanasia License	\$ 20.00
INFORMATION TECHNOLOGY	
CCENT (Cisco Certified Entry Networking Technician)	\$ 65.00
GAS DEPARTMENT	
Operator – Level I	\$ 45.00
Operator – Level II	\$100.00
Operator – Level III	\$150.00

NOTE: Items highlighted in YELLOW were added to the list of Approved Certifications, and items in red type were amended.

Section 2: The City Council of the City of Rockport hereby finds and determines, and hereby declares that the meeting at which this Resolution is adopted was open to the public, that the public notice of time, place, and the subject matter of the public business to be considered was posted as required by law, including this Resolution.

Section 3: This Resolution shall become effective October 1, 2016.

INTRODUCED, READ, and PASSED by the affirmative vote on this the 13th day of September 2016.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 8

Conduct a Joint Public Hearing with the Planning & Zoning Commission to consider a request to rezone property located at 2201 State Highway 35 Bypass; also known as Lot 44 (West 100' x 49'), Block 1, West Terrace Unit 2, Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Swelling District) to B-1 General Business District) to allow development of a utility trailer sales lot.

SUBMITTED BY: Public Works Director Michael S. Donoho, Jr.

APPROVED FOR AGENDA: PKC

BACKGROUND: Travis and Elizabeth Kelley are seeking a Rezone on property located at 2201 State Highway 35 Bypass, from R-1 (1st Signal Family Dwelling District) to B-1 (General Business District). The request is for the development of a utility trailer sales lot.

Please see the accompanying rezoning application for detail information.

FISCAL ANALYSIS: N/A

STAFF RECOMMENDATION: N/A Public Hearing Only



JOINT PUBLIC HEARING
Rockport City Council
and
Planning & Zoning Commission

NOTICE is hereby given that the Rockport City Council and the Planning & Zoning Commission will hold a Joint Public Hearing on Tuesday, September 13, 2016, at 6:30 p.m. at Rockport City Hall, 622 E. Market Street, Rockport, Texas, to consider a request to rezone property located at 2201 State Highway 35 Bypass; also known as Lot 44 (West 100' x 49'), Block 1, West Terrace Unit 2, Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Dwelling District), to B-1 (General Business District). The purpose of the request is to allow development of a utility trailer sales lot.

The City encourages citizens to participate and make their views known at this Public Hearing. For further information on this request please contact the Building Department at (361) 790-1125. 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 e-mail citysec@cityofrockport.com for further information. Braille is not available.

POSTED the 19th day of August 2016, by 5:00 p.m., on the bulletin board at Rockport City Hall, 622 E. Market Street, Rockport, Texas, and on the website www.cityofrockport.com.

PUBLISHED in *The Rockport Pilot* in the Wednesday, August 24, 2016, Edition, in accordance with the City of Rockport Code of Ordinances.

CITY OF ROCKPORT, TEXAS



Diana R. Leonard, Administrative Assistant



RECEIVED
AUG 15 2016
BY: KF

**CITY OF ROCKPORT
ZONING AND LAND DEVELOPMENT APPLICATION**

INSTRUCTION: Please fill out completely. If more space is needed, attach additional pages. Please print or use typewriter.

A. REQUESTING: Rezoning Conditional Permit []
Planned Unit Development (P.U.D.) by Conditional Permit []

B. ADDRESS AND LOCATION OF PROPERTY 2201 S Hwy 35 Byp-SS

C. CURRENT ZONING OF PROPERTY: Residential

D. PRESENT USE OF PROPERTY: Vacant land

E. ZONING DISTRICT REQUESTED: B-1

F. CONDITIONAL USE REQUESTED: _____

G. LEGAL DESCRIPTION: (Fill in the one that applies)

• Lot or Tract Lot 44 Block 1

• Tract _____ of the _____
Survey as per metes and bounds (field notes attached)

• If other, attach copy of survey or legal description from the Records of Aransas County or Appraisal District.

H. NAME OF PROPOSED DEVELOPMENT (if applicable) _____

I. TOTAL ACREAGE OR SQ. FT. OF SITE(S): 4,900 sq ft

J. REASON FOR REQUEST AND DESCRIPTION OF DEVELOPMENT:
(Please be specific)

Want to Rezone the Property to open Utility Trailer
Sales lot.

K. OWNER'S NAME: (Please print) Trauers and Elizabeth Kelley
 ADDRESS: 1703 W Corpus Christi St
 CITY, STATE, ZIP CODE: Rockport, TX 78382
 PHONE NO 361-633-8303

L. REPRESENTATIVE: (If Other Than Owner) _____
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____
 PHONE NO _____

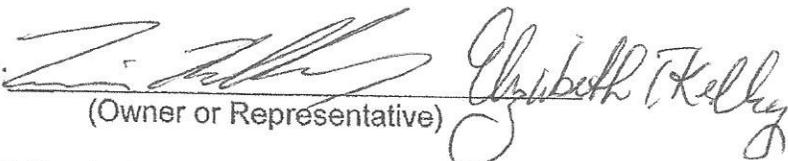
NOTE: Do you have property owner's permission for this request?
 YES _____ NO _____

M. FILING FEE:

REZONING	\$150.00 + \$10.00 PER ACRE
PLANNED UNIT DEVELOPMENT	\$200.00 + \$10.00 PER ACRE
P.U.D. REVISION	\$200.00 + \$10.00 PER ACRE
CONDITIONAL PERMIT	\$150.00 + \$10.00 PER ACRE

(Make check payable to the City of Rockport)

- Submit application and filing fee to the Department of Building & Development, City of Rockport; 2751 S.H. 35 Bypass, Rockport, Texas 78382.

Signed: 
 (Owner or Representative)

(FOR CITY USE)

Received by: Kerri Falkner Date: 8/15/14 Fees Paid: \$ 150.00

Submitted Information (accepted) (_____ rejected) by: KF

If rejected, reasons why: _____

Receipt No. _____





1.223 Acres
CF #144052

LOT 43

FND. 3/8"
STEEL REBAR
0.52' N. & 0.1' W OF
FND. 5/8"
STEEL REBAR

N70°48'38"W

50.65

FND. 5/8"
STEEL REBAR

100.0

D = 00°30'36"
R = 11,239.16
CH = 100.04
T = 50.02
L = 100.04

Remainder of Out Lot 35
Aransas Pass
Colonization Subdivision
John Smith Survey A-187

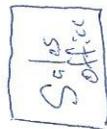
NORTH 100.0'
LOT 44
Save & Except
Highway R.O.W.

Edge of Asphalt Pavement

TEXAS HIGHWAY 35 BYPASS
440' R.O.W. (Not to Scale)

S19°00'00"W

Hand Drawings of property at 2201 SH 35 Bypass intended use located at 2201 SH 35 Bypass



SOUTH 50.0'
LOT 44
Vol. 116, Pg. 105
D.R.A.C.T.

FND. 5/8"
STEEL REBAR

S70°48'38"E

47.57

FND. 5/8"
STEEL REBAR

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 3-4-85, AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS (OR) IS NOT X LOCATED IN A "SPECIAL FLOOD HAZARD AREA," ZONE C, BASE ELEVATION N/A, PANEL NO. 0149C, COMMUNITY NO. 488452. THIS INFORMATION IS BASED ON SCALING THE LOCATION OF THIS SURVEY ON THE ABOVE REFERENCED MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO IDENTIFY SPECIFIC FLOODING CONDITIONS.

PLAT BEARING USED FOR DIRECTIONAL CONTROL UNLESS OTHERWISE SHOWN.

SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS OR OWNERSHIP OF TITLE EVIDENCE. SURVEYOR DID NOT REVIEW EXCEPTIONS IN SCHEDULE "B" OF THE TITLE COMMITMENT TO DETERMINE WHETHER THEY DO OR DO NOT AFFECT SUBJECT PROPERTY.

COPYRIGHT NOTICE

ANY COPY OF THIS DRAWING MUST BEAR THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE IN RED INK OR THE DRAWING IS AN UNAUTHORIZED REPRODUCTION WHICH MAY HAVE BEEN ALTERED OR CHANGED WITHOUT THE SURVEYOR'S KNOWLEDGE.

THIS ORIGINAL WORK IS PROTECTED UNDER COPYRIGHT LAWS, TITLE 17, UNITED STATES CODE SECTIONS 101 AND 102. ALL VIOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

NORTH 100.0 FEET OF LOT NO. 44, BLOCK NO. 1
WEST TERRACE ACRES SUBDIVISION UNIT 2
VOLUME 2, PAGE 116, MAP RECORDS
ARANSAS COUNTY, TEXAS, SAVE AND EXCEPT
THAT PORTION CONVEYED FOR HIGHWAY 35, RELIEF ROUTE.

SCALE 1" = 20'

JUNE 10, 2015

Filename: 150610d3

I, Bridget A. Brundrett, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT CORRECTLY SHOWS A SURVEY ON THE GROUND OF THE FOREGOING PROPERTY AND THAT THERE ARE NO VISIBLE EASEMENTS, ENCROACHMENTS OR PROTRUSIONS (EXCEPT AS SHOWN HEREON).

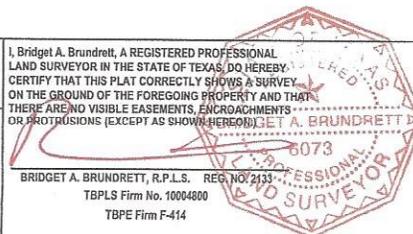
Griffith & Brundrett
Surveying & Engineering, Inc.

411 S. Pearl St., P.O. Box 2322
Rockport, Texas 78381

☎: 361-729-6479
☎: 361-729-7933
✉: jerryb@gsurveyor.com
🌐: www.gsurveyor.com

Buyer: Travis Kelley
and Elizabeth Kelley
Title Co: Stewart Title/Rockport

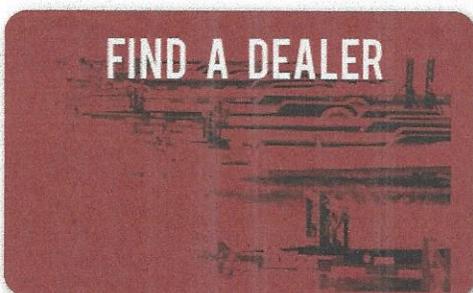
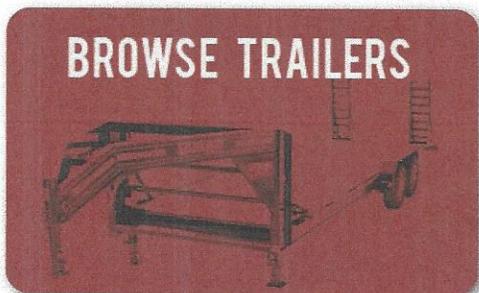
BRIDGET A. BRUNDRETT, R.P.L.S. REG. NO. 2133
TBPLS Firm No. 10004800
TBPE Firm F-414





Screenshot of Manufacturer's Website.

HOME



SIGNUP FOR OUR NEWS-LETTER

Sign Up



TRAVIS & ELIZABETH KELLEY
1703 W CORPUS CHRISTI ST
ROCKPORT TX 78382-6300

GERALD & JO PERCIVAL
208 W WALNUT
BLUE SPRINGS MO 64014-3061

WILLIAM D WALKER III
P O BOX 2952
CORPUS CHRISTI TX 78403-2952

AZ SOUTHWEST PROPERTIES LLC
7000 N 16TH ST, STE 120 #508
PHOENIX AZ 85020-5547

DAVID & JOCELYN PRIDDY
333 LAZY RD
ROCKPORT TX 78382-7015

JIMMY & CHERYL CLARK
P O BOX 442
ROCKPORT TX 78381-0442

KLUGE FAMILY PROPERTIES LTD
P O BOX 2323
ROCKPORT TX 78381-2323

BILL WRITMANN
P O BOX 1367
SINTON TX 78387

*mailed
8.22.16*



1.223 Acres
CF #144052

LOT 43

FND. 3/8"
STEEL REBAR
0.52' N. & 0.1' W OF
FND. 5/8"
STEEL REBAR

N70°48'38"W

50.65

FND. 5/8"
STEEL REBAR

100.0

D = 00°30'36"
R = 11,239.16
CH = 100.04
T = 50.02
L = 100.04

Remainder of Out Lot 35
Aransas Pass
Colonization Subdivision
John Smith Survey A-187

NORTH 100.0'
LOT 44
Save & Except
Highway R.O.W.

Edge of Asphalt Pavement

TEXAS HIGHWAY 35 BYPASS
440' R.O.W. (Not to Scale)

S19°00'00"W

FND. 5/8"
STEEL REBAR

S70°48'38"E

47.57

FND. 5/8"
STEEL REBAR

SOUTH 50.0'
LOT 44
Vol. 116, Pg. 105
D.R.A.C.T.

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 3-4-85, AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS ___ (OR) IS NOT X LOCATED IN A "SPECIAL FLOOD HAZARD AREA," ZONE C, BASE ELEVATION N/A, PANEL NO. 0149C, COMMUNITY NO. 485452. THIS INFORMATION IS BASED ON SCALING THE LOCATION OF THIS SURVEY ON THE ABOVE REFERENCED MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO IDENTIFY SPECIFIC FLOODING CONDITIONS.

PLAT BEARING USED FOR DIRECTIONAL CONTROL UNLESS OTHERWISE SHOWN.

SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS OR OWNERSHIP OF TITLE EVIDENCE. SURVEYOR DID NOT REVIEW EXCEPTIONS IN SCHEDULE "B" OF THE TITLE COMMITMENT TO DETERMINE WHETHER THEY DO OR DO NOT AFFECT SUBJECT PROPERTY.

COPYRIGHT NOTICE

ANY COPY OF THIS DRAWING MUST BEAR THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE IN RED INK OR THE DRAWING IS AN UNAUTHORIZED REPRODUCTION WHICH MAY HAVE BEEN ALTERED OR CHANGED WITHOUT THE SURVEYOR'S KNOWLEDGE.

THIS ORIGINAL WORK IS PROTECTED UNDER COPYRIGHT LAWS, TITLE 17, UNITED STATES CODE SECTIONS 101 AND 102. ALL VIOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

NORTH 100.0 FEET OF LOT NO. 44, BLOCK NO. 1
WEST TERRACE ACRES SUBDIVISION UNIT 2
VOLUME 2, PAGE 116, MAP RECORDS
ARANSAS COUNTY, TEXAS, SAVE AND EXCEPT
THAT PORTION CONVEYED FOR HIGHWAY 35, RELIEF ROUTE.

SCALE 1" = 20'

JUNE 10, 2015

Filename: 150610d3

I, Bridget A. Brundrett, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT CORRECTLY SHOWS A SURVEY ON THE GROUND OF THE FOREGOING PROPERTY AND THAT THERE ARE NO VISIBLE EASEMENTS, ENCROACHMENTS OR PROTRUSIONS (EXCEPT AS SHOWN HEREON).

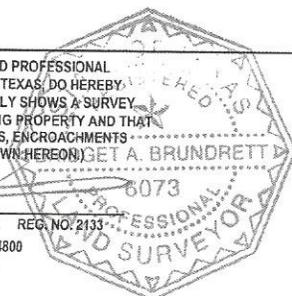
BRIDGET A. BRUNDRETT, R.P.L.S. REG. NO. 2133
TBPLS Firm No. 10004800
TBPE Firm F-414

Griffith & Brundrett
Surveying & Engineering, Inc.

411 S. Pearl St., P.O. Box 2322
Rockport, Texas 78381

☎: 361-729-6479
☎: 361-729-7933
✉: jerryb@gbsurveyor.com
🌐: www.gbsurveyor.com

Buyer: Travis Kelley
and Elizabeth Kelley
Title Co: Stewart Title/Rockport



CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 10

Conduct the second public hearing for City of Rockport 2016 Property Tax Rate for taxpayers to have an opportunity to express their views on the increase; the City of Rockport will adopt the budget and tax rate for Fiscal Year 2016-2017 on September 20, 2016 at 6:30 p.m. at City Hall located at 622 E. Market Street, Rockport, Texas.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: State statute requires the City to conduct two public hearings on the proposed *ad valorem* tax rate if the rate is above the effective tax rate, i.e. the tax rate results in any additional revenue above the current year. The proposed tax rate of \$0.389283 is \$0.28525 higher than the effective rate and therefore requires two public hearings. The first public hearing was conducted at the August 23, 2016, City Council Workshop meeting. The accompanying public notice was published in the August 13, 2016, edition of *The Rockport Pilot*.

FISCAL ANALYSIS: See accompanying tax rate analysis table.

RECOMMENDATION: Not an action item.

NOTICE OF 2016 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF ROCKPORT

A tax rate of \$0.389283 per \$100 valuation has been proposed for adoption by the governing body of City of Rockport. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Rockport proposes to use revenue attributable to the tax rate increase for the purpose of maintaining existing high quality services without reduction; compensating for higher state and federal regulatory fees; and responding to the increasing Municipal Cost Index for goods and services purchased by municipalities.

PROPOSED TAX RATE	\$0.389283 per \$100
PRECEDING YEAR'S TAX RATE	\$0.364858 per \$100
EFFECTIVE TAX RATE	\$0.360758 per \$100
ROLLBACK TAX RATE	\$0.389283 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Rockport from the same properties in both the 2015 tax year and the 2016 tax year.

The rollback tax rate is the highest tax rate that City of Rockport may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Jeri D. Cox
Aransas County Tax Assessor-Collector
319 N. Church St., Rockport TX 78382
361-790-0160
jcox@aransascounty.org

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 23, 2016 at 1:30 p.m at City Hall, 622 E. Market Street, Rockport, TX.

Second Hearing: September 13, 2016 at 6:30 p.m at City Hall, 622 E. Market Street, Rockport, TX.

Preliminary Ad Valorem Tax Rate Comparison FY 2016-2017

	Effective Tax Rate (ETR)	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
		\$0.01 Increase Above ETR	\$0.01 Increase Above Rollback					
Percentage M & O Increase	0%	1.76%	12.62%	4.00%	8.00%	9.00%	10.00%	11.00%
M & O Tax Rate	\$ 0.205387	\$ 0.215387	\$ 0.243912	\$ 0.225260	\$ 0.233912	\$ 0.236075	\$ 0.238255	\$ 0.240400
I & S Tax Rate	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371
TOTAL TAX RATE	\$ 0.360758	\$ 0.370758	\$ 0.399283	\$ 0.380631	\$ 0.389283	\$ 0.391446	\$ 0.393626	\$ 0.395771
Total Taxable Value	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929
Total Tax Levy								
Total Tax Levy	\$ 4,380,471	\$ 4,501,895	\$ 4,848,258	\$ 4,621,777	\$ 4,726,834	\$ 4,753,098	\$ 4,779,568	\$ 4,805,613
Over 65 Frozen taxes	\$ 773,527	\$ 773,527	\$ 773,527	\$ 773,527	\$ 773,527	\$ 773,527	\$ 773,527	\$ 773,527
Disabled Frozen taxes	\$ 13,562	\$ 13,562	\$ 13,562	\$ 13,562	\$ 13,562	\$ 13,562	\$ 13,562	\$ 13,562
Total Tax Levy	\$ 5,167,560	\$ 5,288,984	\$ 5,635,347	\$ 5,408,866	\$ 5,513,923	\$ 5,540,187	\$ 5,566,657	\$ 5,592,703
Total Tax Revenue								
Total Levy	\$ 5,167,560	\$ 5,288,984	\$ 5,635,347	\$ 5,408,866	\$ 5,513,923	\$ 5,540,187	\$ 5,566,657	\$ 5,592,703
Collection Ratio	99%	99%	99%	99%	99%	99%	99%	99%
Total Tax Revenue	\$ 5,115,885	\$ 5,236,095	\$ 5,578,993	\$ 5,354,778	\$ 5,458,783	\$ 5,484,785	\$ 5,510,991	\$ 5,536,776
Revenue Allocation by Fund								
M & O General Fund (59.46%)	\$ 2,879,306	\$ 2,999,516	\$ 3,342,414	\$ 3,118,199	\$ 3,222,204	\$ 3,248,206	\$ 3,274,412	\$ 3,300,197
I&S Debt Service Fund (40.54%)	\$ 2,236,579	\$ 2,236,579	\$ 2,236,579	\$ 2,236,579	\$ 2,236,579	\$ 2,236,579	\$ 2,236,579	\$ 2,236,579
Total Tax Revenue	\$ 5,115,885	\$ 5,236,095	\$ 5,578,993	\$ 5,354,778	\$ 5,458,783	\$ 5,484,785	\$ 5,510,991	\$ 5,536,776
Revenue Difference								
Additional Revenue	\$0	\$120,210	\$463,108	\$238,893	\$342,899	\$368,900	\$395,106	\$420,891
% Increase in Revenue	0.0%	2.3%	9.1%	4.7%	6.7%	7.2%	7.7%	8.2%
Residential Taxpayer Impact Analysis								
Residential Value	ETR	Difference in Tax Paid from Effective Tax Rate						
	Tax Paid	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 - \$223,629	\$806.76	\$22.36	\$86.15	\$44.44	\$63.79	\$68.63	\$73.50	\$78.30
Average Homestead - \$221,204	\$798.01	\$22.12	\$85.22	\$43.96	\$63.10	\$67.88	\$72.71	\$77.45
Median - \$170,385	\$614.68	\$17.04	\$65.64	\$33.86	\$48.60	\$52.29	\$56.00	\$59.66

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 11

Deliberate and act on first reading of an Ordinance of the City of Rockport Approving the Assessment and Renditions for the 2016 Taxable Property as Submitted by the Appraisal District; Levying a Tax Rate for \$100.00 Valuation for the City of Rockport, Aransas County, Texas for the Tax Year 2016 of \$0.233912 for the Purposes of Maintenance and Operation, \$0.155371 for the Payment of Principal and Interest on Debt of the City for a Total Tax Rate Of \$0.389283; and Providing an Effective Date.

SUBMITTED BY: Finance Director Patty Howard

APPROVED FOR AGENDA: PKC

BACKGROUND: Over the course of two budget workshops, City Council determined that an 8.00 percent effective increase in the maintenance and operation portion of *ad valorem* tax is necessary after adopting the effective tax rate for the previous several years and absorbing the rising costs of operations. The effective rate calculated for the City of Rockport is \$0.360758/\$100 and the rollback rate (8 percent above the M & O portion of the rate) is \$0.389283/\$100. The proposed tax rate is a 9.02% increase over the total tax rate (M & O and I & S combined). This Ordinance will adopt a 2016 Property Tax Rate of \$0.389283/\$100. The maintenance and operation portion of the rate is \$0.233912/\$100 and the portion used for payment of principal and interest on debt is \$0.155371/\$100.

State law requires a taxing unit's governing body to vote on any increase in the effective tax rate by a record vote. The governing body is also required to schedule two public hearings on the proposed tax rate increase. The City of Rockport conducted two public hearing on the proposed tax rate increase on August 23, 2016, and September 13, 2016. Nobody spoke in favor or against the proposed tax rate.

FISCAL ANALYSIS: For several years prior to 2012, the City adopted the effective tax rate, i.e. a tax rate that brings in the same amount of revenue as the previous year. Because of the effect of inflation, this has resulted in an effective decrease in resources available to provide essential services. The accompanying tax rate analysis shows several scenarios as well as the net effect of each on taxpayers.

STAFF RECOMMENDATION: Staff recommends Council approve on first reading the Ordinance setting the 2016 Property Tax Rate at the rate of \$.389283/\$100 with the Maintenance and Operation portion of the tax rate being \$0.233912 and the Interest and Sinking portion being \$0.155371.

Preliminary Ad Valorem Tax Rate Comparison FY 2016-2017

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%	1.76%	12.62%	4.00%	8.00%	9.00%	10.00%	11.00%
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I & S Tax Rate	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371	\$ 0.155371
TOTAL TAX RATE	\$ 0.360758	\$ 0.370758	\$ 0.399283	\$ 0.380631	\$ 0.389283	\$ 0.391446	\$ 0.393626	\$ 0.395771
Total Taxable Value	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929	\$ 1,214,240,929
Total Tax Levy								
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Median - \$170,385	\$614.68	\$17.04	\$65.64	\$33.86	\$48.60	\$52.29	\$56.00	\$59.66

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE ASSESSMENT AND RENDITIONS FOR THE 2016 TAXABLE PROPERTY AS SUBMITTED BY THE APPRAISAL DISTRICT; LEVYING A TAX RATE FOR \$100.00 VALUATION FOR THE CITY OF ROCKPORT, ARANSAS COUNTY, TEXAS FOR THE TAX YEAR 2016 OF \$0.233912 FOR THE PURPOSE OF MAINTENANCE AND OPERATION, \$0.155371 FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON DEBT OF THE CITY FOR A TOTAL TAX RATE OF \$0.389283; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; CONTAINING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND PARTS THEREOF IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of Rockport, Texas has on this date by way of separate Ordinance, duly approved and adopted a Budget for the operation for the City for Fiscal Year 2016-2017 (FY 2016-2017); and

WHEREAS, the aforesaid Ordinance anticipates and required the levy of an *ad valorem tax* on all taxable property in the City of Rockport; and

WHEREAS, the Chief Appraiser of Aransas County Tax Appraisal District has prepared and certified the appraisal roll for the City of Rockport, Texas, that roll being that portion of the approved appraisal roll of the Aransas County Tax Appraisal District which lists property taxable by the City of Rockport, Texas; and

WHEREAS, it is necessary to levy such an *ad valorem tax* at a given rate to generate revenues sufficient to meet the projected expenses of the City for FY 2016-2017; and

WHEREAS, the City has fully and timely complied with all notice and other requirements relative to the adoption of a tax rate for FY 2016-2017.

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

Section 1: There is hereby levied for the FY 2016-2017 upon all real property situated within the corporate limits of the City of Rockport, Texas, and upon all personal property which was owned within the corporate limits of the City of Rockport, Texas, on January 1, 2016, except so much thereof as may be exempt by the Constitution or laws of the State of Texas, a total tax of \$0.389283 on each \$100 of assessed valuation on all taxable property, which total tax herein so levied shall consist and be comprised of the following components:

a) An *ad valorem* tax rate of \$0.233912 on each \$100 of assessed valuation of all taxable property is hereby levied for general City purposes and to pay the current operating expenses of the City of Rockport, Texas, for the fiscal year ending September 30, 2017, which tax, when collected shall be appropriated to and for the credit of the General Fund of the City of Rockport, Texas.

b) An *ad valorem* tax rate of \$0.155371 on each \$100 of assessed valuation of taxable property is hereby levied for the purpose of creating an Interest and Sinking Fund with which to pay the interest and principal of the valid bonded indebtedness, and related fees of the City of Rockport, now outstanding and such tax, when collected, shall be appropriated and deposited in and to the credit of the general Debt Service Fund of the City of Rockport, Texas, for the fiscal year ending September 30, 2017.

Section 2: The City of Rockport shall have lien on all taxable property located in the City of Rockport to secure the payment of taxes, penalty, and interest, and all costs of collection, assessed and levied hereby.

Section 3: Taxes are payable in Rockport, Texas at the Office of the Tax Assessor Collector of Aransas County, Texas. The City shall have available all the rights and remedies provided by Law for the enforcement of the collection of taxes levied under this Ordinance.

Section 4: The tax roll presented to the City Council, together with any supplements thereto, are hereby accepted and approved.

Section 5: Should any paragraph, sentence, provision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional.

Section 6: This Ordinance shall be in full force and effect from and after its adoption by the City Council and publication of its caption as the Law and the City Charter provide in such cases.

Section 7: All other ordinances and Code provisions in conflict herewith are hereby repealed, but only to the extent of any such conflict or inconsistency and all other provisions of the Rockport City Code not in conflict herewith shall remain in full force and effect.

Section 8: The repeal of any ordinance or parts thereof by the enactment of this Ordinance, shall not be construed as abandoning any action now pending under or by virtue of such ordinance; nor shall it have the effect of discontinuing, abating, modifying or altering any penalty accruing or to accrue, nor as affecting any rights of the City under any section or provision of any ordinances at the time of passage of this Ordinance.

APPROVED on first reading on the 13th day of September 2016, by roll call vote as follows:

FOR MOTION:

AGAINST MOTION:

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 September 2016 by roll call vote as follows:

FOR MOTION:

AGAINST MOTION:

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 12

Deliberate and act on Texas Municipal League Intergovernmental Employee Benefits Pool Retiree Options.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: There are two classes of retirees eligible to participate in the City’s medical insurance:

- **Pre Sixty-Five** (not eligible for Medicare) **Retirees** – In the past, Council has approved the same medical plan that is offered to our active employees at a cost to the City of 195% of the active employee contribution. In 2012, council voted to equally split any future increases with our retirees. City currently has 13 Pre Sixty-Five Retirees.
- **Post Sixty-Five** (eligible for Medicare) **Retirees** – In 2009, Council adopted Ordinance No. 1458, “freezing” the City contribution to Post Sixty-Five Retirees at \$268.08 for a medical supplement plan. In Plan Year 2015-16 our Post Sixty-Five Retirees contributed \$35.62 per month for their plan. City currently has 23 Post Sixty-Five Retirees.

See the accompanying plan documents for more details.

FISCAL ANALYSIS:

Pre Sixty-Five Retirees- TML is offering the option of continuing with the 195% of active employee contribution plan, or the choice of 4 retiree pool plans.

	<u>Platinum</u>	<u>Gold</u>	<u>Silver</u>	<u>Bronze</u>	<u>195% Plan</u>
Cost	\$1,298.90	\$1,253.62	\$1,212.24	\$1,165.28	\$1,083.22
Benefit %	90/10%	80/20%	70/30%	60/40%	80/20%
Deductible	\$1,000	\$1,250	\$1,500	\$1,750	\$200

Post Sixty-Five Retirees – TML is offering a choice of 2 Medicare supplement plans, 2 stand-alone Medicare Part D plans and 2 Medicare Advantage HMO plans that are available in designated geographic areas - if retirees live in specific county areas (Aransas County not included).

	HMO/1	HMO/2	Plan F	Plan K	RX/1	RX/2
Cost	\$307.76	N/A	\$234.71	\$134.11	\$222.85	\$84.26

Council chose Medical Plan F and Prescription Option 2 last year for a total of \$303.70. The City pays \$268.08 and retiree pays \$35.62. TML is increasing the rates on the Post Sixty-Five plans this year. The new rate is \$318.97 and the retiree will pay \$50.89.

The proposed FY 2016-2017 Budget includes the plans as described.

STAFF RECOMMENDATION: Staff recommends that Council maintain the current coverage by adopting the 195% Plan for pre-sixty-five retirees and Plan F and prescription option 2 for post sixty-five retirees. TML-IEBP retiree medical plans as follows:

- ▶ Fund Contact Retiree Webcast: September 13, 2016 10:00 CST
- ▶ Employer Retiree Election Due to IEBP: **October 24, 2016**
- ▶ Retiree Enrollee Webcast: September 27, 2016 10:00 CST
- ▶ Retiree Enrollment Date Deadline: **November 30, 2016**

August 15, 2016

RUBY BEAVEN
CITY OF ROCKPORT
622 EAST MARKET STREET
ROCKPORT TX 78382-1059

RECEIVED

AUG 19 2016

ASST. CITY SECRETARY

Dear Ruby Beaven:

The Public Employee Benefits Alliance (PEBA) Board met on July 8, 2016 and the IEBP Board met on April 28, 2016, to review the Pre and Post Sixty-five Retiree Medical Health, Prescription/Part D and Supplemental Dental/Vision Benefit options for Calendar Year 2017.

The following Retiree Experience Timeline schedule has been developed.

Function	IEBP Pre Sixty-five Retiree Benefits	UnitedHealthcare Pre Sixty-five MultiCarrier Connector Model Retiree Benefits	UnitedHealthcare Post Sixty-five Retiree Benefits
Employer Webcast: PEBA 2017 Pre/Post 65 Options	September 13, 2016 September 20, 2016, 10:00 AM October 4, 2016, 10:00 AM	<p><u>April</u></p> <ul style="list-style-type: none"> ▪ Execute FAQs for Employer Upper Management and Council ▪ Obtain Optum File Layout for Retirees ▪ Pre 65 Preparation Calendar ▪ Review and Execute Optum Agreement ▪ Discussion regarding Retiree Split Billings ▪ Discussion regarding Optum Roster Requirements for Retiree Reimbursement Arrangement ▪ Retiree Town Hall Meeting <p><u>June 30</u></p> <ul style="list-style-type: none"> ▪ Enrollment Information Received ▪ MultiCarrier Network Coverage Reviewed <p><u>July 31</u></p> <ul style="list-style-type: none"> ▪ RRA Roster with Employer Census to Optum ▪ Identify Disabled Retirees <p><u>October</u></p> <ul style="list-style-type: none"> ▪ Retiree Education Meetings ▪ Open Enrollment begin in November for 2017 Plan Year <p><u>November 1:</u> Retiree Enrollment Reminder Notice #1 <u>December 1:</u> ID card distribution begins <u>December:</u> Retiree Enrollment Reminder Notice #2</p>	September 12, 2016 September 19, 2016, 10:00 AM October 3, 2016, 10:00 AM
Employer Retiree Election Decision	October 24, 2016	June 30, 2016	October 24, 2016
Announcement Letter	November 1, 2016	October 1, 2016	
Retiree Enrollment Begins	October 31, 2016	November 1, 2016	October 15, 2016
IEBP Retiree Enrollee Webcast (Pool Members)	September 27, 2016	September 27, 2016	September 27, 2016
Retiree Enrollment Date Deadline	November 30, 2016	November 30, 2016	November 30, 2016
Welcome Kit to Retirees	N/A	7-10 days after retiree enrollment is complete	7-10 days after retiree enrollment is complete
ID Cards	Prior to December 23, 2016	December 1, 2016	7-10 days after retiree enrollment is complete

Employer Plan Guidelines

Pre Sixty-five (65) Employer Benefit Plan Options		Post Sixty-five (65) Employer Benefit Plan Options	
IEBP Pre Sixty-five (65) Employer Benefit Plan Options	UnitedHealthcare Pre Sixty-five (65) MultiCarrier Connector Model Employer Benefit Plan Options	UnitedHealthcare Post Sixty-five (65) Employer Benefit Plan Options	
Employers may choose to have the pre sixty-five retirees access the active employee benefits at the active employee cost.	Employers may offer their pre sixty-five retirees the employer's affordable (less than 9.5%, for 2017 9.66% of Box 1 of the employees W-2 form) minimum essential coverage employer plan or the UnitedHealthcare's Off Exchange Pre Sixty-five MultiCarrier Connector Model benefit plans.	UHC is offering the employers two Medicare Supplement Plans, two stand-alone Medicare Part D Plans and two Medicare Advantage HMO Plans that are available in designated geographic areas.	The Individual Connector Model is available to employers who have fifty (50) or more retirees. The Post 65 Individual Connector model has Tier 1 generic only prescription coverage in the gap for Part D.
Employers may choose to have the pre sixty-five retirees access the active employee benefit plan at 195% of the active employee rate.		<ol style="list-style-type: none"> The employer will have the option to choose one HMO Advantage Plan One Supplemental Plan and One Part D Prescription Plan. The retiree will have the option to choose one medical plan (if supplemental plan, retiree can choose medical only or Medicare Advantage must be Medical and Prescription benefits). 	IEBP Pool Board is not offering the Connector Model to the Pool Membership due to the limited generic only prescription coverage in the gap.
Employers may offer their pre sixty-five retirees the active employee benefit plan or the Pool pre sixty-five metal benefit plan options. Once a pre sixty-five retiree transfers to a Pool metal plan they cannot transition back to the employer plan.		<p>The HMO Advantage Plan will only be available to retirees who reside in the county specific area. The HMO Advantage Plans must be bundled with the prescription plan of the employer's choice. If emergency room copay added \$75.00 - the pricing impact of changing the ER Copay from \$50 to \$75 would be \$.50 PMPM. This would apply to each of the current HMO rates. Pool level or independent PEBA employer level.</p> <ol style="list-style-type: none"> UHC will offer the employer one option of two Medicare Advantage HMO Plans. <ol style="list-style-type: none"> Austin Counties: Bell, Travis, Williamson Houston Counties: Austin, Brazoria, Fort Bend, Hardin, Harris, Jefferson, Liberty, Montgomery Corpus Christi County: San Patricio Dallas/Fort Worth: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, Tarrant San Antonio Counties: Atascosa, Bexar, Comal, Guadalupe, Kendall, Wilson 	
		<ol style="list-style-type: none"> Part D Options: Option I is coverage in the gap. The coverage in the gap option requires 35% employer subsidy except for IEBP membership. UHC is offering the employer one option out of two Part D Benefit Plans. <ol style="list-style-type: none"> Option I <ol style="list-style-type: none"> Formulary H (Full Gap Coverage) - Group Select Option II <ol style="list-style-type: none"> Formulary G (Generic in the Gap) - Group Choice 	



Pre Sixty-five Retiree Options

IEBP Pre Sixty-five Retiree Pool Medal Medical Options

The Pool member employer may offer their retirees a choice of one of the four plan options. Pool membership not currently accessing the pre sixty-five Pool will require individual underwriting and may not receive the below rates.

Pre Sixty-five Retire Pool Rates			2014	Jun'13-May'14 Loss Ratio (126.24% Overall LR)	% Increase	2015	% Increase	2016	% Increase	2017
Platinum	P95-100-40-MAC A	Retiree	\$840.70	104.26%	25%	\$1,050.88	20%	\$1,261.06	3%	\$1,298.90
Platinum	P95-100-40-MAC A	Composite	\$1,002.22		25%	\$1,252.78	20%	\$1,503.34	3%	\$1,548.44
Gold	P85-125-37.5-MAC A	Retiree	\$811.38	37.63%	25%	\$1,014.24	20%	\$1,217.10	3%	\$1,253.62
Gold	P85-125-37.5-MAC A	Composite	\$967.00		25%	\$1,208.76	20%	\$1,450.52	3%	\$1,494.04
Silver	P75-150-35-MAC A	Retiree	\$784.60	132.14%	25%	\$980.76	20%	\$1,176.92	3%	\$1,212.24
Silver	P75-150-35-MAC A	Composite	\$934.84		25%	\$1,168.56	20%	\$1,402.28	3%	\$1,444.36
Bronze	P64-175-32.5-MAC A	Retiree	\$754.22	171.51%	25%	\$942.78	20%	\$1,131.34	3%	\$1,165.28
Bronze	P64-175-32.5-MAC A	Composite	\$898.38		25%	\$1,122.98	20%	\$1,347.58	3%	\$1,388.02

Plan Designs	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Benefit Percentage	90% / 50%	80% / 50%	70% / 50%	60% / 40%
Network Deductible: Individual/Family	\$1,000.00 / \$2,000.00	\$1,250.00 / \$2,500.00	\$1,500.00 / \$3,000.00	\$1,750.00 / \$3,500.00
Non-Network Deductible: Individual/Family	\$1,250.00 / \$2,500.00	\$1,500.00 / \$3,000.00	\$1,750.00 / \$3,500.00	\$2,000.00 / \$4,000.00
Network Out of Pocket Max: Individual/Family	\$4,000.00 / \$8,000.00	\$3,750.00 / \$7,500.00	\$3,500.00 / \$7,000.00	\$3,250.00 / \$6,500.00
Healthy Initiatives Program	<ul style="list-style-type: none"> ▪ Biometric Screenings and Health Power Assessment paid 100% for Choice Plus network providers. ▪ Completion of Biometric Screenings and Health Power Assessment per Calendar Year = \$150.00 Incentive payment 			

Medication Therapy Management Program

The Prescription plan offered by IEBP is a Medication Therapy Management Program (MTMP) that promotes Evidence Based Prescription Utilization, Consumer Education, Cost Effective Alternate Prescription Options, and Coverage for prescriptions and biotech prescriptions that are available through the Pharmacy Benefit Manager will be paid per the Medication Therapy Management Guide. Eligible injectable, biotech, and biosimilar prescriptions may be purchased from network providers per the Medication Therapy Management Guide.

For eligible prescriptions purchased outside of the Pharmacy Benefit Manager or the Network Providers, the plan will pay at the out of network benefit percentage and will not, at any time, pay at 100% for any prescription services under the out of pocket provision of the Plan.

This plan requires Prior Authorization and Step Therapy compliance.

MAC A Plan: If a brand name drug is dispensed and a generic alternate drug exists, the **Covered Individual pays the difference between the brand name and generic price** in addition to the appropriate copayment for the brand name. The **cost difference between the brand name and generic price does not apply to any individual deductibles or out of pocket amounts**. The MAC differential applies to all prescriptions purchased through this program when a generic alternate is available.

MAC C Plan: If a brand name drug is dispensed and a generic alternate drug exists, the Covered Individual pays the appropriate brand copay.

Lessor of Benefit: Through the OptumRx network contract, the covered individual's out of pocket expense is managed by the pharmacy network agreement that the covered individual will receive the most advantageous pricing. This would be determined by the lessor of pharmacy contracts, Usual & Customary cost (U&C), copayments or the discounted cost the covered individual would be charged. Due to the lessor of Benefit the OptumRx Reportal will be an important price transparency resource to ensure covered individual is purchasing the prescription from the most cost effective pharmacy.



The most effective way to control costs is through the use of generic drugs and a drug formulary.

\$	Drug Tier	Includes	Helpful Tips
\$	Tier 1 Lowest Cost	Lower cost, commonly used generic drugs. Some low cost brands may be included.	Use Tier 1 drugs for the lowest out-of-pocket costs.
\$\$	Tier 2 Mid-range Cost	Many common brand-name drugs, called preferred brands.	Use Tier 2 drugs, instead of Tier 3, to help reduce your out-of-pocket costs.
\$\$\$	Tier 3 Highest Cost	Mostly higher cost brand drugs, also known as non-preferred brands.	Many Tier 3 drugs have lower cost options in Tier 1 or 2. Ask your doctor if they could work for you.

Covered Individual Out of Pocket (OOP)			
Prescribed (Doctor Ordered) Over the Counter Alternates and Prescription Networks	Retail: (up to 34 day supply max unless noted otherwise)	Mail/ Maintenance: (up to 90 day dispensement)	SpecialtyRx/Biotech/ Biosimilar: (up to 34 day dispensement)
<ul style="list-style-type: none"> ▶ Smoking Cessation (Nicorette Gum), Quantity Limit - 3 months per plan year ▶ Aspirin, Folic Acid, Fluoride Chemoprevention Supplements, Iron Deficiency Supplements, and Vitamin D supplementation to prevent falls in community-dwelling adults age 65 years and older who are at an increased risk for falls; per prescription 	\$0.00	N/A	N/A
Network Retail: 34 day <u>Non-Cost Share</u> most <u>Generic</u> Dispensement	\$5.00 (up to 34 day supply)	N/A	N/A
Network Retail: 90 day <u>Non-Cost Share</u> most <u>Generic</u> Dispensement	\$14.00 (35 up to 90 day supply)	\$30.00	
OptumRx Network <u>Non-Cost Share</u> Best Brand/Formulary List	\$43.00	\$100.00	
OptumRx Network <u>Non-Cost Share</u> Non-Best Brand/Non-Formulary List	\$65.00	\$155.00	
OptumRx Network Cost Share	\$120.00	\$300.00	
OptumRx Specialty/Biotech Prescriptions	N/A	N/A	\$100.00 (up to 34 day supply)
OptumRx Biosimilar Generic Prescriptions	N/A	N/A	\$75.00 (up to 34 day supply)
Prescription Refill Control Standards	75%	70%	

Women's Preventive Health Services			
Benefit	Retail Rx Medical Plan	Prescription Plan	Plan Ineligible
Oral Contraceptives Generic (<i>no cost share</i>)		X	
IUD Device (<i>no cost share</i>)	X	X	
Implant Device (<i>no cost share</i>)	X	X	
Permanent Implantable Contraceptive Coil (<i>subject to the appropriate deductible and benefit percentages</i>)	X		
Insertion and/or Removal of Contraceptive Devices (<i>no cost share</i>)	X		
Urine Pregnancy Test, Urinalysis, Sonogram to Detect Placement of Device (<i>no cost share</i>)	X		
Injectable Contraceptives (<i>no cost share</i>)	X	X	
Injectable Administration Fee (<i>no cost share</i>)	X		
Diaphragm (cervical), Hormone Vaginal Ring, Hormone Patch, Cervical Cap, Spermicides, Sponges (<i>no cost share</i>)		X	
Diaphragm (cervical) Instruction and Fitting Fee (<i>no cost share</i>)	X		
Emergency Contraceptives		X	
Over-The-Counter (OTC) Contraceptives not otherwise listed as covered			X
Contraceptive Management (<i>no cost share</i>)	X		
Female Condoms (<i>no cost share</i>)		X	
Female Surgical Sterilization	X		
Medications for risk reduction of breast cancer in women who are at increased risk for breast cancer and at low risk for adverse medication effects: Tamoxifen or Raloxifene		X	
Women found to be at increased risk using a screening tool designed to identify a family history that may be associated with an increased risk of having a potentially harmful gene mutation must receive coverage w/o cost-sharing for genetic counseling, and, if indicated, testing for harmful BRCA mutations. This is true regardless of whether the woman has previously been diagnosed with cancer, as long as she is not currently symptomatic of receiving active treatment for breast, ovarian, tubal, or peritoneal. Jan 1, 2016 genetic counseling for BRCA testing is covered 100% as a preventive benefit.			



Women's Preventive Health Services

Benefit	Retail Rx Medical Plan	Prescription Plan	Plan Ineligible
Mandate to provide a list of the lactation counseling providers available within the network under the plan or coverage. Grandfathered plans cannot apply cost-share expenses for OON lactation services. Services for lactation support services w/o cost-sharing must extend for the duration of breastfeeding.			

Value Added Supplement Benefits Pre Sixty-five Dental and Vision Rates

Employers that offer one or more of the IEBP Pre Sixty-five retiree plans will also have the option of making available to their retirees fully funded Dental and Vision plan options.

2017 Dental II Plan 9% Increase			2017 Dental III Plan 9% Increase		2017 Dental IV Plan 9% Increase		
	Mandatory*	Voluntary		Mandatory*		Mandatory*	Voluntary
<u>Pre Sixty-five Retiree</u>	\$19.48	\$26.28	<u>Pre Sixty-five Retiree</u>	\$67.90	<u>Pre Sixty-five Retiree</u>	\$45.58	\$70.58
<u>Dependent</u>			<u>Dependent</u>		<u>Dependent</u>		
Composite	\$34.26	\$46.28	Composite	\$106.52	Composite	\$75.26	\$116.54
OR			OR		OR		
Spouse	\$27.28	\$36.86	Spouse	\$71.48	Spouse	\$61.60	\$95.36
Child(ren)	\$23.42	\$31.64	Child(ren)	\$78.62	Child(ren)	\$52.46	\$81.22
Family	\$40.10	\$54.16	Family	\$140.48	Family	\$91.18	\$141.20

* 100% Employer subsidy required for Pre-65 Retiree participation

2017 Vision A Plan 0% Increase		
	Mandatory*	Voluntary
<u>Pre Sixty-five Retiree</u>	\$7.68	\$10.66
<u>Dependent</u>		
Composite		
Family	\$15.32	\$21.28

* 100% Employer subsidy required for Pre-65 Retiree participation

2017 Vision B Plan 0% Increase		
	Mandatory*	Voluntary
<u>Pre Sixty-five Retiree</u>	\$9.46	\$15.12
<u>Dependent</u>		
Composite		
Family	\$18.90	\$30.20

Retiree Reimbursement Arrangement (RRA) Option

To complement the Pre Sixty-five plans, the employers may also elect to purchase an RRA option for an administrative rate of \$3.70 PRPM (per retiree per month). The Retiree Reimbursement Arrangement (RRA) must be executed annually. IEBP will request confirmation regarding the responsible party (Employer or retiree) for the \$3.70 monthly administrative fee.

Medical/Rx Plan Rates

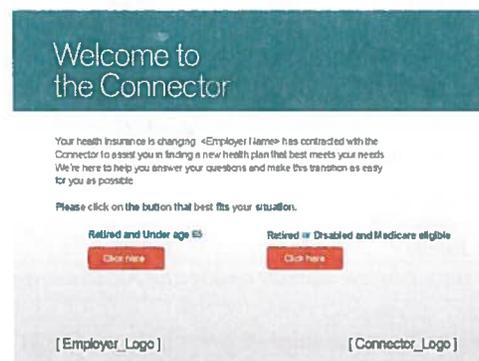
The IEBP Pre Sixty-five plans are group plans that provide guarantee issue for current covered individuals. Pre Sixty-five benefit coverage will continue until the end of the month of the covered retiree's 65th birthday. Coverage for early retirees under these plans will require that the early retiree enroll in the IEBP plan within 31 days of commencement of their Pre 65 retirement and meet the definition of retiree per the employer's Retiree Policy, Ordinance, or Resolution. In addition for eligibility under the plan, IEBP will require that the early retiree meet the employer's definition of a retiree and that the retiree receive all other applicable benefits provided to retiree population.



UnitedHealthcare Pre Sixty-five Multi-Carrier Connector Model Retiree Benefit Option Overview - myconnectorplans.com/IEBP

I. Pre Sixty-five Plan Options

- A. Advocacy Service Center is available for the lifetime of the retiree as long as the members entered into the plan through the connector exchange and chose a carrier that was and is still offered in the connector exchange. Once they transition to one of the carriers on the exchange they have this as a service. If the issue cannot be resolved by the carrier client service center identified on the back of the ID card, they can call to the toll free number for the Connector Exchange for assistance. This is available if the retiree has employer subsidy or not.
- B. The Connector Exchange offers Product Advisors to assist in access to Multiple Carriers for individual plan options and selection. A sample of the carriers are: BC/BS, Coventry, Humana, Anthem, Empire, UnitedHealthcare, CIGNA, HSCS, Aetna, Kaiser Permanente
- C. An individual selecting an "On Exchange Plan" may be Eligible for tax subsidies based on House Hold Income. (See definition below.)
 1. Connector Exchange Product Advisor Assistance
 - a. Federal Run Exchanges
 - b. State Run Exchanges
- D. Internet Enrollment Process
 1. Interactive Tools
 - a. Plan selector (needs assessment)
 - b. Plan results by area
 - c. Drug cost estimator
 - d. Provider search
 - e. Pharmacy locator
 - f. Federal tax credit estimator
 2. URL Employer Co-Branded Site with UnitedHealthcare
 3. Employer Eligibility Transfer
 - a. Pre Sixty-five Connector Model Pre-Populated Fields
 - i. First Name
 - ii. Last Name
 - iii. Social Security Number
 4. Enrollment 10 minutes timeframe
 - a. Privacy
 - b. Application per Employer Eligibility File
 - c. Health Status ONLY Tobacco Use (Load)
 - d. Guarantee Issue
 - e. Every Page is toll free number 800 local time 7 days a week for access to enrollment advisor
 - f. Open Enrollment January Plan Year
 - g. Qualifying Event
 - h. Loss of Coverage if no other plan to access excluding COBRA
- E. On Exchange/Off Exchange Multi-Carrier Plan Availability. Call center advisors use a "needs dialogue" approach to narrow the product portfolio to one product that On Exchange/Off Exchange Multi-Carrier Plan Availability. Call center advisors use a "needs dialogue" approach to narrow the product portfolio to one product that meets a retiree's specific need
 1. Enrollee Questions
 - a. Do you prefer on exchange or off exchange model.
 - b. Do you qualify for on exchange subsidy support because you household income is between 100-400% of Federal Poverty Level
 - c. If yes, the following household income questions will be required:
 - i. Household Income
 - Household Income
 - » Who/What is defined as "household"?





- » Tax filers + tax dependents = household
 - » For the Model, your household generally includes the tax filers plus their tax dependents. If you claim someone as a tax dependent, include them on your application, even if they're not applying for insurance.
 - » There are exceptions. Sometimes the model includes people you live with who aren't in your tax household
 - » The Model counts income for each of these people and considers them part of your household depending on things like their age and relationship to you, the type and amount of income they have, and more.
 - Understanding Elements to Qualify for Federal Tax Credit, Individuals to include on the Application
 - » Yourself
 - » Your spouse
 - » Your Children living with you – even if they make enough money to file a tax return themselves
 - » Anyone you include on your tax return as a dependent even if they don't live with you
 - » Your unmarried partner; only if one or both of these apply:
 - They are your dependent for tax purposes
 - They are the parent of your child
 - Understanding Elements to Qualify for Federal Tax Credit
 - » **What is included as income?**
 - When you fill out a model application, you'll need to estimate what your household's income will be **in the next year**—the year you'll be covered. If you're not sure, make your best estimate:
 - **COUNTED AS INCOME**
 - ▶ Wages and salaries (W-2)
 - ▶ Tips
 - ▶ Net income from self-employment or business
 - ▶ Unemployment compensation
 - ▶ Social Security payments, including disability payments
 - ▶ Retirement of pension income, including IRA or 401(k) withdrawals
 - ▶ Investment income (dividends/interest)
 - ▶ Rental income
 - ▶ Other taxable income (prizes, awards, gambling winnings)
 - **NOT INCLUDED AS INCOME**
 - ▶ Child Support
 - ▶ Gifts
 - ▶ Supplemental Security Income (SSI)
 - ▶ Veterans' disability payments
 - ▶ Workers' compensation
 - ▶ Proceeds from loans (like student loans, home equity or bank loans)
2. Tax Subsidy 100%-400%
- a. **2016 Federal Poverty Level**
- Every year, the perimeters of the [Federal Poverty Level](#) (FPL) increase based on the cost of living. Families need to understand where they fall on the FPL so they know whether they are eligible for **Medicaid** in their state or whether they are eligible for a federal [Subsidy](#) because they earn between 100 and 400 percent of the FPL, or whether they are eligible for a tax credit because they purchased a Silver plan and earn less than 250 percent of the FPL.



The following rates are updated for the 2016 calendar year. The 2016 Open Enrollment Period begins on **November 1st and closes on January 31, 2016.**

Family Size	100%	133%	138%	250%	400%
1	\$11,770	\$15,654	\$16,242	\$29,425	\$47,080
2	\$15,930	\$21,186	\$21,983	\$39,825	\$63,720
3	\$20,090	\$26,719	\$27,724	\$50,225	\$80,360
4	\$24,250	\$32,252	\$33,465	60,625	\$97,000
5	\$28,410	\$37,785	\$39,205	\$71,025	\$113,640
6	\$32,570	\$43,318	\$44,946	\$81,425	\$130,280
7	\$36,730	\$48,850	\$50,687	\$91,825	\$146,920
8	\$40,890	\$54,383	\$56,428	\$102,225	\$160,360

- b. With the above responses the UnitedHealthcare system will ping healthcare.gov for verification.
 3. Do you prefer less premium or broader based of coverage
 4. How often do you use the benefit plan
 5. Which best describes you
 - a. One physician coordinating care
 - b. More flexibility
 - c. Network Status via zip code provider name, specialty
 - d. "Help Me" Functionality
 6. Do you have ongoing prescriptions
 - a. Medication
 - b. Dose
 - c. The RX coverage depends on the plan the individual selects. Every carrier has levels of plans to review with the participants. Some carriers are stronger in RX than others. The tool has a look up function to identify how the drug is covered by a carrier. There are options with the top rated plans in each. The advisor will guide the retiree through this dialogue.
 7. View Best Plan
 8. View Runner Up Plan
 - a. Metal Plans
 - i. Platinum
 - ii. Gold
 - iii. Silver
 - iv. Bronze
- II. "Off Exchange Plans" often broader Networks**
- A. Bronze Plan
 1. Lowest Premiums
 2. 60% Plan Cost Sharing
 3. Catastrophic Coverage
 - B. Silver Plan
 1. Low Premiums
 2. 70% Plan Cost Share
 3. Baseline plan for federal subsidy
 - C. Gold Plan
 1. Competitive Premiums
 2. 80% Plan Cost Share



D. Platinum Plans

1. Highest Premiums
2. 90% Plan Cost Share

State	County	Bronze Plan Options			Silver Plan Options			Gold Plan Options			Platinum Plan Options						
		# of plans	Lowest	2nd	Lowest	2nd	AVG	# of plans	Lowest	2nd	Lowest	2nd	AVG				
TX	Angelina	13	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Bandera	21	\$486	\$486	\$530	11	\$639	\$639	\$679	10	\$778	\$778	\$815	0			
TX	Baylor	13	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Bee	17	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Bosque	23	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Brewster	13	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Briscoe	13	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Brooks	13	\$458	\$458	\$567	7	\$601	\$601	\$643	6	\$737	\$737	\$790	0			
TX	Burleson	23	\$461	\$461	\$601	21	\$606	\$606	\$689	20	\$742	\$742	\$846	0			

E. Dental United PPO Network

1. Two plans available
 - a. Value
 - b. Premier
2. Network Benefits
 - a. Preventive covered 100% no deductible, no waiting period
 - b. Annual deductible of \$50 per person for Basic/Major combined
 - c. Basic covered 80/20 after deductible & 6 month waiting period
 - d. Major covered 50/50 after deductible & 12 month waiting period
3. Annual maximum of \$1,000 per person
4. Premiums are typically \$30-50 PMPM

F. Optional Vision Rider (Potential rider to dental coverage)

1. Easy copayments for network basic vision services, including exam and prescription eye wear
2. Extensive vision care network includes over 31,000 private practice and retail chain providers.
3. Benefit limitations to once every 12/24 months

Other

- A. The state of Texas currently does not have a state run health exchange where you can get quotes direct. The UnitedHealthcare MultiCarrier Connector Model Exchange will assist you with Federal Exchange Options and off exchange Options.
- B. For last year's Public Enrollment: Most people who sign up for insurance using the marketplace qualify for assistance. According to the Department of Health and Human Services, about 87 percent of people who used the federal exchange to enroll in 2015 [qualified for subsidies](#). The average subsidy covered 72 percent of the premium price, which left many individuals paying just \$101 per month for coverage this year.
- C. If it's outside of open enrollment but you want to estimate how much of a subsidy you might be eligible for, then check out the [subsidy calculator](#) available from the Kaiser Family Foundation. This will give you some idea of what you might expect once open enrollment starts.
- D. For marketplace and privately purchased plans, there's a set time when you can enroll called the annual open enrollment period. For coverage beginning in 2016, the open enrollment period will run from [Nov. 1, 2015 through Jan. 31, 2016](#). Outside of these dates, you can only sign up for marketplace coverage if you qualify for a special enrollment period.
- E. To qualify for special enrollment: A time outside of the open enrollment period during which you and your family have a right to sign up for health coverage. In the Marketplace, you qualify for a special enrollment period 60 days following certain life events that involve a change in family status (for example, marriage or birth of a child) or loss of other health coverage. Job-based plans must provide a special enrollment period of 30 days.
- F. If you forego health insurance entirely, then you'll pay a [fee for non-compliance](#). When you file your 2016 taxes, you'll be charged the greater of \$695 per adult in your household or 2.5 percent of your taxable household income.



- G. If you decide not to take COBRA coverage, you can enroll in a Marketplace plan instead. Losing job-based coverage qualifies you for a [Special Enrollment Period](#). This means you have 60 days to enroll in a health plan, even if it's outside the annual Open Enrollment Period.

Can you change from COBRA to a Marketplace plan?		
	If your COBRA is running out	If you're ending COBRA early
During Open Enrollment	Yes, you can change.	Yes, you can change.
Outside Open Enrollment	Yes, you can change - you qualify for a Special Enrollment	No, you can't change until the next Open Enrollment Period , your COBRA runs out, or you qualify for a Special Enrollment Period another way.

- H. Does COBRA count as minimum essential coverage?
1. Yes. This means if you have COBRA coverage you don't have to pay the fee that people without coverage must pay
- I. If an employee or family member is covered by a group plan and has a COBRA event (which causes a loss of coverage), can he or she qualify for coverage on the insurance exchange as a special enrollment?
1. The answer to the question will be "yes," if COBRA is not elected.
 2. If a former employee is simply offered COBRA coverage but does not elect it, he or she should become exchange coverage eligible, presuming other qualification criteria are satisfied. Moreover, the subsidy could be available. (This is true because the individual will only be treated as "eligible for employer coverage through COBRA" -- and disqualified for subsidies -- for months when the person has elected COBRA coverage.) Without a COBRA election, the mere offer of COBRA will not preclude the individual's eligibility for exchange coverage enrollment, or the subsidy.
 3. By contrast, if COBRA is elected, the answer to the same question is "no." Moreover, the employee cannot later enroll in exchange coverage if he or she chooses to drop (voluntarily walk-away from) COBRA coverage.
 4. Electing COBRA immediately ends any special enrollment right. So, once the person takes COBRA coverage, there will be no special enrollment on the exchange until either COBRA is exhausted, or until the next exchange open enrollment season.
- J. What about the impact of COBRA on eligibility for a federal subsidy which can be used to buy coverage on the exchange?
1. Ironically, the subsidy remains available - regardless of whether COBRA is offered and even regardless of whether COBRA is actually elected. Under the technical rules governing how federal subsidies are extended, the mere COBRA offer does not affect an individual's ability to qualify for the subsidy, and neither does actually electing COBRA (since continuation is not technically employer-paid coverage). The seeming inconsistent application of the rule described above, inside the context of possible "subsidy" eligibility requires a closer look.
 2. Why is this ironic? Exchange marketplace eligibility immediately closes upon a COBRA election. So, even if the individual technically qualifies for a subsidy, that person cannot enter the exchange outside of the special enrollment or open enrollment, which is the only place where the person can spend the subsidy. It is as though the person is barefoot and has money, but the only shoe store in town is closed. In other words, unless the individual enrolls via an exchange, there is no way he or she can actually spend the government's subsidy dollars.
- K. Can the former employee drop COBRA?
1. If COBRA is elected and then dropped, the person is precluded from enrolling in exchange coverage at their convenience. This means that "voluntarily dropping" COBRA or, perhaps more commonly, failing to pay for COBRA, will not create a new right to enroll on the exchange. Although the subsidy may be available technically, for similar reasons as explained above, the subsidy cannot be used ("spent") without exchange access also being available.
- L. What if the employer paid for COBRA for some period of time, such as for six months following severance from employment, then later for whatever reason that employer stops paying for the continuation coverage? This question has particular implications for employers planning to transition employees out of the workforce - both voluntary and involuntary terminations of employment.
1. Again, once COBRA is elected, the failure of anyone, even a former employer, to pay the premium will not trigger an enrollment right. The insurance carriers on the exchange can require the former employee to wait until the next annual enrollment period, so the result is the same as above: Even if the former employee can qualify for the subsidy, the individual cannot access the exchange policies, so he cannot "spend" the subsidy. In order to



have health insurance, the former employee would need to either pay for the COBRA coverage until the earlier of the next open enrollment for the exchange, or wait until COBRA is exhausted. Due to this Catch-22, it would be preferable for the severance negotiation to be a cash amount, rather than payment for COBRA premiums. The former employee could then elect exchange coverage, possibly qualifying for a subsidy (a possibility the former employer should never guarantee or promise).

- M. If someone voluntarily drops COBRA during an exchange open enrollment, are they eligible for subsidies in the individual marketplace?
1. Per federal agency guidance issued April 21, 2014, during the exchange open enrollment, a person can voluntarily drop his or her COBRA coverage and obtain an exchange plan instead, even if COBRA has not expired. The individual also may be determined eligible for a subsidy in this case. (This result is possible because the exchange is hosting its enrollment season, and subsidy money that an individual might qualify for is therefore available to use to fund purchases.)
 2. Outside of Marketplace open enrollment, if a person's COBRA expires, he or she would qualify for a special enrollment period (and he or she may be eligible for a subsidy). This interpretation fits with the long-standing HIPAA portability special enrollment rule that allowed an individual access to "other coverage" upon COBRA exhaustion.) By contrast, if the COBRA person is voluntarily dropping coverage outside of open enrollment (the COBRA has not yet expired), he would not qualify for a special enrollment period. During the next open enrollment period or when COBRA expires, he could enroll in a policy and may be eligible for a subsidy
- N. **Retiree Reimbursement Account Management** - Optional employer subsidy through a Retiree Reimbursement Arrangement (RRA) or members may pay premiums via electronic fund transfer:
1. If there is a Low Benefit PPO and NOT a HDHP that has excess HRA dollars can that be transferred to the RRA?
Yes
 2. The current RRA administrator funds and administration will be transferred to Optum and the fee per participant be **\$3.75** per acct per month. Optum will use the standard industry tool called "Take Over". The balance will appear in the Optum account and be notional dollars. The claims history will not transfer.
 3. Is there any additional transfer fees? **No**, unless there are special file issues required.
- O. **On and Off Exchange Connector Exchange Rules**
1. Can the Employer Subsidize the value of the premium for the individual plan and the retiree still gain access to the Federal Subsidy?
 - a. **No, it's either the Federal Subsidy or the Employer Subsidy the retiree has to take one versus the other.**
 2. If the retiree moves from the HRA to the RRA and the monies are transferred to the RRA and there is no additional employer contribution, can the retiree then access the Federal Subsidy?
 - a. **No**, our general opinion is that if the person is "double dipping" (i.e. getting the tax benefit of using HRA/RRA funds to pay for premiums, they cannot also qualify for a subsidy). In this case, no more money is going in, but if they can use those funds to pay premium, then they are, in essence double dipping.
 3. If the plan is unaffordable, they can then go to the exchange and take a federal subsidy. Here are the general rules:
 - a. A eligible retiree will qualify for federal premium tax credits so long as:
 - i. Their income is between 100% and 400% of the FPL for their family size as shown below AND
 - ii. The cost of employer provided retiree only coverage exceeds 9.5% of their MAGI (Modified Adjusted Gross Income – the income used for purposes of this test)

So, for an individual earning \$40,000 per year, as long as the cost of employer coverage exceeds \$316.67 per month (9.5% x \$40000 / 12), they would receive a premium tax credit.

Since any single individual whose income is above \$47,080 will not qualify anyway, we can say that if the employer coverage costs more than \$372.72 per month (9.5% x \$47080/12), any retirees who is single will qualify if their income is below 400% of FPL (\$47,080).

Similarly, we can say anyone with a two person family will qualify if their income is below 400% FPL, if the employer plan costs more than \$504.45 (see below for the corresponding figures for three to eight person families.)



The point of all of this is that there may be some individuals with larger families whose income is below 400% FPL (so they satisfy i. above) but the cost of the TML coverage is less than 9.5% of their income (so they fail ii. and are therefore NOT eligible for federal premium tax credits).

Affordability Table

	400% FPL	9.5% of 400% FPL
1	47080	\$ 372.72 monthly
2	63720	\$ 504.45
3	80360	\$ 636.18
4	97000	\$ 767.92
5	113640	\$ 899.65
6	130280	\$ 1,031.38
7	146920	\$ 1,163.12
8	163560	\$ 1,294.85



Post Sixty-five Retiree Options

UnitedHealthcare Post Sixty-five Plan Options

1. Group Medicare Advantage National PPO NPPO
2. Group Medicare Supplemental Program
3. *AARP Supplemental Program*
4. Connector Model
5. Medicare HMO Advantage Plan

UnitedHealthcare (UHC) Post Sixty-five (65) Employer Benefit Plan Options

UHC Post Sixty-five Retiree Plan Options to PEBA

PEBA	2015	2015 % Renewal	2016	2016 % Renewal	2017	2017 % Renewal
HMO Austin, full Rx**	\$368.98	9.50%	\$391.12	6.00%	\$406.76	4.00%
HMO Houston, full Rx**	\$331.45	9.50%	\$351.33	6.00%	\$365.38	4.00%
HMO Other, full Rx**	\$279.17	9.50%	\$295.82	5.96%	\$307.76	4.00%
HMO Austin, tier 1 Rx**	\$263.83	9.50%	\$279.66	6.00%	\$290.85	4.00%
HMO Houston, tier 1 Rx**	\$219.42	9.50%	\$232.58	6.00%	\$241.88	4.00%
HMO Other, tier 1 Rx**	N/A	N/A				
Supp Plan F	\$217.00	8.00%	\$225.68	4.00%	\$234.71	4.00%
Supp Plan K	\$123.99	8.00%	\$128.95	4.00%	\$134.11	4.00%
Rx Plan 1 full Rx	\$194.66	5.00%	\$206.34	6.00%	\$225.85	8.00%
Rx Plan 2, tier 1 Rx	\$73.61	5.00%	\$78.02	5.99%	\$84.26	8.00%
TAC						
Senior Supp Plan F + Admin Fee	\$227.00	8.00%	\$235.68	3.82%	\$244.71	3.83%
Rx Plan 1 full Rx	\$194.66	5.00%	\$206.34	6.00%	\$222.85	8.00%

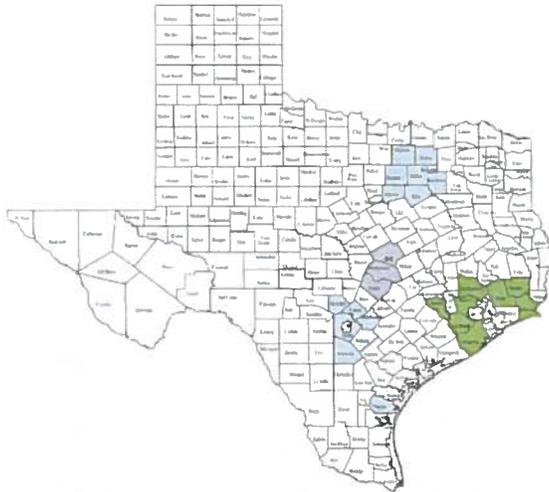
PEBA	2011	2012 Renewal	2012 Rate Relief	2012 Final	2013	2014
HMO Austin, full Rx**	\$320.61	\$341.45	\$333.43	\$320.92	\$336.97	\$336.97
HMO Houston, full Rx**	\$288.32	\$307.06	\$299.85	\$288.28	\$302.69	\$302.69
HMO Other, full Rx**	\$245.49	\$261.45	\$255.31	\$242.80	\$254.94	\$254.94
HMO Austin, tier 1 Rx**	\$220.64	\$234.98	\$229.47	\$229.47	\$240.94	\$240.94
HMO Houston, tier 1 Rx**	\$183.50	\$195.43	\$190.84	\$190.84	\$200.38	\$200.38
HMO Other, tier 1 Rx**	\$143.30	\$145.30	\$141.89	\$141.89	N/A	N/A
Supp Plan F	\$184.00	\$197.80	\$191.36	\$191.36	\$200.93	\$200.93
Supp Plan K	\$105.13	\$113.01	\$109.34	\$109.34	\$114.81	\$114.81
Rx Plan 1 full Rx	\$167.40	\$200.40	\$187.49	\$179.99	\$185.39	\$185.39
Rx Plan 2, tier 1 Rx	\$60.77	\$75.96	\$68.06	\$68.06	\$70.10	\$70.10
TAC						
Senior Supp Plan F + Admin Fee	\$194.00	\$207.80	\$201.36	\$201.36	\$210.93	\$210.93
Rx Plan 1 full Rx	\$167.40	\$200.40	\$187.49	\$179.99	\$185.39	\$185.39

** If emergency room copay added \$75.00 - the pricing impact of changing the ER Copay from \$50 to \$75 would be \$.50 PMPM. This would apply to each of the current HMO rates.



Post Sixty-five Retiree Benefits

Medicare Advantage HMO with Integrated Medicare Part D Plan Options in Texas



2017 HMO SERVICE AREAS AND MONTHLY RATES			
Option 1		Option 2	
○ Austin, TX:	\$406.76	○ Austin, TX:	\$290.85
Counties: Bell, Travis, Williamson			
● Houston, TX:	\$365.38	● Houston, TX:	\$241.88
Counties: Austin, Brazoria, Fort Bend, Hardin, Harris, Jefferson, Liberty, Montgomery			
○ Other:	\$307.76	○ Other:	N/A
Counties: Corpus Christi: Nueces, San Patricio; Dallas/Fort Worth: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, Tarrant counties; San Antonio: Atascosa, Bexar, Comal, Guadalupe, Kendall, Wilson			

Medical Plan with Prescription Plan	2017 HMO Option 1 3A Custom Plan <u>Full Gap Coverage</u> (requires employer subsidy of 35% excluding IEBP)	2017 HMO Option 2 3A Custom Plan <u>Tier 1 Generic Gap Coverage</u>
Service Area:	Austin TX: Bell, Travis, Williamson counties	Austin TX: Bell, Travis, Williamson counties
Monthly Rate*	\$406.76	\$290.85
Service Area:	Houston TX: Austin, Brazoria, Fort Bend, Hardin, Harris, Jefferson, Liberty, Montgomery counties	Houston TX: Austin, Brazoria, Fort Bend, Hardin, Harris, Jefferson, Liberty, Montgomery counties
Monthly Rate*	\$365.38	\$241.88
Service Area:	Other: Corpus Christi: Nueces, San Patricio; Dallas/Fort Worth: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, Tarrant counties; San Antonio: Atascosa, Bexar, Comal, Guadalupe, Kendall, Wilson counties	Other: Corpus Christi: Nueces, San Patricio; Dallas/Fort Worth: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, Tarrant counties; San Antonio: Atascosa, Bexar, Comal, Guadalupe, Kendall, Wilson counties
Monthly Rate*	\$307.76 ✓	N/A ✓

* The monthly rate is per Retiree. The Retiree needs to be entitled to Medicare Parts A & B, and continue to pay the Part B premium.

Medicare Advantage HMO with Integrated Medicare Part D Plan Options in Oklahoma

Retiree Medicare Advantage Counties



Medical Plan with Prescription Plan	2017 HMO Option 1 3A Custom Plan <u>Full Gap Coverage</u> (requires employer subsidy of 35% excluding IEBP)	2017 HMO Option 2 3A Custom Plan <u>Tier 1 Generic Gap Coverage</u>
Service Area:	Oklahoma: Canadian, Cleveland, Oklahoma, Pottawatomie	Oklahoma: Canadian, Cleveland, Oklahoma, Pottawatomie
Monthly Rate*	Census Underwriting Required	Census Underwriting Required

* The monthly rate is per Retiree. The Retiree needs to be entitled to Medicare Parts A & B, and continue to pay the Part B premium. United will require underwriting approval for new employer membership.



Medicare Supplement Plan (Texas and Oklahoma Benefit Options)

Supplement Plan: Plan F		Supplement Plan: Plan K	
Prescription Plan: Not included in price		Prescription Plan: Not included in price	
Service Area: National		Service Area: National	
Rate: Composite		Rate: Composite	
Employer Funding Requirement: None		Employer Funding Requirement: None	
2017 Monthly Rate* \$234.71 ✓		2017 Monthly Rate* \$134.11 ✓	
TAC Supplemental Plan F + Admin Fee \$244.71			
* The monthly rate is per Retiree. The Retiree needs to be entitled to Medicare Parts A & B, and continue to pay the Part B premium.			
BENEFITS "Plan Pays"		PLAN F	PLAN K
Part A and Part B CALENDAR YEAR PLAN DEDUCTIBLE		N/A	N/A
Part A and Part B MOOP ANNUAL LIMIT (Medicare copayments, coinsurance and deductibles)		N/A	\$4,620 per year (2010 amount shown)
LIFETIME POLICY MAXIMUM		N/A	N/A
Part A - Hospital (Part A Deductible) - Days 1-60		Covered 100% by Plan	Covered 50% by Plan
Part B - DURABLE MEDICAL EQUIPMENT			
Part B - Medicare Part B Deductible (Applicable to Part B DME)		Covered 100% by Plan	Not Covered
Part B - DME Remainder of Medicare Approved Amounts (After Part B Deductible Has Been Met)		Remainder After Medicare Payment Covered 100% by Plan.	Remainder After Medicare Payment Covered 50% by Plan.
Part B - Medicare Part B Deductible (Applicable to Part B Medical Services)		Covered 100% by Plan	Not Covered
Part B - Medical Services Remainder of Medicare Approved Amounts (After Part B Deductible Has Been Met)		Remainder After Medicare Payment Covered 100% by Plan.	Remainder After Medicare Payment Covered 50% by Plan.
PART B EXCESS CHARGES - (The Difference Between Medicare Allowable Amount and Up to 115% of Medicare Allowable Amount)		Covered 100% by Plan	Not Covered
FOREIGN TRAVEL: Medically Necessary Emergency Care Services, applicable only during the first six months of each trip outside of the United States.			
PDP Plan Option 1: Full Gap Coverage (requires employer subsidy of 35% excluding IEBP)		PDP Plan Option 2: Generic Gap Coverage	
Service Area: National		Service Area: National	
Rate: Composite		Rate: Composite	
Employer Funding Requirement: None		Employer Funding Requirement: None	
2017 Monthly Rate* \$222.85 ✓		2017 Monthly Rate* \$84.26 ✓	
TAC Rx Plan 1 Full Rx \$222.85			
* The monthly rate is per Retiree. The Retiree needs to be entitled to Medicare Parts A & B, and continue to pay the Part B premium. HMO Advantage requires prescription plan inclusion. Supplemental F or K may be accessed medical only or medical and Rx. Rx Plan option requires employer level decision.			
Prescription Creditable Coverage Part D Plans	PDP Option 1	PDP Option 2	
Prescription Drug Plan Type	Custom	Custom	
Part D Gap Coverage	Full Gap Coverage	Tier 1 Generic Gap Coverage	
Formulary	Formulary H	Formulary G	
Bonus Drug List	None	None	
Rx Deductible	\$0	\$0	
Rx Out-of-Pocket Maximum	None	None	
Part D Retail (Member Cost Share Before Pharma Brand Discounts)			
Tier 1	\$5	\$5	
Tier 2	\$25	\$25	
Tier 3	\$60	\$60	
Tier 4	33%	33%	
Part D Mail Order (Member Cost Share Before Pharma Brand Discounts)			
Tier 1	\$10	\$10	
Tier 2	\$50	\$50	
Tier 3	\$120	\$120	
Tier 4	33%	33%	
Initial Coverage Limit	\$3,700	\$3,700	
TrOOP Threshold	\$4,950	\$4,950	
Catastrophic Coverage over TrOOP (greater amount of)			
Copay for generics	\$3.30	\$3.30	
Copay for all other drugs	\$8.25	\$8.25	
OR Coinsurance	5%	5%	



Preferred Retail Pharmacy Network

1. Applies to Part D individual plans only
2. Provides lower copays at preferred retail pharmacies vs. other network pharmacies
3. Copays are consistent across all participating pharmacies
4. Copays may vary by plan or region
5. Thrifty White to join 1.1.12-15

Pharmacy Saver Program

1. Applies to MAPD and Group Part D Employer Group Waiver Programs (EGWP) plans only
2. Drug prices and quantities may vary between participating pharmacies
3. Pharmacy Saver has a list of drugs that are available through the program
4. Drug list, prices, quantities and participating pharmacies are subject to change during the plan year

UnitedHealthcare Retiree Member Rewards and Incentives

Advocate4Me Program

UnitedHealthcare Retiree Solutions introduced the Advocate4Me Program last year. This program incorporates claims and other clinical information to enhance the membership experience with the customer care professionals. In 2015 this was expanded to a member rewards program that provided members with gift cards once they completed specific health-related activities. In 2016 and 2015, the gift card was distributed for the completion of an Annual Wellness visit.

Treatment Decision Support

Registered nurses with specialized training about targeted conditions and treatment options help retirees make care decisions that are informed, evidence-based and preference-sensitive.

Disease Manage Programs

- › Congestive Heart Failure (CHF)*
- › Coronary Artery Disease (CAD)
 - Advanced Illness - Case Management for those with life-limiting illness
- › Diabetes

Catastrophic and Pre-Catastrophic Case management

Telephonic and face-to-face intervention to help retirees and their families effectively cope with multiple chronic conditions, frailty, disability or den of life issues. Nurses and social workers help individual and their families utilize community resources, understand the most effective ways to cope with their conditions, adhere to their doctor's treatment plan and prevent caregiver burn out

Transplant Resource Services

Help members identify a preferred provider based on quality and efficiency outcomes – this is not a network.

Prevention and Wellness

1. Health Risk Assessment
2. Preventive care reminders
3. Nurse Line: Our newly expanded Nurse Line program empowers retirees to make better health care designs. Nurse Line's registered nurses focus on our four basic value pillars to support retirees in making informed healthcare decisions: Right Care, Right Provider, right Medication, and Right Lifestyle Available 24/7/365
4. Treatment Decision and Access Support
5. Silver Sneakers: Retirees receive a basic health club membership at their choice of participating senior-friendly fitness centers, access to senior-focused fitness classes and social events, and advice from a senior fitness advisor
6. Solutions for Caregivers: Our comprehensive eldercare management program designed to support family caregivers in helping aging family members to stay healthy, to function as independently as possible and to live with dignity
7. Discounted Hearing Aid Program
 - a. Get a hearing test
 - b. Select a hearing aid from the Premium list offered by Health Innovations (HI)



Case Management for Members at Risk

1. Group Retiree Case Management
2. Disease Management
 - a. Diabetes
 - b. End Stage Renal
 - c. Transplant, Specialized Network
 - d. Congestive Heart Failure (CHF)

House Calls for Members at Risk (if applicable)

Post Sixty-five Retiree Value Added Supplemental Benefits

UnitedHealthOne: Dental and Vision Supplemental Benefit Option for Post Sixty-five Supplemental Benefits. Vision is only an option under the Dental Plan. The waiting period is extensive, and retirees were educated to obtain services under the IEBP Benefit Plan prior to the close of December so the transition would not be as difficult.

1. Dental Benefit Options
 - a. The value added benefit options will be available as an individual choice per retiree.
 - i. **Preventive services** have no waiting period and include routine dental exams, routine X-rays, cleaning, fluoride treatment for children, sealants, and space maintainers.
 - ii. **Basic services** have a six-month waiting period and include dental exams, X-rays, routine extractions, treatment for children to ease dental pain, and simple fillings.
 - iii. **Major services** have a 12-month waiting period and include treatment for diseases of the pulp (including root canals), bone and other tissues supporting the teeth, crowns, inlays, onlays, veneers, bridges, dentures (payable once every 5 years), and oral surgery for impactions
 - b. Please contact UnitedHealthOne
 - c. Call: (800) 321.1957 - Ask for "Dental Benefits"
 - d. Online: www.uhone.com "get quote" (pink tab has sample brochures)
2. Vision Benefit Options
 - a. The valued added vision benefit is available at an individual choice per retiree contingent on the retiree's purchase of Dental Benefits
 - b. Please contact UnitedHealthOne
 - c. Call: (800) 321.1957 - Ask for "Vision Benefits"
 - d. Online: www.uhone.com "get quote" (pink tab has sample brochures)

Development of the Medicare Plan for 2017

1. The Medicare Modernization Act (MMA) requires the Centers for Medicare & Medicaid Services (CMS) to announce each year the Medicare Part D standard defined benefit and Retiree Drug Subsidy (RDS) amounts for the coming year.
2. ACMS announced the rates for 2016.

Benefit Parameter	2017	2016	2015	2014
Deductible	\$400.00 (100% paid by participant)	\$360.00 (100% paid by participant)	\$320.00 (100% paid by participant)	\$310.00
Initial Coverage Limit	\$3,700.00; Brands: 50% discount, 40% paid by participant and 10% paid by plan; Generics: 51% paid by participant and 49% paid by plan	\$3,310.00 (25% paid by participant, 75% paid by plan)	\$2,960.00 (25% paid by participant 75% paid by plan)	\$2,850.00
Out of Pocket Threshold	\$4,950.00; Brands: 50% discount, 45% paid by participant, 5% paid by plan; Generics: 58% paid by participant, 42% paid by plan	\$4,850.00; Brands: 50% discount, 45% paid by participant, 5% paid by plan; Generics: 58% paid by participant, 42% paid by plan	\$4,700.00; Brands: 50% discount, 45% paid by participant, 5% paid by plan; Generics: 65% paid by participant, 35% paid by plan	\$4,550.00
Total Covered Part D Spending before Catastrophic Coverage	\$7,425.00 + 5% paid by plan, 80% paid by Medicare, 15% paid by plan	\$7,062.50 + 5% paid by plan, 80% paid by Medicare	\$6,680.00 (15% paid by plan 80% paid by Medicare)	\$6,455.00
Generic Preferred Multi-Source Drug	\$3.30	\$2.95	\$2.65	\$2.55



Benefit Parameter	2017	2016	2015	2014
Other Drug	\$8.25	\$7.40	\$6.60	\$6.35

3. Medicare Announced Premiums & Deductibles

Benefit	2017	2016	2015	2014
Part A Premium				
>40 quarters of Medicare covered employment	awaiting Medicare release	\$0.00	\$0.00	\$0.00
30-39 quarters		\$226.00	\$224.00	\$246.00
<39 quarters		\$411.00	\$407.00	\$426.00
Part A (1-60 day Deductible) (Inpatient hospital, skilled nursing, hospice, certain HHC services)	awaiting Medicare release	\$1,288.00	\$1,260.00	\$1,216.00
Inpatient Charges				
61-90 days	awaiting Medicare release	\$322.00/day	\$315.00/day	\$304.00/day
>90 days		\$644.00/day	\$630.00/day	\$608.00/day
Skilled Nursing 21-100 days	awaiting Medicare release	\$161.00/day	\$157.50/day	\$152.00/day
Part B Premium (Physician, outpatient, certain HHC, DME and other services)	awaiting Medicare release	\$121.80 standard monthly premium rate for enrollees 2016. \$104.90* hold harmless provision for those not collecting Social Security benefits beneficiaries who enroll in Part B for the first time in 2016 and premiums paid by Medicaid/\$159.30 with hold harmless reduction to \$118.80	\$104.90	\$104.90
Part B Deductible	awaiting Medicare release	\$166.00	\$147.00	\$147.00
Part D Beneficiary Premium	awaiting Medicare release	Full Gap Coverage/ Formulary H Employer Subsidy 35% except for IEBP \$206.34 Generic in the Gap Employer/Formulary G Subsidy; Generic in the Gap \$78.02	\$33.13	\$32.42

Benefit	2013	2012	2011	2010
Part A Premium				
>40 quarters of Medicare covered employment	\$0.00	\$0.00	\$0.00	\$0.00
30-39 quarters		\$248.00	\$248.00	\$244.00
<39 quarters	\$441.00	\$451.00	\$450.00	\$443.00
Part A (1-60 day Deductible) (Inpatient hospital, skilled nursing, hospice, certain HHC services)	\$1,184.00	\$1,156.00	\$1,132.00	\$1,068.00
Inpatient Charges				
61-90 days	\$296.00/day	\$289.00/day	\$283.00/day	\$267.00/day
>90 days	\$592.00/day	\$578.00/day	\$566.00/day	\$534.00/day
Skilled Nursing 21-100 days	\$148.00/day	\$144.50/day	\$141.50/day	\$133.50/day
Part B Premium (Physician, outpatient, certain HHC, DME and other services)	\$104.90	\$99.00	\$96.40 or \$110.50	\$96.40
Part B Deductible	\$147.00	\$140.00	\$162.00	\$135.00
Part D Beneficiary Premium	\$31.17	\$31.08	\$32.34	\$31.94

CMS allows 14 days for Carriers to process enrollments - receipt of following items is dependent on clean enrollments without necessity of additional information for processing (i.e. correct Medicare Claim Numbers).



4. Medicare Supplement Plans

Medicare Supplement Insurance (Medigap) plans										
Benefits	A	B	C	D	F*	G	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$4,960	\$2,480	N/A	N/A
* Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,180 in 2016 before your Medigap plan pays anything.										
** After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.										
*** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.										

Medicare Part D Overview

Benefit	2017	2016
Deductible	\$400.00 (100% paid by participant) \$400 to \$3,700; 25% paid by participant, 75% paid by plan	\$360.00 (100% paid by participant)
Copay	see UHC Group Prescription Plan	see UHC Group Prescription Plan
Retail Mail Service	see UHC Group Prescription Plan	see UHC Group Prescription Plan
Drug Spend	Initial Coverage \$3,700.00; Brands: 50% discount, 40% paid by participant, and 10% paid by plan; Generics: 51% paid by participant and 49% paid by plan	\$3,310.00 (25% paid by participant, 75% paid by plan)
Individual Spend	\$4,950.00; Brands: 50% discount, 45% paid by participant, 5% paid by plan; Generics: 58% paid by participant, 42% paid by plan	\$4,850.00 (Brands: 50% discount, 45% paid by participant, 5% paid by plan) (Generics: 58% paid by participant, 42% paid by plan)
Total Covered Part D Drug Spending before Catastrophic Coverage	Catastrophic Care \$7,425.00 + 5% paid by plan, 80% paid by Medicare, 15% paid by plan	Catastrophic Care \$7,062.50 + 5% paid by plan, 80% paid by Medicare
Catastrophic Copay Cost	Greater amount of 5% or \$3.30, any other drugs \$8.25 or 5%	Greater amount of 5% or \$2.95, any other drugs \$7.40 or 5%

Benefit	2015	2014	2013	2012
Deductible	\$320.00 (100% paid by participant)	\$310	\$325	\$320
Copay	see UHC Group Prescription Plan			See UHC Group Prescription Solutions Plan
Retail Mail Service	see UHC Group Prescription Plan			See UHC Group Prescription Solutions Plan
Drug Spend	\$2,960 (25% paid by participant, 75% paid by plan)	\$2,850.00	\$2,970.00	\$2,930.00
Individual Spend	\$4,700 (Brands: 50% discount - 45% paid by participant, 5% paid by plan) (Generics: 65% paid by participant, 35% paid by plan)	\$4,550.00	\$4,750.00; Total Covered Part D Drug Spending before Catastrophic Coverage \$6,733.75	\$4,700.00
Total Covered Part D Drug Spending before Catastrophic Coverage	\$6,680.00	\$6,455.00		
Catastrophic Copay Cost	Greater amount of 5% or \$2.65, Any other drugs \$6.60 or 5%	Greater amount of 5% or \$2.55, Any other drugs \$6.35 or 5%	Greater amount of 5% or \$2.65, Any other drugs \$6.60 or 5%	Greater amount of 5% or \$2.60, Any other drugs \$6.50 or 5%



Benefit	2011	2010	2009	2008
Deductible	No deductible	\$310.00	\$295.00	\$275.00
Copay	See UHC Group Prescription Solutions Plan	See Aetna and CVS/Caremark SilverScript Plans	See Aetna and CVS/Caremark SilverScript Plans	See Aetna and CVS/Caremark SilverScript Plans
Retail Mail Service	See UHC Group Prescription Solutions Plan	See Aetna and CVS/Caremark SilverScript Plans	See Aetna and CVS/Caremark SilverScript Plans	See Aetna and CVS/Caremark SilverScript Plans
Drug Spend	\$2,930.00	\$2,830.00	\$2,700.00	\$2,510.00
Individual Spend	\$4,700.00 Total Covered Part D Drug Spending before Catastrophic Coverage \$6,657.50	\$4,550.00	\$4,350.00	\$4,050.00 - Some plans have generic access in the gap
Catastrophic Copay Cost	Greater amount of 5% or \$2.60, Any other drugs \$6.50 or 5% after drug spend of \$6,657.50	Maximum amount of 5% or \$2.50; Any other drugs \$6.30 or 5% after drug spend of \$6,440.00	Maximum amount of 5% or \$2.40; Any other drugs \$6.00 or 5%.	Maximum amount of 5% or \$2.25; Any other drugs \$5.60 or 5%.

The "Donut Hole"/"Gap" continues to be an area of concern in Healthcare Reform discussions.

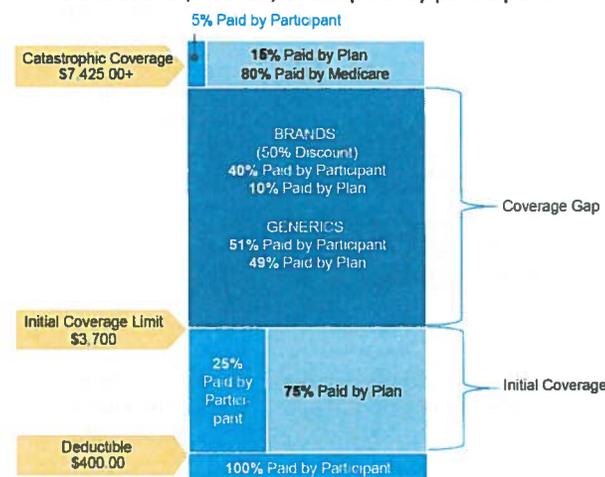
The Affordable Care Act made significant changes to the Medicare program, including for Medicare beneficiaries enrolled in a Part D plan. In 2013, seniors who hit the "donut hole" received improved coverage on their brand name drugs. Manufacturers began to cover 50% of the cost of the brand-name drugs and in 2013 and 2014, the plan paid another 2.5%, providing seniors with total coverage of 52.5% in the donut hole. Therefore, seniors pay 47.5% of the costs for brand-name drugs in the donut hole.

In 2015 manufacturers will continue to cover 50% of the cost of the brand-name drugs and the plan will pay another 5%, providing seniors with total coverage of 55% in the donut hole. Therefore, seniors will pay 45% of the costs for brand-name drugs in the donut hole.

Coverage of generic drugs in the gap will increase annually until it reaches 75% in 2020. By 2020, the cost sharing for both brand and generic prescription drugs will be the same during the "donut hole" as during the initial coverage period. Consequently, in 2020, individuals will pay 25% of drug costs, and the Part D plan will pay 75%. In 2015, Part D plans will pay 35% of the cost of generic drugs in the donut hole leaving seniors responsible for 65%.

Expected Medicare Part D Cost Sharing in 2017

- Catastrophic Coverage \$7,425.00+15% paid by Plan and 80% paid by Medicare
- Coverage Gap: \$3,700.00-\$7,425.00; Brands: (50% Discount) 40% paid by Participant 10% paid by Plan; Generics: 51% paid by participant 49% paid by plan
- Initial Coverage Limit \$400.00-\$3,700: 25% paid by Participant and 75% paid by Plan
- Deductible \$400.00; 100% paid by participant





If the retiree has limited income and resources the retiree may request extra help for payment of the Medicare prescription drug coverage. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov or call them at (800) 772-1213 (TTY (800) 325-0778).

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-0778



Texas Legal Update

1. Chapter 175 of the Local Government Code-applies to a person who retires from municipal employment with a population of 25,000 or more
 - a. The level of coverage provided under this chapter at any given time is the same level of coverage provided to current employees of the municipality at that time
 - b. The person may elect to continue coverage at a reduced level, if offered by the municipality
2. Rate may be at the same rate available to active employees or a reasonable or actual utilization rate established for retirees that may be greater than the rate offered to active employee
 - a. Manual Rate with Retirees and Actives
 - b. Manual Rates Active only
 - c. Manual Rates for Retirees only
 - d. Utilization Review/Loss Ratio for Actives and Retirees
 - e. Utilization Review/Loss Ratio for Actives only
 - f. Utilization Review/Loss Ratio for Retirees only
3. Article 111.53 of the Texas Constitution prohibits employees from receiving extra compensation after the work has been performed. As interpreted by the Attorney General in JC 383, the provision prohibits retirees from getting benefits that were not a part of the retirement package when they retired (two exceptions)
4. If the political subdivision does not pay any portion of the new program
5. If the political subdivision increases retiree benefits, the employer's retirement policy or applicable federal or state law may address the possibility of additional payments
6. 1625.10/EEOC Costs and benefits under employee benefit plans
7. Possible discrimination against the older employee by making compensation in the form of employee and denying that compensation altogether to an older employee unwilling or unable to meet the less favorable terms. Such discrimination is not authorized by Section 4(f)(2).
8. Awaiting final written regulations on EEOC costs and benefits
9. Employer should review
 - a. Ordinance/Resolution
 - b. Policy and Procedure regarding Pre/Post Sixty-five Retiree Benefits
10. THE TEXAS CONSTITUTION, ARTICLE 3. LEGISLATIVE DEPARTMENT
 - a. Sec. 53. COUNTY OR MUNICIPAL AUTHORITIES; EXTRA COMPENSATION; UNAUTHORIZED CLAIMS. The Legislature shall have no power to grant, or to authorize any county or municipal authority to grant, any extra compensation, fee or allowance to a public officer, agent, servant or contractor, after service has been rendered, or a contract has been entered into, and performed in whole or in part; nor pay, nor authorize the payment of, any claim created against any county or municipality of the State, under any agreement or contract, made without authority of law
11. 1625.10/EEOC Costs and benefits under employee benefit plans
 - a. Possible discrimination against the older employee by making compensation in the form of employee and denying that compensation altogether to an older employee unwilling or unable to meet the less favorable terms. Such discrimination is not authorized by Section 4(f)(2).
 - b. Awaiting final written regulations on EEOC costs and benefits
12. GASB has determined that post-employment benefits, Other Post-Employment Benefits (OPEB) are an accruing cost, similar to pensions, that should be reflected in the governmental unit's financial statements for years beginning after June 15, 2006.
 - a. GASB Exposure Draft on Pension Plans/TMRS Amend Statement 67, 68, and 73 (defined benefit pension not in the scope of GASB 67 & 68)
 - i. Includes pay elements that are included in benefits, contributions and pension plans/68 employer contribution estimated future amount on balance sheet
 - b. GASB 75
 - i. GASB 75 starts in 2017
 - ii. OPEB (retiree healthcare liabilities will go on your balance sheet in 2017)



7 Quick Facts about Medicare Spending

Written by Kelly Gooch | July 21, 2016

A new [report](#) from the Kaiser Family Foundation indicates Medicare spending continues to rise.

Here are seven quick facts on Medicare spending, as stated in the report.

1. In 2015, Medicare spending accounted for 15 percent of the federal budget.
2. Medicare accounted for 20 percent of total national health spending in 2014, 29 percent of spending on retail sales of prescription drugs, 26 percent of spending on hospital care and 23 percent of spending on physician services.
3. In 2015, Medicare benefit payments totaled \$632 billion. Twenty-three percent of that sum was for hospital inpatient services, 12 percent for the Part D drug benefit and 11 percent for physician services. Twenty-seven percent of benefit spending was for Medicare Advantage private health plans covering all Part A and Part B benefits.
4. Medicare spending growth has slowed in recent years compared to prior decades, both overall and per beneficiary, according to the report. Average annual growth in total Medicare spending was 4.4 percent between 2010 and 2015, compared to 9 percent between 2000 and 2010. That's despite faster growth in enrollment since 2011 with baby boomers reaching Medicare eligibility age. Additionally, average annual growth in spending per beneficiary averaged just 1.4 percent between 2010 and 2015, compared to 7.4 percent between 2000 and 2010.
5. Slower Medicare spending growth in recent years is attributed in part to policy changes that took effect as part of the Affordable Care Act and the Budget Control Act of 2011, according to the report. For instance, the ACA included reductions in Medicare payments to plans and providers, while the BCA lowered Medicare spending through sequestration that reduced payments to providers and plans by 2 percent beginning in 2013, according to the report. Slower Medicare spending growth is also attributed slower growth in prescription drug spending and a reduction in inpatient hospital readmissions, among others.
6. In the last 25 years, Medicare spending has grown at a slightly slower rate than private health insurance spending on a per enrollee basis, the report notes. Between 1989 and 2014, Medicare spending per enrollee grew at an average annual rate of 5.5 percent, somewhat slower than the 6.3 percent average annual growth rate in private insurance spending per enrollee over that time period. Between 2000 and 2010, per enrollee spending growth rates were comparable for Medicare and private insurance. Between 2010 and 2015, however, Medicare per capita spending grew considerably more slowly than private insurance spending, increasing at an average annual rate of just 1.4 percent over this time period, while average annual growth in private health insurance spending per capita increased at just over twice that rate (3 percent).
7. Looking forward, net Medicare spending, meaning mandatory Medicare spending minus income from premiums and other offsetting receipts, is projected to increase from \$591 billion in 2016 to \$1.1 trillion in 2026, according to the Congressional Budget Office. The CBO projects total Medicare spending to increase from \$695 billion to \$1.3 trillion over this time period.



Taking Action to Manage Post Employment Benefit Options

1. GASB Liability
 - a. GASB 45
 - i. Governmental Accounting Standards Board
 - » Determine and recognize an actuarial value of promised (defined benefit) retiree medical and other benefits on an employer's balance sheet
 - » Other Post-Employment Benefits (OPEB) must be accounted for just like pension benefits
 - ii. OPEB requires the cost be realized while the employee is active, not at the time of retirement
 - iii. Could Impact Bond Rating
2. Timeline of GASB 45 Requirement
 - a. Implementation in three phases:
 - i. 1st - \$100M or more in annual revenue for periods after 12/15/06
 - ii. 2nd - \$10M or more, but less than \$100M, for periods after 12/15/07
 - iii. 3rd - \$10M or less for periods after 12/15/08
3. What is the Concern?
 - a. Employers who provide post-employment medical benefits are realizing that they can no longer afford to provide a "defined benefit" solution.
 - i. With the Baby Boomer population entering retirement age, Political Subdivisions are faced with the liability of "defined benefit"
 - ii. Due to the financial requirements, the Political Subdivisions are transitioning from Defined Benefits to Defined Contribution.
4. Definition of Eligibility for Post-Employment Benefits
 - a. GASB 45
 - i. Retiree Definition/Employer Decisions
 - » Definition of Retiree
 - » Age
 - » Years of Service
 - » Accordance with Existing Retirement Program (TMRS)
 - » Available Benefits
 - » Sample Policy/Ordinance/Resolution
 - » Dependent Coverage Eligibility
 - » Survivor Coverage Eligibility
 - ii. Disclaimer of Benefit Effective Date and Review Date
5. Funding Option for Public Safety
 - a. TMRS Annuity Fund Healthcare Premium Payment Access
 - i. Annuity Benefit access for Public Safety Retirees
 - ii. Annuity Benefit may apply to Premium payment for Health, Part D, Vision, Dental and/or Long Term Care
 - iii. No Survivor Annuity Benefit
 - iv. IRS Tax Return Requirement/Reduction of Pension 1099 Tax Return Completion
6. Defined Contribution Management Options
 - a. Taking Action to Managing your OPEB Obligation
 - i. Manage cost of current benefit offering, eligibility and caps on future promises
 - ii. Migrate from a defined benefits to defined contribution approach
 - iii. A Health Reimbursement Arrangement (HRA)/Retiree Reimbursement Arrangement (RRA) is an employer pre-taxed fund account for eligible medical expenses including premiums for eligible medical plans under the IRS Notice 2002-24.

,ROCKPORT CITY COUNCIL
Regular Meeting: Tuesday, May 10, 2016

AGENDA ITEM: 13

Deliberate and act on selection of auditing firm to provide independent financial audit services, including preparation of the City's consolidated annual financial report, for the fiscal year ending September 30, 2016, and authorizing the Mayor to negotiate and execute all necessary documents.

SUBMITTED BY: Finance Director Patty Howard

APPROVED FOR AGENDA: PKC

SUMMARY STATEMENT: The City Charter states that "The governing body shall appoint an independent auditor whose contract shall be reviewed and reconsidered at the end of five (5) years." Requests for qualifications (RFQs) were solicited for firms to provide independent financial audit services, including preparation of the City's consolidated annual financial report, for fiscal year ending September 30, 2016. The RFQ included possible future extensions of the agreement for up to another four years through fiscal year September 30, 2020, following satisfactory delivery of the services specified in the proposals and engagement letter.

There were four proposals received by the City Secretary for the scheduled bid opening on August 31, 2016, at 2:00 p.m., plus another one that was disqualified because it was delivered more than two hours late. The RFQ responses are summarized in the table on the next page.

Please see the RFQ and response from the recommended firm for additional details.

FISCAL ANALYSIS: The actual annual expense for independent financial audit services with the proposed firm of Collier, Johnson & woods, P.C. will be an increase of \$5,890.00 over the current cost.

STAFF RECOMMENDATION: Staff recommends Council select Collier, Johnson & Woods, P.C. to provide independent financial audit services, including preparation of the City's consolidated annual financial report, for the fiscal year ending September 30, 2016, and authorizing the Mayor to negotiate and execute all necessary documents

Summary of Responses to RFQ for Auditing Services

Firm/Location	Firm Size	Annual Audit	Single Audit	Total Fees	Est. Hours Required	Equivalent Hourly Rate	Comments
Belt Harris Pechacek/ Houston	19	\$23,750	\$9,000	\$32,750	398	\$82.29	Thorough response & excellent presentation. Good references. Audits governments exclusively. Knows Incode. Largest total fee. Houston office.
Beyer & Co./ Pleasanton	10	\$19,720	\$5,000	\$24,720	300	\$82.40	Poor references. San Antonio area office. Aransas County changing from Beyer to another firm.
Collier, Johnson & Woods/ Corpus Christi	17	\$22,000	\$2,490	\$24,490	192	\$127.55	Thorough response & good references. CC office. Audits most of the largest governments in CC area.
Raul Hernandez & Co./Corpus Christi	4	\$18,150	\$2,585	\$20,735	138	\$150.23	Inadequate presentation. Limited staff. CC office.

FIRM NAME	ADDRESS	ANNUAL AUDIT FEE	SINGLE AUDIT FEE	TOTAL AMOUNT	FIRM SIZE	MAJORITY OF EXPERIENCE
Raul Hernandez & Company, P.C.	5422 Holly Rd. Corpus Christi, Texas	\$18,150	\$2,585	\$20,735	4	School Districts
Beyer & Company	P. O. Box 366 Pleasanton, Texas	\$19,720	\$5,000	\$24,720	10	Small population Cities
Collier, Johnson & Woods, P.C.	555 N. Carancahua, Suite 1000 Corpus Christi, Texas	\$22,000	\$2,490	\$24,490	17	Mid to Large Population Cities
Belt Harris Pechacek, LLLP	3210 Bingle Road, Suite 300 Houston, Texas 77055	23,750	\$9,000	\$32,750	19	Large Population Cities

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 13, 2016

AGENDA ITEM: 14

Deliberate and act to select areas for annexation and authorize staff to prepare service plans, schedule public hearings, and draft annexation ordinance.

SUBMITTED BY: Public Works Director Mike Donoho; Community Planner Amanda Torres

APPROVED FOR AGENDA: PKC

BACKGROUND: At the July 25 budget workshop Council requested that staff continue to refine the research for the three potential annexation areas along Highway 35 Bypass and Market Street and present it at the August workshop. Following discussion at the August workshop, staff was directed to make revisions for the September 13 regular meeting. Please see the accompanying presentation for details.

FISCAL ANALYSIS: Please see the accompanying presentation for details.

RECOMMENDATION: Staff recommends Council select Areas 1, 2, and 3, as described in the presentation, for annexation prior to the end of calendar year 2016 and authorize staff to prepare service plans, schedule public hearings, and draft annexation ordinance.

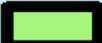


Annexation Focus Area Profiles FY 2016-17

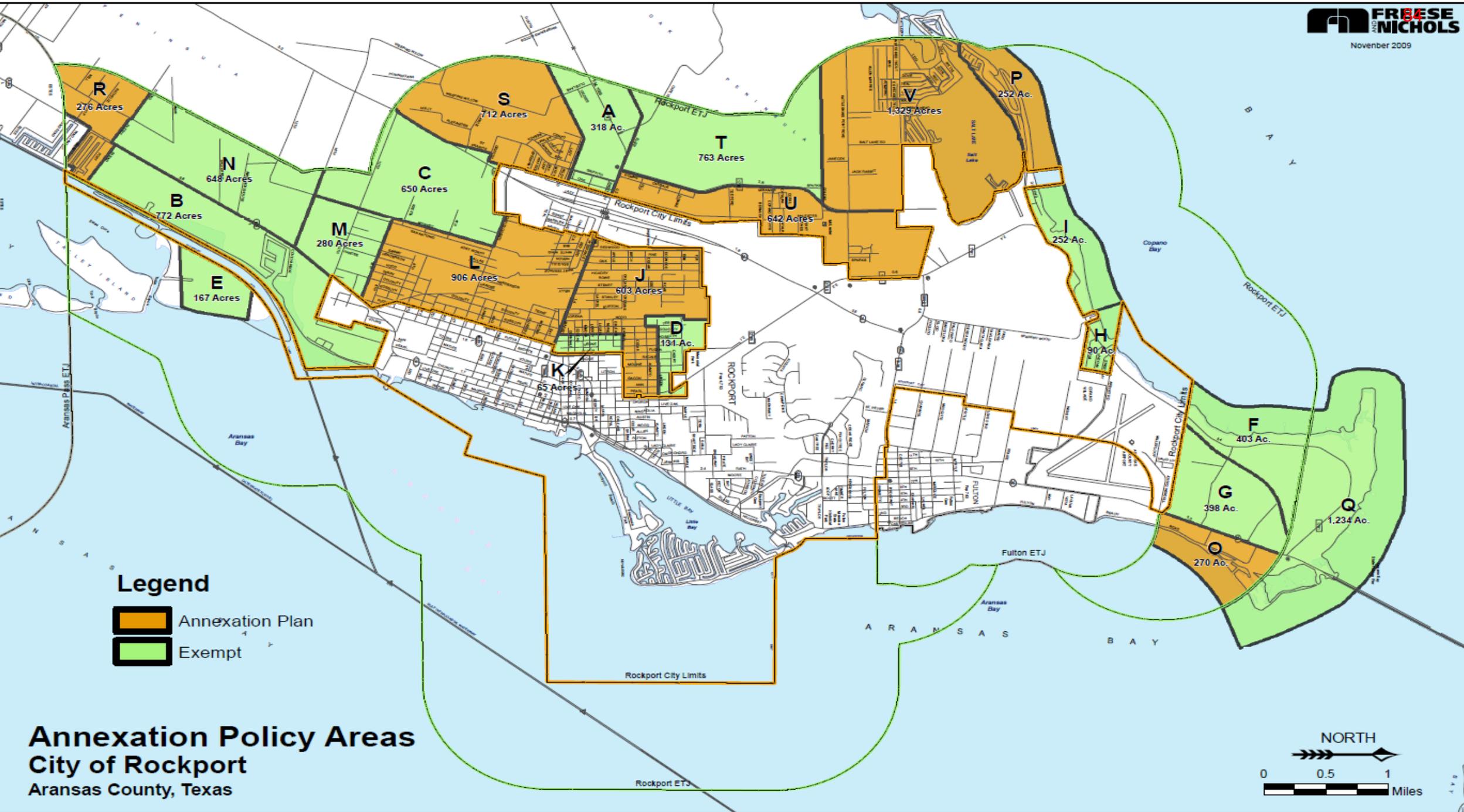
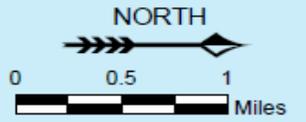
Rockport City Council | September 13, 2016

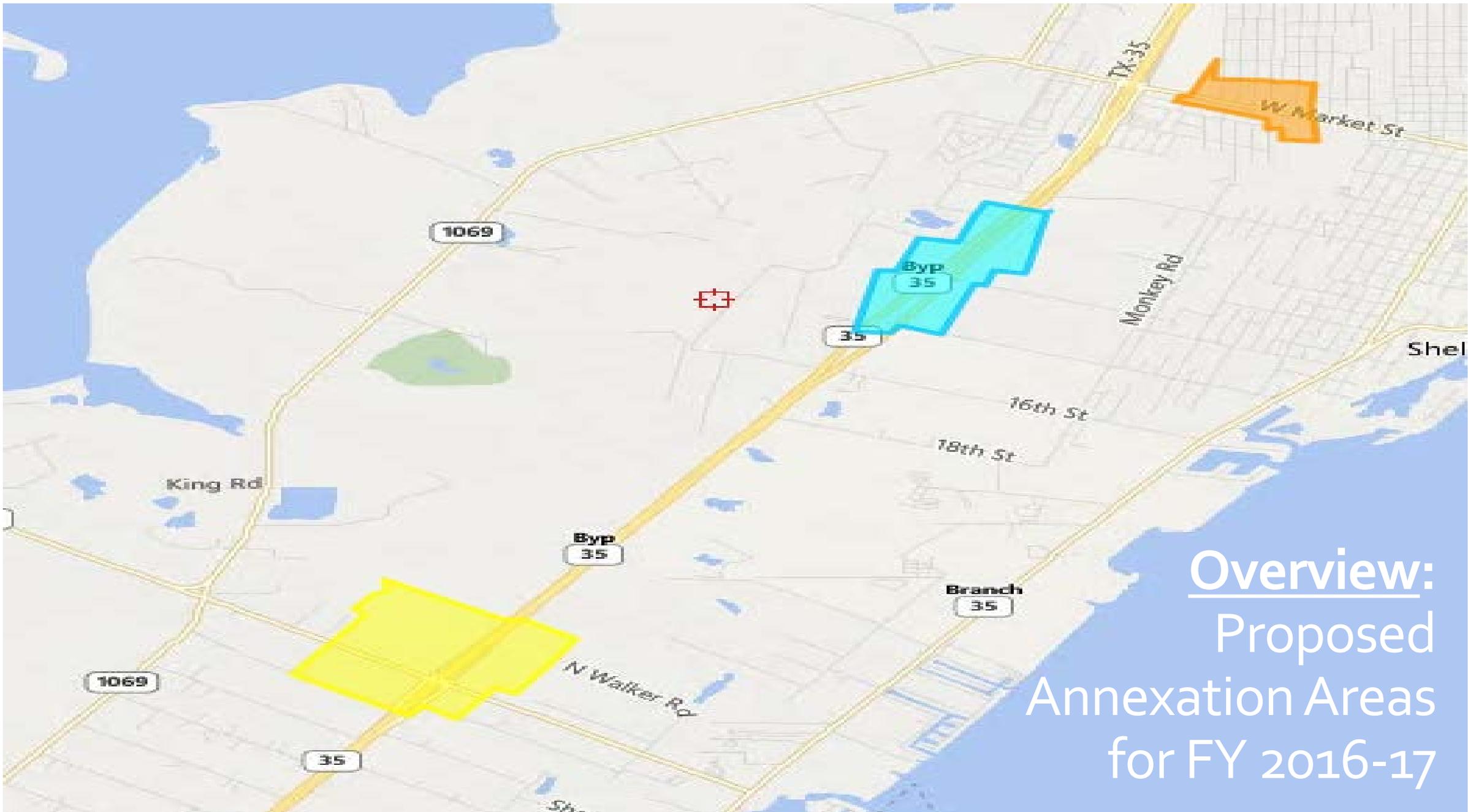
Amanda Torres, Community Planner

Legend

-  Annexation Plan
-  Exempt

Annexation Policy Areas
City of Rockport
Aransas County, Texas





Overview:
Proposed
Annexation Areas
for FY 2016-17



Overview

- **Three areas of focus for FY 2016-17:**
 - Market Street 1000 ft. corridor – Scenario 1a
 - Bypass Hwy 35 from Eighteenth St. to FM 188 (approximately)
 - Bypass Hwy 35 from Alexander Dr. to Griffith Dr. (approximately)

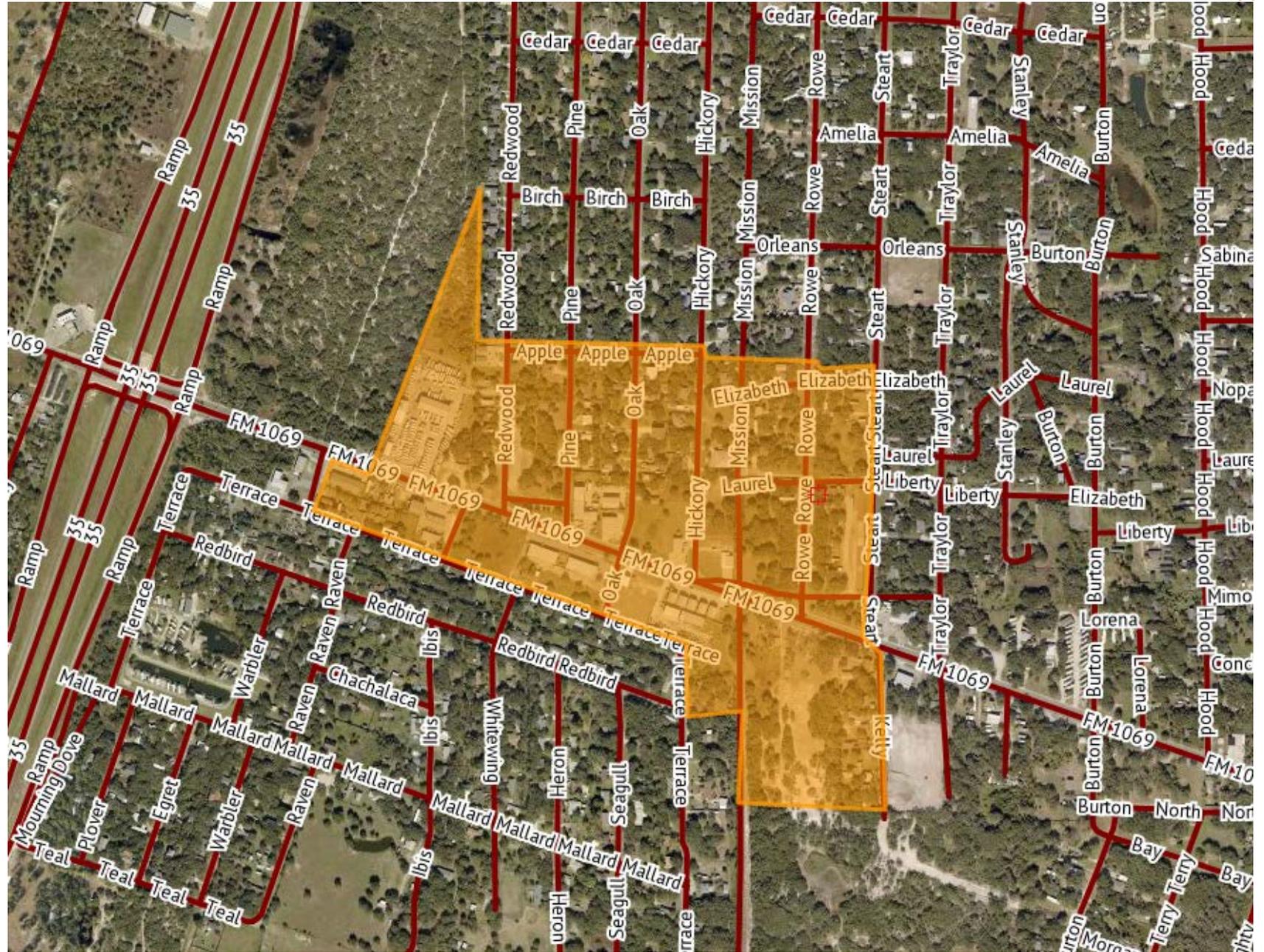


TLGC Annexation Area Allocation Policy

- **Sec. 43.055. MAXIMUM AMOUNT OF ANNEXATION EACH YEAR.:**
 - (a) *In a calendar year, a municipality may not annex a total area greater than 10 percent of the incorporated area of the municipality as of January 1 of that year, plus any amount of area carried over to that year under Subsection (b).* In determining the total area annexed in a calendar year, an area annexed for limited purposes is included, but an annexed area is not included if it is:
 - (1) annexed at the request of a majority of the qualified voters of the area and the owners of at least 50 percent of the land in the area;
 - (2) owned by the municipality, a county, the state, or the federal government and used for a public purpose;
 - (3) annexed at the request of at least a majority of the qualified voters of the area; or
 - (4) annexed at the request of the owners of the area.
 - (b) *If a municipality fails to annex in a calendar year the entire 10 percent amount permitted under Subsection (a), the municipality may carry over the unused allocation for use in subsequent calendar years.*
 - (c) *A municipality carrying over an allocation may not annex in a calendar year a total area greater than 30 percent of the incorporated area of the municipality as of January 1 of that year.*



Area 1a:
Market Street
Corridor
(Modified)



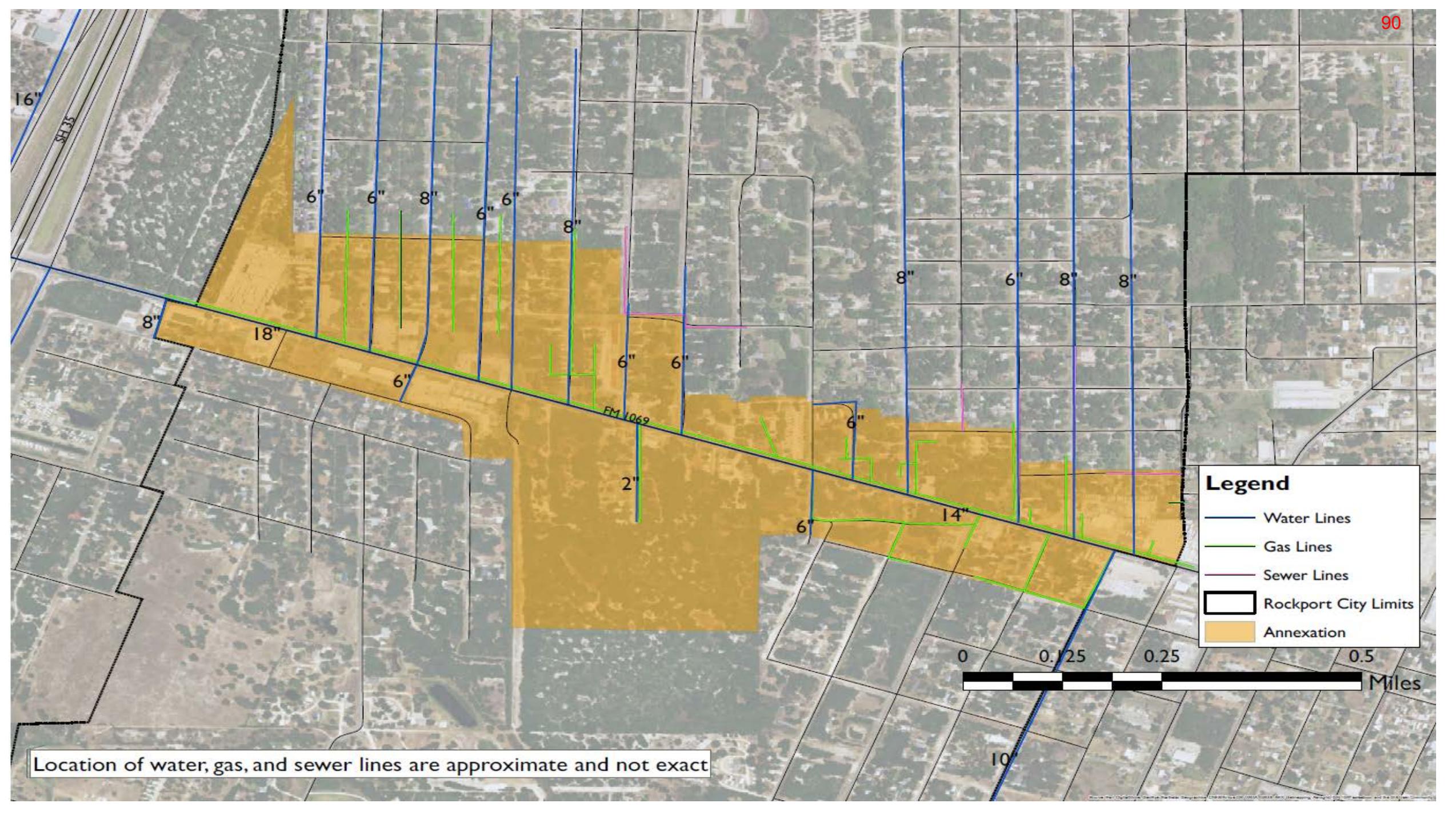


Area 1a: Land Use and Market Valuation

- Estimated Population: 183
- Land Use and Associated Market Valuation: 70.5 acres total

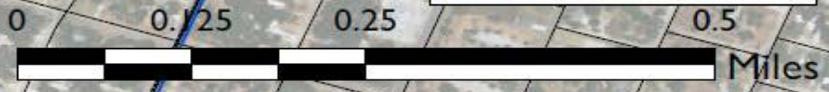
Property Type:	Count:	VALUE:	Acres	\$
Total Single-Family Units:	65		23.5105	\$ 4,970,210.00
Total Multi-Family Units:	1		0.5077	\$ 229,580.00
Total Commercial Properties:	24		32.8865	\$ 5,855,440.00
Total Unimproved Properties:	21		13.6082	\$ 837,020.00

- Statistical Market Valuation:
 - Total Market Valuation: \$11,892,250.00
 - Average Value (including exempt property): \$107,137.39
 - Median Value (including): \$64,940.00
 - Average Value (excluding exempt property): \$148,485.48
 - Median Value (excluding): \$94,160.00
 - Average Homestead Value: \$113,444.00
 - 25 Properties are homesteaded
- # of Building Permits since 2003: 25



Legend

- Water Lines
- Gas Lines
- Sewer Lines
- Rockport City Limits
- Annexation



Location of water, gas, and sewer lines are approximate and not exact



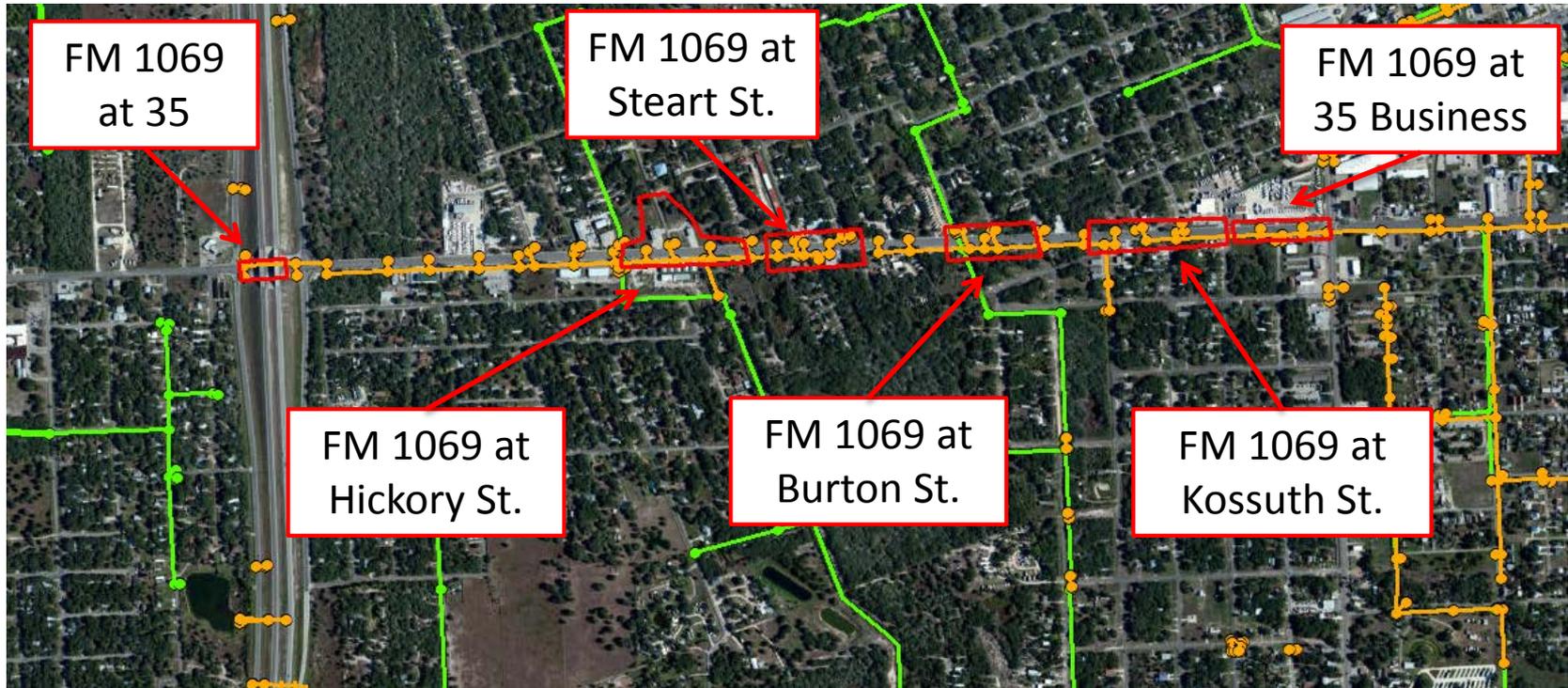
Area 1a:
Existing
Infrastructure

Street Condition(s): Good
 Chipseal
 No curb and gutter

• Streets:

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Length</u>	<u>Width</u>
West Terrace Blvd	Raven	Redbird	2057	20
Seagull	West Terrace Blvd	Market	225	19
Ibis	West Terrace Blvd	Market	225	19
Kelly Ln	Market	End	700	18
Stear	Laurel	Market	730	18
Rowe	Market	Orleans	1740	20
Hickory	Market	Apple	1040	18
Oak	Apple	Market	963	19
Pine	Market	Apple	838	20
Redwood	Apple	Market	749	20
Apple	Redwood	Hickory	955	18
		Footage	7015	
		Miles	1.33	

Risk Areas on FM 1069/Market St.

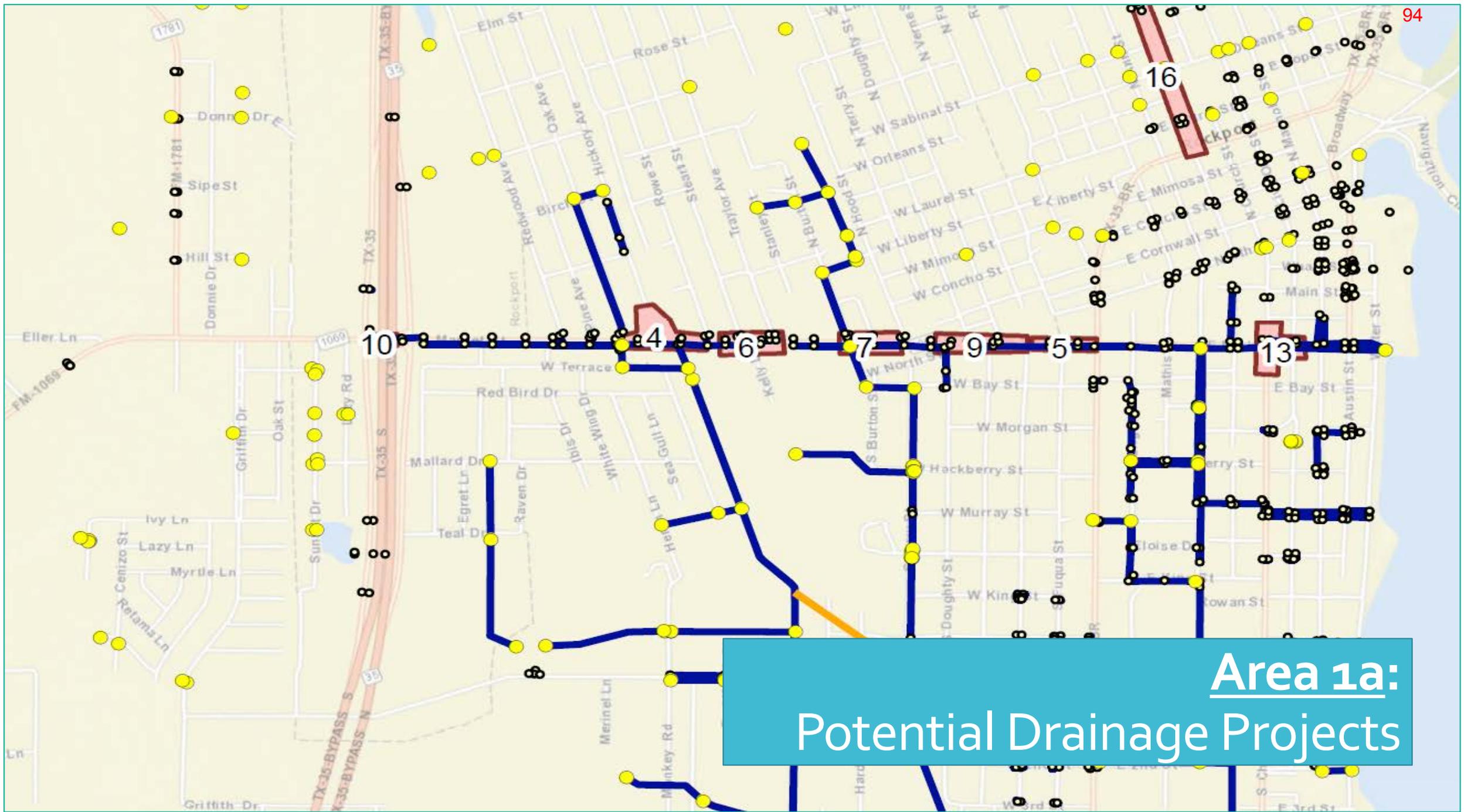




Area 1a: Cost of Maintenance

- Capital Costs: Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- Maintenance and Operations:

Miles of Street			1.33
Cost per mile		X \$	10,562.77
Annual cost for street		\$	14,048.48
Annual cost for St Light Elec		\$	2,522.41
Add to Operating Budget		\$	16,570.90
Installation of street lights	15	\$	15,000.00



Area 1a:
Potential Drainage Projects



Area 1a: Potential Drainage Projects

4.3.3 Project 3 – Market Street (FM 1069) at SH 35 Bypass, Hickory, and Steart

This project requires improving the upper Ruby Allen ditch system to carry water that currently surcharges the storm sewer system in Market Street. Improvements include installing a 54" RCP from Market Street to the open ditch, then widening the ditch south to Corpus Christi Street, diverting drainage to combine flows with the downstream Traylor Avenue ditch. The Master Plan from 2000 recommended a concrete-lined ditch in this section; however, the ditch can be designed and constructed to carry the water without concrete lining, using those funds for additional system improvements. This project is the first step to reducing the flooding from Risk Areas 4, 6, and 10; however, the downstream improvements will be completed in Project 5 detailed below.

Item	Description	Quan	Quan (+5%)	Unit	Unit Price	Total Cost
1	54" RCP	1,100	1,155	LF	\$200.00	\$231,000.00
2	7'x4' Precast Concrete Box Culvert	150	158	LF	\$400.00	\$63,200.00
3	Two 7'x4' Precast Concrete Box Culverts	200	210	LF	\$775.00	\$162,750.00
4	Two 8'x4' Precast Concrete Box Culverts	100	105	LF	\$925.00	\$97,125.00
5	OSHA Trench Protection	1,550	1,628	LF	\$2.00	\$3,256.00
6	Dewatering (As Required)	1,550	1,628	LF	\$35.00	\$56,980.00
7	Junction Box / Inlets	4	4	EA	\$3,500.00	\$14,000.00
8	Ditch Improvements (B=5')	4,450	4,673	LF	\$30.00	\$140,190.00
9	Ditch Improvements (B=0')	900	945	LF	\$15.00	\$14,175.00
10	Concrete Headwalls	5	5	EA	\$10,000.00	\$50,000.00
11	Demolition and Haul Off	1	1	LS	\$5,000.00	\$5,000.00
12	Misc Utility Adjustments	1	1	LS	\$25,000.00	\$25,000.00
13	Driveway / Access Crossings	3	3	EA	\$50,000.00	\$150,000.00
14	Pavement and Driveway Repair	450	473	SY	\$65.00	\$30,745.00
15	TXDOT Pavement Repair	350	368	SY	\$85.00	\$31,280.00
16	Regrade Existing Road Swales	1	1	LS	\$10,000.00	\$10,000.00
17	Flexterra / Hydromulch	12,000	12,600	SY	\$2.50	\$31,500.00
18	Maintenance / Watering	1	1	LS	\$30,000.00	\$30,000.00
19	Pollution Prevention	1	1	LS	\$30,000.00	\$30,000.00
PROJECT 3 SUBTOTAL:						\$1,176,201.00
Engineering & Contingencies (20%)						\$235,240.20
PROJECT 3 TOTAL:						\$1,411,441.20



Area 1a: Potential Drainage Projects

4.3.4 Project 4 – Market Street (FM 1069) at SH 35 Business

This project is proposed to alleviate the flooding on Market Street, just west of SH 35 Business. The recommended improvements include upgrading the storm sewer system down Ann Street from Market Street to the Murray Street outfall. This drainage upgrade will eliminate the flooding of Risk Area 5.

Item	Description	Quan	Quan (+5%)	Unit	Unit Price	Total Cost
1	24" RCP	1,471	1,545	LF	\$80.00	\$123,600.00
2	42" RCP	1,127	1,183	LF	\$160.00	\$189,280.00
3	OSHA Trench Protection	2,598	2,728	LF	\$2.00	\$5,456.00
4	Dewatering (As Required)	2,598	2,728	LF	\$25.00	\$68,200.00
5	Post Inlets / Grate Inlets	17	17	EA	\$3,000.00	\$51,000.00
6	6' Diameter Manhole over Ex. 48" RCP	1	1	EA	\$6,000.00	\$6,000.00
7	Junction Box	2	2	EA	\$10,000.00	\$20,000.00
8	Demolition and Haul Off	1	1	LS	\$5,000.00	\$5,000.00
9	Pavement and Driveway Repair	1,732	1,819	SY	\$65.00	\$118,235.00
10	Regrade Existing Road Swales	1	1	LS	\$3,000.00	\$3,000.00
11	Misc Utility Adjustments	1	1	LS	\$30,000.00	\$30,000.00
12	Pollution Prevention	1	1	LS	\$20,000.00	\$20,000.00
13	Sodding / Hydromulch	1	1	LS	\$20,000.00	\$20,000.00
PROJECT 4 SUBTOTAL:						\$659,771.00
Engineering & Contingencies (20%)						\$131,954.20
PROJECT 4 SUBTOTAL:						\$791,725.20



Area 1a: Potential Drainage Projects

4.3.5 Project 5 – Market Street (FM 1069) at Burton and Kossuth

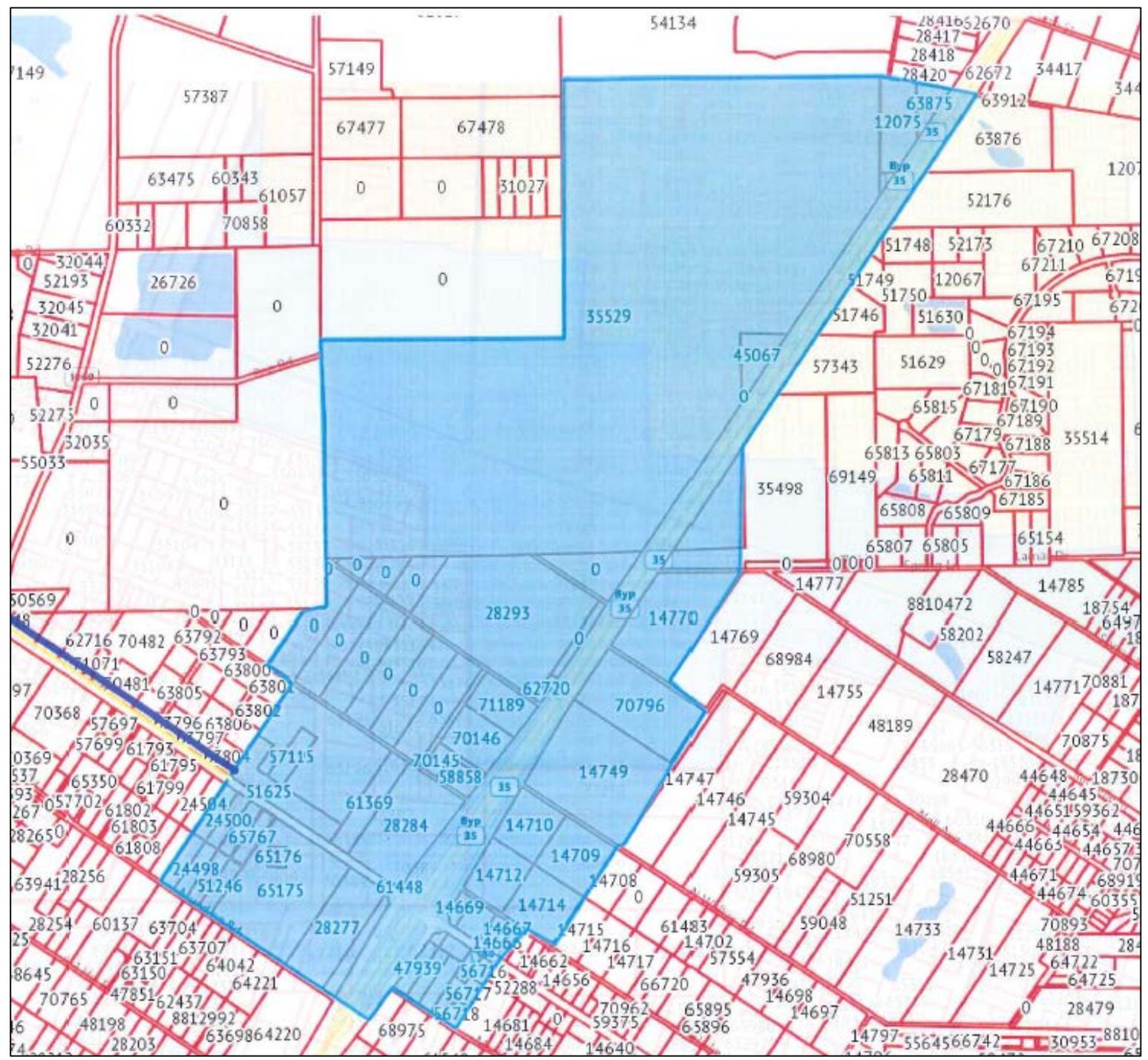
This project includes improving the upper Traylor ditch system (on Terry Street) from Market to Corpus Christi, then upgrading the Traylor ditch from Corpus Christi to handle the combined flow from this basin as well as the Ruby Allen water across SH 35 to the outfall. This ditch system is much shorter than the Ruby Allen ditch; therefore, the recommendation is to dedicate funds to upgrading this system rather than both major outfalls separately. The proposed improvements will eliminate flooding of Risk Areas 7 and 9.

Item	Description	Quan	Quan (+5%)	Unit	Unit Price	Total Cost
1	6'x4' Precast Concrete Box Culvert	1,100	1,155	LF	\$375.00	\$433,125.00
2	Two 7'x4' Precast Concrete Box Culvert:	450	473	LF	\$775.00	\$366,575.00
3	Three 8'x4' Precast Concrete Box Culver	300	315	LF	\$1,200.00	\$378,000.00
4	Four 7'x3' Precast Concrete Box Culvert:	170	179	LF	\$1,400.00	\$250,600.00
5	OSHA Trench Protection	2,020	2,121	LF	\$2.00	\$4,242.00
6	Dewatering (As Required)	2,020	2,121	LF	\$35.00	\$74,235.00
7	Concrete Headwalls	15	15	EA	\$10,000.00	\$150,000.00
8	Driveway Box Culvert Crossings	8	8	EA	\$50,000.00	\$400,000.00
9	Junction Box / Inlets	2	2	EA	\$3,500.00	\$7,000.00
10	Grate Inlets on top of box culvert	5	5	EA	\$3,000.00	\$15,000.00
11	Ditch Improvements (B=5')	1,800	1,890	LF	\$30.00	\$56,700.00
12	Ditch Improvements (B=7')	1,300	1,365	LF	\$40.00	\$54,600.00
13	Ditch Improvements (B=8')	4,100	4,305	LF	\$45.00	\$193,725.00
14	Demolition and Haul Off	1	1	LS	\$15,000.00	\$15,000.00
15	Pavement and Driveway Repair	300	315	SY	\$65.00	\$20,475.00
16	TXDOT Pavement Repair	178	187	SY	\$85.00	\$15,895.00
17	Misc Utility Adjustments	1	1	LS	\$40,000.00	\$40,000.00
18	Flexterra / Hydromulch	14,500	15,225	SY	\$2.50	\$38,062.50
19	Maintenance / Watering	1	1	LS	\$50,000.00	\$50,000.00
20	Pollution Prevention	1	1	LS	\$50,000.00	\$50,000.00
PROJECT 5 SUBTOTAL:						\$2,613,234.50
Engineering & Contingencies (20%)						\$522,646.90
PROJECT 5 TOTAL:						\$3,135,881.40

CITY of ROCKPORT, TEXAS



Area 2:
Bypass 35 –
18th St to FM
188





Area 2: Land Use and Market Valuation

- Estimated Population: 30
- Land Use and Associated Market Valuation: 1,205.028 acres total

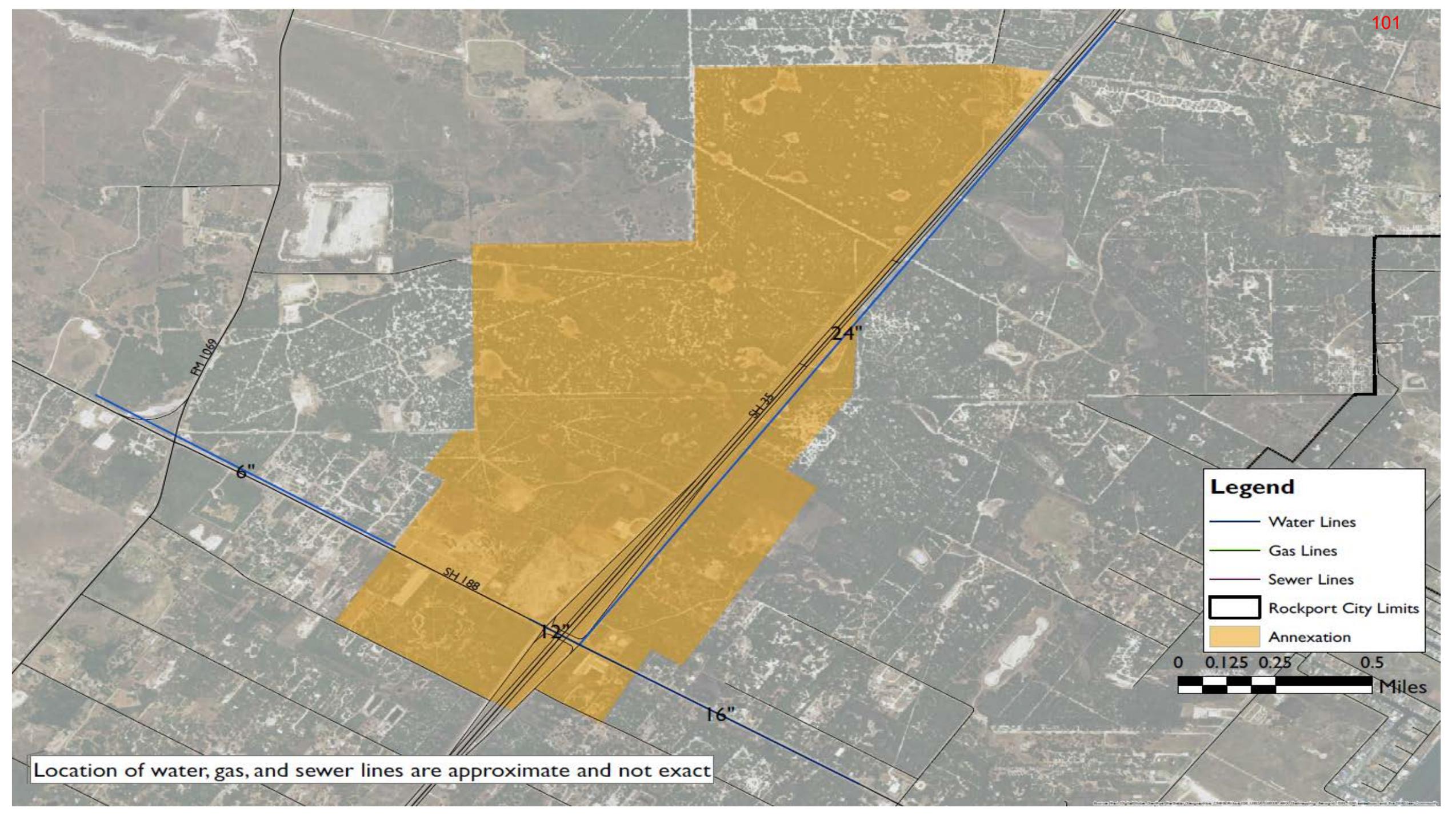
Property Type:	Count:	VALUE:	Acres	\$
Total Single-Family Units:	12		26.295	951,580.00
Total Multi-Family Units:	0		0	0
Total Commercial Properties:	70		160.511	7,236,510.00
Total Unimproved Properties:	18		226.615	1,734,310.00

- **Statistical Market Valuation:**
 - Total Market Valuation: \$15,859,210.00
 - Average Value (including exempt property): \$133,900.01
 - Median Value (including): \$29,120.00
 - Average Value (excluding exempt property): \$119,867.02
 - Median Value (excluding): \$23,500.00
 - Average Homestead Value: \$131,100.00
 - 6 properties are homesteaded
- # of Building Permits since 2003: 0



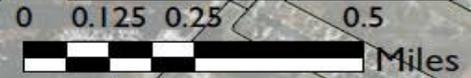
Area 2: Existing Infrastructure

- Streets: Bypass 35 and FM 188 are TxDOT maintained and in good condition.
- Streetlights: Any streetlights in this area would be TxDOT-maintained.
- NO WASTEWATER OR NATURAL GAS IN THIS AREA



Legend

- Water Lines
- Gas Lines
- Sewer Lines
- Rockport City Limits
- Annexation



Location of water, gas, and sewer lines are approximate and not exact



Area 2: Cost of Maintenance

- Capital Costs: No City capital projects of record exist at this time. Further asset inventory and analysis needed to determine cost. No current drainage projects.
- Maintenance and Operations: There are no roads or streets to maintain at this time.
- Human Resources: One full-time Maintenance Technician would be required at an annual base salary of \$27,352.00 plus benefits.



Area 3: Land Use and Market Valuation

- Estimated Population: 40
- Land Use and Associated Market Valuation: 185.6192 acres total

Property Type:	Count:	VALUE:	Acres	\$
Total Single-Family Units:	16		33.4402	2,938,230.00
Total Multi-Family Units:	0		0	0
Total Commercial Properties:	5		39.161	1,599,300.00
Total Unimproved Properties:	27		113.018	1,110,980.00

- Statistical Market Valuation:
 - Total Market Valuation: \$5,648,510.00
 - Average Value: \$117,677.29
 - Median Value: \$62,930.00
 - No tax-exempt property in the area.
 - Average Homestead Value: \$200,626.15
 - 13 properties are homesteaded
- # of Building Permits since 2003: 7

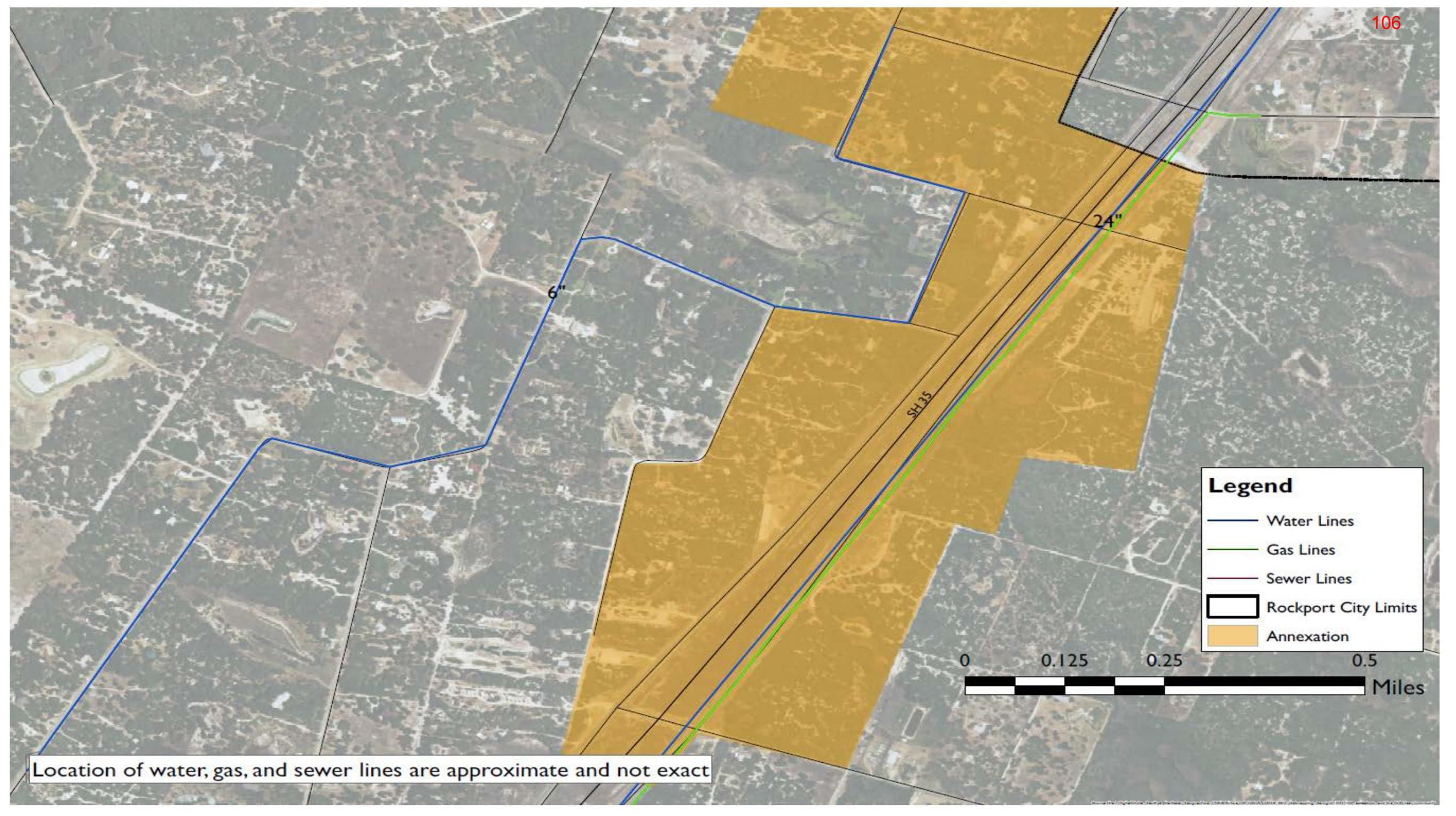


Area 3: Existing Infrastructure

- Streets:

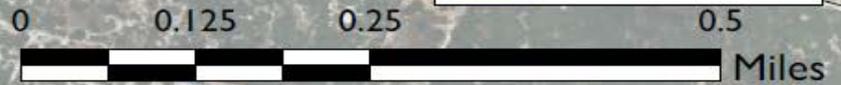
<u>Street</u>	<u>From</u>	<u>To</u>	<u>Length</u>	<u>Width</u>
Corpus Christi	Sunset	Griffith	1200	22
Griffith	Corpus Christi	Bypass	2490	24
St. Frances	Griffith	Alexander	2104	20
Alexander	St. Frances	Holly	1237	22
Holly	Alexander	Bypass	2495	22
		Footage	9526	
		Miles	1.8	

- Street Condition(s): Good
 - Chipseal
 - No curb and gutter



Legend

- Water Lines
- Gas Lines
- Sewer Lines
- Rockport City Limits
- Annexation



Location of water, gas, and sewer lines are approximate and not exact



Area 3: Existing Infrastructure

- NO WASTEWATER IN THIS AREA



Area 3: Cost of Maintenance

- Capital Costs: Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- Maintenance and Operations:

Miles of Street		1.8
Cost per mile		\$ 10,562.77
Annual cost for street		\$ 19,012.99
Annual cost for St Light Elec		\$ 3,413.79
Add to Operating Budget		\$ 22,426.78
Installation of street lights	10	\$ 10,000.00

- Human Resources: One full-time Maintenance Technician would be required at an annual base salary of \$27,352.00 plus benefits.



Proposed Annexation Summary

Annexation Profile Summary				
	Area 1	Area 2	Area 3	
Category	Market Street Scenario 1a modified	Bypass 35/18th- FM 188	Bypass 35/Alexander- Griffith	Total
Population	183	30	40	253
Acres	70.50	1,205.03	185.62	1,461.15
Housing Units	80	12	16	108
Net Revenue/Expense	\$(146,212.22)	\$ 1,031.73	\$ (77,474.75)	\$(222,655.24)

Annexation Profile Summary

Category	Area 1	Area 2	Area 3	Total
	Market Street Scenario 1a modified	Bypass 35/18th-FM 188	Bypass 35/Alexander - Griffith	
Expenses & Data				
Miscellaneous				
Population	183	30	40	253
Acres	70.50	1,205.03	185.62	1,461.15
Development Type				
Single Family	65	12	16	93
Multi-Family	1	0	0	1
Commercial	24	70	5	99
Unimproved	21	18	27	66
Property Valuation				
Total Market Valuation	\$ 11,892,250	\$ 15,859,210	\$ 5,648,510	\$ 33,399,970
Average Value (excluding exempt)	\$ 148,485	\$ 119,867	\$ 117,677	
Median Value (excluding exempt)	\$ 94,160	\$ 23,500	\$ 62,930	
Average Homestead Value	\$ 113,444	\$ 131,100	\$ 200,626	
Building Permits Since 2003	25	0	7	32
Infrastructure				
Current Street Miles	1.33	0	1.8	3.13
Annual Street Maintenance Cost	\$ 14,048	\$ -	\$ 19,013	\$ 33,061
New Streetlights	15	0	10	25
Streetlight Installation Cost	\$ 15,000	\$ -	\$ 10,000	\$ 25,000
Streetlight Electrical Cost	\$ 2,522	\$ -	\$ 3,414	\$ 5,936
Total Capital Expense	\$ 15,000	\$ -	\$ 10,000	\$ 25,000
Total Annual O&M Expense	\$ 16,571	\$ -	\$ 22,427	\$ 38,998
Services				
New Police Labor Hours - Patrol	2,080.00	1,040.00	1,040.00	4,160.00
New Police Labor Hours - CID	1,386.67	693.33	693.33	2,773.33
New Police Labor Hours - Admin	693.33	346.67	346.67	1,386.67
New Building Inspector Hours	520.00	-	-	520.00

Category	Area 1	Area 2	Area 3	Total
	Market Street Scenario 1a modified	Bypass 35/18th-FM 188	Bypass 35/Alexander - Griffith	
New Code Enforcement Officer Hours	520.00	-	-	520.00
New Parks Labor Hours	-	-	-	-
New Street Labor Hours	832.00	-	416.00	1,248.00
New Water Labor Hours	-	-	-	-
New Wastewater Labor Hours	-	-	-	-
Total Water Customers	63.00	3.00	5.00	71.00
Total Sewer Customers	1.00	-	-	1.00
Total Gas Customers	15.00	-	3.00	18.00
Total Sanitation Customers	90.00	82.00	21.00	193.00
Total New Labor Hours	5,200.00	2,080.00	2,080.00	9,360.00
Personnel Costs (includes salary and benefits at step 11; equipment costs excluded)				
Police - Patrol (3)	\$ 58,390.85	\$ 29,195.42	\$ 29,195.42	\$ 116,781.70
Police - CID (2)	\$ 40,897.93	\$ 20,448.96	\$ 20,448.96	\$ 81,795.85
Police - Admin (1)	\$ 16,783.42	\$ 8,391.71	\$ 8,391.71	\$ 33,566.83
Building Inspector (0.5)	\$ 15,336.72	\$ -	\$ -	\$ 15,336.72
Code Enforcement Officer(0.5)	\$ 11,403.71	\$ -	\$ -	\$ 11,403.71
Parks Maintenance Techs (0)	\$ -	\$ -	\$ -	\$ -
Street Maintenance Techs (1)	\$ 15,733.41	\$ -	\$ 7,866.71	\$ 23,600.12
Water Maintenance Techs (0)	\$ -	\$ -	\$ -	\$ -
Wastewater Maintenance Techs (0)	\$ -	\$ -	\$ -	\$ -
Total Personnel Expense	\$ 158,546.03	\$ 58,036.10	\$ 65,902.80	\$ 282,484.93

Revenue				
New Ad Valorem Revenue	\$ 43,389.83	\$ 57,863.60	\$ 20,609.04	\$ 121,862.47
New Sales Tax Revenue				\$ -
New Permit Fee Revenue				\$ -
Difference in Water Revenue	\$ (688.34)	\$ (153.52)	\$ (37.09)	\$ (878.95)
Difference in Sewer Revenue	\$ (9.74)	\$ -	\$ -	\$ (9.74)
Difference in Gas Revenue	\$ -	\$ -	\$ -	\$ -
Difference in Sanitation Revenue	\$ 1,212.95	\$ 1,357.75	\$ 282.88	\$ 2,853.58

Category	Area 1	Area 2	Area 3	Total
	Market Street Scenario 1a modified	Bypass 35/18th-FM 188	Bypass 35/Alexander - Griffith	
Total Revenue	\$ 43,905	\$ 59,068	\$ 20,855	\$ 123,827
Net Revenue/Expense				
Total Capital Expense	\$ 15,000	\$ -	\$ 10,000	\$ 25,000
Total Annual O&M Expense	\$ 16,571	\$ -	\$ 22,427	\$ 38,998
Total Personnel Expense	\$ 158,546.03	\$ 58,036.10	\$ 65,902.80	\$ 282,484.93
Total Expense	\$ 190,117	\$ 58,036	\$ 98,330	\$ 346,483
Total Revenue	\$ 43,905	\$ 59,068	\$ 20,855	\$ 123,827
Net Revenue/Expense	\$ (146,212)	\$ 1,032	\$ (77,475)	\$ (222,655)



DRAFT Proposed Calendar of Action Items

Note: Prior to any other action, the city must determine whether an area is subject to the requirements of Section 43.035 – required offer of development agreement (see detailed discussion above), and must comply with those requirements if so.

- September 13, 2016: Council meeting to confirm Council’s final approval of anticipated annexation area and publicly authorize preparation setting public hearings.
- September 20, 2016: Council passes resolution directing staff to prepare service plan and scheduling two public hearings for upcoming annexation: November 8 and 22, 2016.
- October 4, 2016: Only if annexation is exempt under §43.052(h)(1)(100 tracts exception), send written notice to property owners in area to be annexed, public or private entities that provide services in the area to be annexed, and railroads with right-of-way in area to be annexed. §43.062.
- October 22, 2016: Publish notice of first hearing. §43.063. Obtain required affidavit of publication from newspaper. Post notice of first public hearing on Internet Web site, if city has an internet website. §43.063(c). Send written notice to each public school district in the area to be annexed. §43.905. Send written notice to railroads with right-of-way in area to be annexed. §43.063(c)

Prior to beginning the process shown by this calendar, a city must prepare a service plan that details the specific services that will be provided to the area after it has been annexed. TEX. LOC. GOV'T CODE §43.065(a). The service plan should be available for inspection at the public hearings. Also, the internal procedures of the city are not included here, such as giving notice of, and passing, the ordinance calling the public hearings and preparing a metes and bounds description of the area to be annexed.



DRAFT Proposed Calendar of Action Items

- November 4, 2016: Post notice of first public hearing under Open Meetings Act.
- November 5, 2016: Publish notice of second hearing. §43.053. Obtain required affidavit of publication from newspaper. Post notice of second public hearing on Internet Web site, if city has an internet website. §43.063(c).
- November 8, 2016: Hold first public hearing. §43.063.
- November 18, 2016: Post notice of second public hearing under Open Meetings Act.
- November 22, 2016: Hold Second public hearing. §43.063.
- December 9, 2016: Post notice of annexation ordinance adoption under Open Meetings Act.
- December 13, 2016: Adopt Annexation Ordinance (Institution of Proceedings—proceedings are instituted and completed at same time in city that only requires one reading).
- December 27, 2016: Ordinance in city that requires more than one reading must be finally passed (Completion of Proceedings). §43.064. Following the adoption of the annexation ordinance, the city must send notice to appropriate federal, state, and local agencies and service providers. See "Other Matters Affecting All Annexations."



Questions? Comments? Concerns?