



**NOTICE OF A REGULAR MEETING  
THE BRENHAM CITY COUNCIL  
THURSDAY JULY 3, 2014 AT 1:00 P.M.  
SECOND FLOOR CITY HALL  
COUNCIL CHAMBERS  
200 W. VULCAN  
BRENHAM, TEXAS**

- 1. Call Meeting to Order**
- 2. Invocation and Pledges to the US and Texas Flags – Councilmember Ebel**
- 3. Service Recognitions**
  - Lance Weiss – Police Department – 5 years
  - Allen D. Jacobs – Development Services – 20 years
- 4. Citizens Comments**

**CONSENT AGENDA**

- 5. Statutory Consent Agenda**

The Statutory Consent Agenda includes non-controversial and routine items that Council may act on with one single vote. A councilmember may pull any item from the Consent Agenda in order that the Council discuss and act upon it individually as part of the Regular Agenda.

  - 5-a. Minutes from the June 5, 2014 Pre-Budget City Council Workshop and June 5, 2014 Regular City Council Meetings** **Page 1-24**

**WORK SESSION**

- 6. Discuss and Review the FY2013-14 Second Quarter Financial Report** **Page 25-48**
- 7. Discussion and Presentation on Various City of Brenham Permitting and Inspection Fees for Development Services, Code Enforcement, and Fire Marshal's Office**  
**Page 49-53**

8. **Discussion Regarding Burleson Street Improvements and Other Road Improvement Projects** **Page 54-56**

## **REGULAR AGENDA**

9. **Discuss and Possibly Act Upon an Audit Engagement Letter from Seidel, Schroeder & Company to Perform an Audit for the Fiscal Year Ending September 30, 2014 and Authorize the Mayor to Execute Any Necessary Documentation** **Page 57-64**
10. **Discuss and Possibly Act Upon the Purchase of a 2003 Refurbished Vertical Cardboard Baler for the City of Brenham Recycling Center and Authorize the Mayor to Execute Any Necessary Documentation** **Page 65-70**
11. **Discuss and Possibly Act Upon the Purchase of a 2014 Trench Roller for the City of Brenham's Fleet Program and Authorize the Mayor to Execute Any Necessary Documentation** **Page 71-75**
12. **Discuss and Possibly Act Upon the Purchase of Public Utility Software for the Electric System and Authorize the Mayor to Execute Any Necessary Documentation** **Page 76-78**

**Administrative/Elected Officials Reports:** Reports from City Officials or City staff regarding items of community interest, including expression of thanks, congratulations or condolences; information regarding holiday schedules; honorary or salutory recognitions of public officials, public employees or other citizens; reminders about upcoming events organized or sponsored by the City; information regarding social, ceremonial, or community events organized or sponsored by a non-City entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of people in the City that have arisen after the posting of the agenda.

13. **Administrative/Elected Officials Report**

## **Adjourn**

**Executive Sessions:** The City Council for the City of Brenham reserves the right to convene into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by Texas Government Code, Chapter 551, including but not limited to §551.071 – Consultation with Attorney, §551.072 – Real Property, §551.073 – Prospective Gifts, §551.074 - Personnel Matters, §551.076 – Security Devices, §551.086 - Utility Competitive Matters, and §551.087 – Economic Development Negotiations.

**CERTIFICATION**

I certify that a copy of the July 3, 2014 agenda of items to be considered by the City of Brenham City Council was posted to the City Hall bulletin board at 200 W. Vulcan, Brenham, Texas on June 30, 2014 at *12:17 PM*.

*Amanda Kfehm*

Deputy City Secretary

**Disability Access Statement:** This meeting is wheelchair accessible. The accessible entrance is located at the Vulcan Street entrance to the City Administration Building. Accessible parking spaces are located adjoining the entrance. Auxiliary aids and services are available upon request (interpreters for the deaf must be requested twenty-four (24) hours before the meeting) by calling (979) 337-7567 for assistance.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 at \_\_\_\_\_ AM PM.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

## **Brenham City Council Workshop Minutes**

A special meeting of the Brenham City Council was held on June 5, 2014 beginning at 8:30 a.m. in the Brenham City Hall, Conference Room 2-A, at 200 W. Vulcan Street, Brenham, Texas.

### Members present:

Mayor Milton Y. Tate, Jr.  
Mayor Pro Tem Gloria Nix  
Councilmember Mary E. Barnes-Tilley  
Councilmember Andrew Ebel  
Councilmember Danny Goss  
Councilmember Keith Herring  
Councilmember Weldon Williams, Jr.

### Members absent:

None

### Others present:

City Manager Terry K. Roberts, Assistant City Manager Kyle Dannhaus, City Secretary Jeana Bellinger, Chief Financial Officer Carolyn Miller, Stacy Hardy, Kaci Konieczny, Fire Chief Ricky Boeker, Police Chief Rex Phelps, Development Services Director Julie Fulgham, Public Works Director Dane Rau, Public Utilities Lowell Ogle, Debbie Gaffey, and Grant Lischka

### Media Present:

None

- 1. Call Meeting to Order**
- 2. Fiscal Year 2014-15 Pre-Budget Planning**

City Manager, Terry Roberts, welcomed everyone and explained that the budget team has taken a strategic look at where the City is financially as the City heads into the FY2014-15 budget. Roberts advised Council that Chief Financial Officer, Carolyn Miller, and her staff have assembled a significant amount of financial data to help Council better understand the City's position. Roberts then turned the presentation over to Chief Financial Officer, Carolyn Miller.

Chief Financial Officer Carolyn Miller presented the General Fund and Debt Service Fund. Miller explained that the workshop was to give Council an idea of what to expect during the FY14-15 budget process. Miller and her team discussed the following topics:

- State of the FY2013-14 Budget
- General Fund
- Debt Service Fund
- Capital Project Considerations
- Community Service, BCDC, and Hotel Occupancy Tax

Public Utilities Director Lowell Ogle and Regulatory Compliance Manager Debbie Gaffey presented the Utility Funds including:

- Electric Fund
  - Present Position
  - Future Position
  - Capital Plan
- Gas Fund
  - Present Position
  - Future Position
  - Capital Plan
- Water Fund
  - Present Position
  - Future Position
  - Capital Plan
- Wastewater Fund
  - Present Position
  - Future Position
  - Capital Plan

Public Works Director Dane Rau and Regulatory Compliance Manager Debbie Gaffey presented:

- Sanitation Fund
  - Present Position
  - Future Position
  - Capital Plan

Public Works Director Dane Rau presented the Street Inventory & Improvement Program. He discussed:

- Inventory
- 2013-14 Pilot Program
- Reconstruction Costs
- Current Maintenance Program
- 3 Miles Planned Street Work in 2014-15
- Equipment and O&M Needs

The meeting was adjourned.

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Milton Y. Tate, Jr.  
Mayor

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Jeana Bellinger, TRMC  
City Secretary

## **Brenham City Council Minutes**

A regular meeting of the Brenham City Council was held on June 5, 2014 beginning at 1:00 p.m. in the Brenham City Hall, City Council Chambers, at 200 W. Vulcan Street, Brenham, Texas.

### Members present:

Mayor Milton Y. Tate, Jr.  
Mayor Pro Tem Gloria Nix  
Councilmember Andrew Ebel  
Councilmember Danny Goss  
Councilmember Keith Herring  
Councilmember Mary E. Barnes-Tilley  
Councilmember Weldon Williams, Jr.

### Members absent:

None

### Others present:

City Manager Terry K. Roberts, City Secretary Jeana Bellinger, Deputy City Secretary Amanda Klehm, Chief Financial Officer Carolyn Miller, Stacy Hardy, Susan Nienstedt, Fire Chief Ricky Boeker, Police Chief Rex Phelps, Todd Jacobs, Chris Jackson, Trey Gully, Dant Lange, Development Services Director Julie Fulgham, Jennifer Eckermann, Kim Hodde, Public Works Director Dane Rau, Pat Draehn, Casey Redman, Crystal Locke, Dustin Wendler, Public Utilities Lowell Ogle, Angela Hahn, Janie Mehrens, and Grant Lischka

### Citizens present:

Marie Surovik, Randy Weidemann, Page Michel, Vivian R. Mason, Jane Hinze, John Beckendorf, Shae Pauler, Sherald Bell, Melinda Faubion, Alan Hutson, Mike Brannon, Michael Pittman, Tiffany McMordie, Judy Hyman, John Muegge, C.H. Harvey, Charles Moser, John Barnhill, Tim Bullock Jr., Teddy Boehm, Lu Hollander, Margaret Chevez, Hal Moorman, Susan McGee, Betty Fortner, Wesley Brinkmeyer, Charlie Pyle, Nancy Low, Calvin Kossie, Lynnette Sheffield, Deanna Alfred, Donna Cummins, and Clint Kolby

### Media Present:

Kyle Cunningham, Brenham Banner Press; Frank Wagner, KWHI

**A PORTION OF THIS REGULAR CITY COUNCIL MEETING  
(AGENDA ITEMS 4, 5 AND 6)  
WILL BE HELD IN A JOINT SESSION WITH THE  
CITY OF BRENHAM PLANNING AND ZONING (P&Z) COMMISSION**

- 1. Call Meeting to Order**
- 2. Invocation and Pledges to the US and Texas Flags – Mayor Pro Tem Nix**
- 3. Discuss and Possibly Act Upon an Ordinance on Its First Reading Annexing the Hereinafter Described Territory into the City of Brenham and Adopting a Service Plan: (*City Council Action Item Only*)**

**Section 2014-1: Approximately 281.667 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, and the Arrabella Harrington Survey, Abstract No. A0055 generally consisting of tracts with frontage along Burleson Street; tracts with frontage along State Highway 36th North and Dixie Street; land located east of and adjacent to Westwood Lane; and land with frontage along Highway 290 West that is not currently within the City limits being located approximately 2500 feet from the ‘cloverleaf’ intersection of Highway 290 West and State Highway 36 North.**

**Section 2014-2: Approximately 30.512 acres of land situated in Washington County, Texas, out of the John Carrington Survey, Abstract No. A0120, generally consisting of tracts with frontage along the western right-of-way line of State Highway 36 beginning at the current City limits and proceeding in a southerly direction to approximately Anderson Lane (located on the eastern side of State Highway 36 South).**

**Section 2014-3: Approximately 45.366 acres of land situated in Washington County, Texas, out of the Isaac Lee Survey, Abstract No. A0077, generally consisting of tracts that abut the current City limits between South Blue Bell Road and Taden Lane and tracts that abut US Highway 290 East from Blue Bell Road to approximately 500 feet east of Taden Lane.**

**Section 2014-4: Approximately 46.457 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, consisting of tracts located between FM 389 and Industrial Boulevard**

Citizen Dan Mason stated that he has objections relating to the annexation. Mason explained that he would like to speak with the City Attorney following the Council meeting.

Citizen John Muegge stated that he is representing the Beckendorf tract. Muegge stated that they are currently in negotiations with Administration with no resolutions. Muegge respectfully requested that Council encourage continued negotiations.

Citizen Marie Surovik stated the document states Dixie Street, but the road is actually Dixie Road.

A motion was made by Councilmember Williams and seconded by Councilmember Herring to approve an ordinance on its first reading annexing the hereinafter described territory into the City of Brenham and adopting a Service Plan:

Section 2014-1: Approximately 281.667 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, and the Arrabella Harrington Survey, Abstract No. A0055 generally consisting of tracts with frontage along Burlson Street; tracts with frontage along State Highway 36th North and Dixie Street; land located east of and adjacent to Westwood Lane; and land with frontage along Highway 290 West that is not currently within the City limits being located approximately 2500 feet from the ‘cloverleaf’ intersection of Highway 290 West and State Highway 36 North.

Section 2014-2: Approximately 30.512 acres of land situated in Washington County, Texas, out of the John Carrington Survey, Abstract No. A0120, generally consisting of tracts with frontage along the western right-of-way line of State Highway 36 beginning at the current City limits and proceeding in a southerly direction to approximately Anderson Lane (located on the eastern side of State Highway 36 South).

Section 2014-3: Approximately 45.366 acres of land situated in Washington County, Texas, out of the Isaac Lee Survey, Abstract No. A0077, generally consisting of tracts that abut the current City limits between South Blue Bell Road and Taden Lane and tracts that abut US Highway 290 East from Blue Bell Road to approximately 500 feet east of Taden Lane.

Section 2014-4: Approximately 46.457 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, consisting of tracts located between FM 389 and Industrial Boulevard

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**JOINT SESSION OF THE BRENHAM CITY COUNCIL AND  
PLANNING AND ZONING COMMISSION**

**JOINT SESSION - PUBLIC HEARING**

- 4. Public Hearing to Consider Amending Appendix A – “Zoning” of the Code of Ordinances to Assign Zoning District Classifications to the Properties Being Annexed into the City of Brenham, Said Properties Being More Specifically Described Below:**

**Section 2014-1: Approximately 281.667 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, and the Arrabella Harrington Survey, Abstract No. A0055 generally consisting of tracts with frontage along Burleson Street; tracts with frontage along State Highway 36th North and Dixie Street; land located east of and adjacent to Westwood Lane; and land with frontage along Highway 290 West that is not currently within the City limits being located approximately 2500 feet from the ‘cloverleaf’ intersection of Highway 290 West and State Highway 36 North.**

**Section 2014-2: Approximately 30.512 acres of land situated in Washington County, Texas, out of the John Carrington Survey, Abstract No. A0120, generally consisting of tracts with frontage along the western right-of-way line of State Highway 36 beginning at the current City limits and proceeding in a southerly direction to approximately Anderson Lane (located on the eastern side of State Highway 36 South).**

**Section 2014-3: Approximately 45.366 acres of land situated in Washington County, Texas, out of the Isaac Lee Survey, Abstract No. A0077, generally consisting of tracts that abut the current City limits between South Blue Bell Road and Tiaden Lane and tracts that abut US Highway 290 East from Blue Bell Road to approximately 500 feet east of Tiaden Lane.**

**Section 2014-4: Approximately 46.457 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, consisting of tracts located between FM 389 and Industrial Boulevard**

Development Services Director Julie Fulgham presented this item. Fulgham explained in Section 1, Mr. Tegeler requested an R3 designation, but the subcommittee did not feel it was appropriate. Fulgham advised that the subcommittee was made up of members of Council and the Planning and Zoning Commission (Ebel, Goss, Herring, Alfred, Pyle, Low). Fulgham stated Section 2 is the continuation of existing B2 Zoning. Fulgham stated Section 3 is Tiaden Lane and

the Brenham Business Center, which is Industrial with heavy deed restrictions. Fulgham stated Section 4 is the new Countryside Mobile Home Park, which is zoned R3 and remainder is Industrial to prohibit further expansion of his land.

Citizen Dan Mason pointed out that there is no agriculture designation and no intent on his family's part to change their agricultural use of the land. Mason explained that the designation his land was given is Community Research and Technology. Fulgham explained the zoning does not have agriculture designations and there is no need for building permits for cattle on property. Fulgham advised B2 allows for different businesses within B2 Zoning Ordinance. Mayor Tate suggested Mr. Mason meet with the City Attorney to see what all the zoning designation covers. City Attorney Cary Bovey stated the statutory protection or grandfathered designation will continue as long as they continue to do what they have been doing unless it presents imminent danger. Bovey explained provisions or uses of the land must follow the Public Safety and Health Code.

Citizen John Muegge stated his client's property is in the Section 3 of the annexation. Muegge advised the property is being designated as an R1 to some of the property and B1 to the top portion and a portion below. Muegge explained the land is being used for the same purpose as a whole and would like to meet that complaint. Fulgham stated they proposed the connection from South Blue Bell to Tiaden Lane in Thoroughfare Plan and the R1 Zoning designation is to prepare for future plans. Fulgham stated a B1 designation would allow for residential. Fulgham stated they want to promote industrial so don't want to designate the land as B1 for future collector streets in the Thoroughfare Plan. Mayor Tate questioned what the difference between the two streets is. Fulgham explained there are major and minor collector streets.

Mayor Tate stated they came in asking for B1, but instead it's being designated as R1. Fulgham stated yes, because most would recommend making the entire property R1 instead of some B1. Mayor Tate stated he would not agree to have R1 between B1. Planning and Zoning Commission Member Charlie Pyle stated R1 and B1 mixed is because Tiaden Lane is a public lane. A citizen questioned why a house on Tiaden Lane was not being annexation. Fulgham stated it has already been annexed.

Muegge stated the land is butted by Industrial and B1 zones, but all of the tract or most of it is in the possession of Mr. Beckendorf. Muegge stated all will be developed into Commercial or Industrial eventually, which would fall under B1 zoning. Muegge advised that R1 seems beyond the realm and recommends zoning all of the land as a B1 for future growth and development. Councilmember Goss questioned if both designations stayed zoned as they are and commercial wanted to develop, would it be a problem to change the zoning designation. Fulgham explained the property owner can request a zoning change. Planning and Zoning Commission Member Lynnette Sheffield stated R1 is more limited, but would be easier to move from B1 to R1.

Councilmember Barnes-Tilley questioned why they are making it more restrictive on the front end. Fulgham stated down zoning is easier than up zoning. Fulgham stated the problem with assigning less restrictive is that the tracts can be developed as business and the rest as residential, which can cause a problem in the future due to spotty mixing of business and

residential, which then neither can thrive. Councilmember Barnes-Tilley stated the zoning designation is to help with spotty mixing and encourage business. Sheffield explained that a lot of planning is for collector streets to anticipate growth for the next ten years especially as Stringer Street extends to Chappell Hill Street.

Citizen Vivian Mason questioned that a deeded private road can go away if the City choose to take it away. Fulgham explained a developer can request this during the development process and it is usually worked out during the development process.

Muegge stated if they would take the land owners' position into consideration then they would have no objection to being B1 and would recommend it.

Councilmember Barnes-Tilley questioned why the R3 designation request made by Mr. Tegeler was denied. Fulgham explained it was essentially denied because of the configuration and low parts of the land with prominent land on Highway 36. Fulgham stated the subcommittee didn't feel that R3 was appropriate for that area and would like to see it as R1.

Citizen Larry Tegeler stated B2 or B1 is for business, yet if they zone for R3 then it can go back to B1. Tegeler doesn't feel like it's a prominent area. Tegeler requested they make sure TxDOT provides road out front of his property for access. Lischka stated they have a meeting with TxDOT about road access, but they have not received final plans yet. Tegeler questioned how is he going to get to his land and across the creek with the road frontage. Councilmember Goss questioned if he doesn't have access now, then why put residential in there with no access to it. Tegeler explained that he is trying to figure out what to use the land for to get in with only one road, but 300 feet of road frontage. Sheffield stated there is restricted access by TxDOT. Lischka explained that if the land were shared then access would need to be shared, but usually that is granted at least one per land. Lischka explained TxDOT will have to give access to at least one spot, but won't be able to deny access.

Councilmember Barnes-Tilley questioned since the land is zoned as B1, if Mr. Tegeler wanted to do R3 (Mobile Home) then he could go back to the Planning and Zoning Commission to request a change to R3. Fulgham stated that Mr. Tegeler would need to provide a layout of the Mobile Home Park and it must meet the standards and regulations. Councilmember Barnes-Tilley stated she does not want the opinion of the public to be that the City is against affordable housing because that is not the case.

Sheffield stated he would need to propose to the Planning and Zoning Commission for the future because housing is considerably higher in Washington County and the City needs affordable housing. Fulgham explained they will need to look at where it is most appropriate and look at other parts of the City where it would best fit. Fulgham explained that the limited access and low point in the land doesn't really make it feasible for affordable housing on that property.

Tegeler stated he doesn't see how the City could be against mobile home owners because not everyone can afford a \$200,000 house.

## **JOINT SESSION - REGULAR AGENDA**

- 5. Discuss and Possibly Act Upon Recommendation to City Council Concerning Amendment of Appendix A – “Zoning” of the Code of Ordinances of the City of Brenham to Establish Zoning District Classifications to Properties Being Annexed into the City of Brenham and More Specifically Described Below: (*Planning & Zoning Commission Action Item Only*)**

**Section 2014-1:** Approximately 281.667 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, and the Arrabella Harrington Survey, Abstract No. A0055 generally consisting of tracts with frontage along Burleson Street; tracts with frontage along State Highway 36th North and Dixie Street; land located east of and adjacent to Westwood Lane; and land with frontage along Highway 290 West that is not currently within the City limits being located approximately 2500 feet from the ‘cloverleaf’ intersection of Highway 290 West and State Highway 36 North.

**Section 2014-2:** Approximately 30.512 acres of land situated in Washington County, Texas, out of the John Carrington Survey, Abstract No. A0120, generally consisting of tracts with frontage along the western right-of-way line of State Highway 36 beginning at the current City limits and proceeding in a southerly direction to approximately Anderson Lane (located on the eastern side of State Highway 36 South).

**Section 2014-3:** Approximately 45.366 acres of land situated in Washington County, Texas, out of the Isaac Lee Survey, Abstract No. A0077, generally consisting of tracts that abut the current City limits between South Blue Bell Road and Tiaden Lane and tracts that abut US Highway 290 East from Blue Bell Road to approximately 500 feet east of Tiaden Lane.

**Section 2014-4:** Approximately 46.457 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, consisting of tracts located between FM 389 and Industrial Boulevard

No action taken by City Council.

- 6. Discuss and Possibly Act Upon an Ordinance on Its First Reading Amending Appendix A – “Zoning” of the Code of Ordinances of the City of Brenham to Establish Zoning District Classifications to Properties Being Annexed into the City of Brenham and More Specifically Described Below: (*City Council Action Item Only*)**

**Section 2014-1:** Approximately 281.667 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, and the Arrabella Harrington Survey, Abstract No. A0055 generally consisting of tracts with frontage along Burleson Street; tracts with frontage along State Highway 36th North and Dixie Street; land located east of and adjacent to Westwood Lane; and land with frontage along Highway 290 West that is not currently within the City limits being located approximately 2500 feet from the ‘cloverleaf’ intersection of Highway 290 West and State Highway 36 North.

**Section 2014-2:** Approximately 30.512 acres of land situated in Washington County, Texas, out of the John Carrington Survey, Abstract No. A0120, generally consisting of tracts with frontage along the western right-of-way line of State Highway 36 beginning at the current City limits and proceeding in a southerly direction to approximately Anderson Lane (located on the eastern side of State Highway 36 South).

**Section 2014-3:** Approximately 45.366 acres of land situated in Washington County, Texas, out of the Isaac Lee Survey, Abstract No. A0077, generally consisting of tracts that abut the current City limits between South Blue Bell Road and Taden Lane and tracts that abut US Highway 290 East from Blue Bell Road to approximately 500 feet east of Taden Lane.

**Section 2014-4:** Approximately 46.457 acres of land situated in Washington County, Texas, out of the Phillip Coe Survey, Abstract No. A0031, consisting of tracts located between FM 389 and Industrial Boulevard

The Planning and Zoning Commission made the recommendation to approve all sections for annexation.

A motion was made by Councilmember Herring and seconded by Councilmember Ebel to approve an Ordinance on its first reading amending Appendix A – “Zoning” of the Code of Ordinances of the City of Brenham to establish Zoning District Classifications to properties being annexed into the City of Brenham for Section 2014-1 as voted on by the Planning and Zoning Commission.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

A motion was made by Councilmember Herring and seconded by Councilmember Goss to approve an Ordinance on its first reading amending Appendix A – “Zoning” of the Code of Ordinances of the City of Brenham to establish Zoning District Classifications to properties being annexed into the City of Brenham for Section 2014-2 as voted on by the Planning and Zoning Commission.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

A motion was made by Councilmember Herring and seconded by Councilmember Goss to approve an Ordinance on its first reading amending Appendix A – “Zoning” of the Code of Ordinances of the City of Brenham to establish Zoning District Classifications to properties being annexed into the City of Brenham for Section 2014-3 as voted on by the Planning and Zoning Commission.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |           |
|-------------------------------------|-----------|
| <b>Mayor Milton Y. Tate, Jr.</b>    | <b>No</b> |
| Mayor Pro Tem Gloria Nix            | Yes       |
| Councilmember Andrew Ebel           | Yes       |
| Councilmember Danny Goss            | Yes       |
| Councilmember Keith Herring         | Yes       |
| Councilmember Mary E. Barnes-Tilley | Yes       |
| Councilmember Weldon Williams       | Yes       |

Mayor Tate requested that Staff work with Mr. Muegge to resolve any issues they have with the annexation of the Beckendorf property.

A motion was made by Councilmember Herring and seconded by Councilmember Goss to approve an Ordinance on its first reading amending Appendix A – “Zoning” of the Code of Ordinances of the City of Brenham to establish Zoning District Classifications to properties being annexed into the City of Brenham for Section 2014-4 as voted on by the Planning and Zoning Commission.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

Council took a break at 2:07pm.

## **CITY COUNCIL – REGULAR AGENDA**

### **7. Service Recognitions**

- Rex Phelps – Police Department – 5 years
- Dustin Wendler – Street Department – 5 years
- Jennifer Eckermann – Main Street – 15 years
- Patrick Draehn – Maintenance/Central Warehouse – 20 years

### **8. Citizens Comments**

There were no citizen comments.

## **CONSENT AGENDA**

### **9. Statutory Consent Agenda**

The Statutory Consent Agenda includes non-controversial and routine items that Council may act on with one single vote. A councilmember may pull any item from the Consent Agenda in order that the Council discuss and act upon it individually as part of the Regular Agenda.

#### **9-a. Minutes from the May 1, 2014 and May 15, 2014 City Council Meetings**

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Herring to approve the Statutory Consent Agenda Item 9-a.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

## **WORK SESSION**

### **10. Discussion and Presentation Regarding the Simon Theater Facility and Associated Project Improvements, Status of Project, and Possible Future Uses and Ownership of Said Facility**

Chairman of Brenham Main Street Historical Preservation, Inc. Hal Moorman presented this item. Moorman stated the Brenham Main Street Historical Preservation, Inc., is the 501(c)(3) non-profit that owns the Simon Theater. Moorman advised regarding the progress of the building renovation and the plans for it to become a downtown conference center. Moorman reviewed the work accomplished to-date and the plans for completing the project. Moorman discussed their plans for the continuing management of operations of the facility.

Mayor Tate questioned about the business plan. Moorman stated that they can furnish that to Council.

City Manager Terry Roberts explained that even though the Simon Center would be a donation to the City for operations, the property is still real estate; therefore, there will be an Executive Session at one of the next Council meetings to discuss further and work through the details.

## **PUBLIC HEARING**

### **11. Public Hearing Concerning the Approval of A Request for a Specific Use Permit to Allow a Bed and Breakfast within an R-2 Mixed Residential Zoning District on Property Located at 1002 S. Day Street, and Specifically Being a 0.497 Acre Tract Described as Block 3, Lot S½ Lot 2 of the W.G. Wilkins Addition in the City of Brenham, Washington County, Texas**

Development Services Director Julie Fulgham presented this item. Fulgham explained that prior to considering an Ordinance to allow a bed & breakfast establishment at 1002 Day Street, a public hearing must be held to hear input regarding this proposed amendment. Fulgham stated the house was converted into a four-plex.

Councilmember Herring questioned if the owner was planning to remodel the home. Fulgham advised the house will stay as is, but will be used for short term apartment rentals. Councilmember Williams questioned if the house was large. Fulgham stated the house was converted into four apartments. House owner Susan McGee stated that she bought the property with the intention of using it has a vacation rental property by the owner. McGee advised that she lives in the house, but there was enough room for one to two families to rent. McGee stated there could be two tenants upstairs, which includes two bedrooms and two bathrooms. McGee advised the house is on the historical register as the Edmond Holly House.

**12. Public Hearing Concerning the Approval of An Amendment to the Official Zoning Map of the City of Brenham, to Change the Zoning from an Industrial (I) District to a Residential Single Family (R-1) District on the Following Five (5) Tracts of Land Located on Burleson Street:**

- a. 1320 Burleson Street (Tract 142, Arrabella Harrington)
- b. Burleson Street [Leggett & Platt, Inc.] (Tract 232, Arrabella Harrington)
- c. 1406 Burleson Street (Tract 235, Arrabella Harrington)
- d. 1408 Burleson Street (Tract 230, Arrabella Harrington)
- e. 1414 Burleson Street (Tract 369, Arrabella Harrington)

Development Services Director Julie Fulgham presented this item. Fulgham stated that prior to considering an Ordinance to amend the zoning districts of these 5 tracts, a public hearing must be held to hear input regarding this proposed amendment.

Mayor Tate questioned why the tracts were changing from Industrial to Single Family (R-1). Fulgham explained the five tracts were changing to protect the residential investment. Fulgham stated the Planning & Zoning Commission recommended the rezoning designations.

Councilmember Goss questioned if the currently squared off areas were being used as parking. Fulgham explained yes and those are being proposed to remain in the Industrial designation, which will serve as the zoning line. Councilmember Goss questioned if the Leggett plat will remain in the Industrial designation. Fulgham stated that yes, it will.

## **REGULAR AGENDA**

**13. Discuss and Possibly Act Upon the Approval of a Request for a Specific Use Permit to Allow a Bed and Breakfast within an R-2 Mixed Residential Zoning District on Property Located at 1002 S. Day Street, and Specifically Being a 0.497 Acre Tract Described as Block 3, Lot S ½ Lot 2 of the W.G. Wilkins Addition in the City of Brenham, Washington County, Texas**

Development Services Director Julie Fulgham presented this item. Fulgham stated that this is a request for a specific use permit to allow a Bed and Breakfast on a site that is approximately 0.497 acres within an R-2 Mixed Residential Zoning District located at 1002 S. Day Street in the City of Brenham. Fulgham explained a specific use is required for operation of a Bed and Breakfast in this zoning district. Fulgham advised that Staff believes the proposed use is compatible with the list of permitted uses within this district. Fulgham explained that Bed and Breakfasts are similar in nature to Boarding houses and must be approved by a specific use. Fulgham stated these are residential type uses; however they are not completely compatible with traditional single family uses. Fulgham explained the current location is in a residential area with a mixture of housing types and should not be incompatible in this area; therefore, the guidelines in the Comprehensive plan such as providing different types of housing and protecting residential neighborhoods should be followed with this request. Fulgham advised that Staff recommends approving the specific use permit, placing the condition that auxiliary uses shall not include special events (such as showers, tea's or similar events). Fulgham stated the Planning and Zoning Commission also recommended approval of this specific use permit at their May 5, 2014 regular meeting.

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Ebel to approve an Ordinance on its first reading for a Specific Use Permit to allow a Bed and Breakfast (short term rental), and excluding special events as ancillary uses, within an R-2 Mixed Residential Zoning District on property located at 1002 S. Day Street, and specifically being a 0.497 acre tract described as Block 3, Lot S ½ Lot 2 of the W.G. Wilkins Addition in the City of Brenham, Washington County, Texas

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**14. Discuss and Possibly Act Upon the Approval of an Amendment to the Official Zoning Map of the City of Brenham, to Change the Zoning from an Industrial (I) District to a Residential Single Family (R-1) District on the Following Five (5) Tracts of Land Located on Burleson Street:**

- a. 1320 Burleson Street (Tract 142, Arrabella Harrington)
- b. Burleson Street [Leggett & Platt, Inc.] (Tract 232, Arrabella Harrington)
- c. 1406 Burleson Street (Tract 235, Arrabella Harrington)
- d. 1408 Burleson Street (Tract 230, Arrabella Harrington)
- e. 1414 Burleson Street (Tract 369, Arrabella Harrington)

Development Services Director Julie Fulgham presented this item. Fulgham stated the Planning and Zoning Commission held a workshop session regarding land use patterns in the area around Burlson Street at their February 3rd meeting and directed Staff to initiate zone change proceedings for the above listed tracts. Fulgham explained with the development of the Woodbridge Subdivision, land use patterns along Burlson Street have changed and residential zoning is most appropriate for tracts with frontage along Burlson Street. Fulgham advised that Staff recommends approving this requested zone change finding it conforms to the principles outlined in the Comprehensive Plan. Fulgham stated the Planning and Zoning Commission recommended approval of this zone change at their May 5, 2014 regular meeting.

A motion was made by Councilmember Herring and seconded by Councilmember Goss to approve an Ordinance on its first reading for an amendment to the Official Zoning Map of the City of Brenham, to change the zoning from an Industrial (I) District to a Residential Single Family (R-1) District on the following five (5) tracts of land located on Burlson Street:

- a. 1320 Burlson Street (Tract 142, Arrabella Harrington)
- b. Burlson Street [Leggett & Platt, Inc.] (Tract 232, Arrabella Harrington)
- c. 1406 Burlson Street (Tract 235, Arrabella Harrington)
- d. 1408 Burlson Street (Tract 230, Arrabella Harrington)
- e. 1414 Burlson Street (Tract 369, Arrabella Harrington)

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**15. Discuss and Possibly Act Upon a Memorandum of Understanding Between the City of Brenham and the Nancy Carol Roberts Memorial Library 501(c) (3) Board Related to the Board's Financial Participation in the Renovation, Modernization and Expansion of the City's Public Library and Authorize the Mayor to Execute Any Necessary Documentation**

City Manager Terry Roberts presented this item. Roberts stated the Fortnightly Club has been a major supporter of library services in Brenham and Washington County for more than a century. Roberts explained the Club also established a non-profit entity entitled Nancy Carol Roberts Memorial Library (NCRML) that has received assets that can be used to assist with capital improvement projects at the library. Roberts advised that because of donations and bequests that have been made, the NCRML Board has assets they wish to contribute to the renovation and expansion project.

Roberts explained that at the Board's request, the City prepared a memorandum of understanding (MOU) between our two entities regarding participation in the planned renovation and expansion. Roberts advised that the Board had questions about how decisions concerning the project and its funding would be handled, which was addressed those in the MOU.

Roberts stated the MOU ensures a significant voice for the Fortnightly Club and its leadership of the NCRML Board. Roberts explained it guarantees the funding from both the City and the NCRML Board will be committed to the project. Roberts explained the Library Advisory Board, consisting of Fortnightly members, Councilmembers and citizens at large, will make the final recommendation to the Council regarding architectural plans and any substantive changes. Roberts stated they, along with the Library management Staff, will be the policy team for decision making about the project.

Roberts advised the MOU does not mandate any additional fundraising for the project but does give the Library Advisory Board and Fortnightly the opportunity to consider it. Roberts stated the City has received donations for various city projects in the past and can provide the donor the necessary paperwork for IRS filing. Roberts explained the City is grateful to the Fortnightly Club and its non-profit affiliate for this substantial support of the library renovation and expansion project. Roberts advised the contribution will be for just under \$1.5 million with a distribution schedule attached to the MOU.

Fortnightly Club Representative Betty Fortner stated that they are very pleased with the MOU. Fortner explained that they are appreciative of the work with the City Manager to make the MOU agreeable by both parties.

A motion was made by Councilmember Williams and seconded by Mayor Pro Tem Nix to approve a Memorandum of Understanding between the City of Brenham and the Nancy Carol Roberts Memorial Library 501(c) (3) Board related to the Board's financial participation in the renovation, modernization and expansion of the City's Public Library and authorize the Mayor to execute any necessary documentation.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**16. Discuss and Possibly Act Upon a Request for a Noise Variance in Connection with the Nancy Carol Roberts Memorial Library's 2014 Summer Reading Program to be Held from 9:00 A.M. to 5:00 P.M. on June 10, 2014**

Deputy City Secretary Amanda Klehm presented this item. Klehm stated Andria Heiges with the Nancy Carol Roberts Memorial Library is requesting a Noise Variance for the 2014 Summer Reading Program to be held on June 10, 2014 from 9:00 a.m. – 5:00 p.m. at Hohlt Park Pavilion. Klehm explained that they will have a sound amplification system, which requires a Noise Variance. Klehm stated the Brenham Police Department and the Brenham Fire Department have approved the noise variance request.

A motion was made by Councilmember Herring and seconded by Councilmember Williams to approve a request for a noise variance in connection with Nancy Carol Roberts Memorial Library’s 2014 Summer Reading Program to be held from 9:00 A.M. to 5:00 P.M. on June 10, 2014.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**17. Discuss and Possibly Act Upon a Request for a Noise Variance in Connection with Hot Nights, Cool Tunes 2014 Summer Concert Series to be Held from 4:00 P.M. to 11:00 P.M. on July 5, 12, 19, and 26, 2014**

Deputy City Secretary Amanda Klehm presented this item. Klehm stated Main Street Brenham submitted a request for a Noise Variance for the 4-night concert series this year. Klehm advised that the dates and times include Saturday, July 5; Saturday, July 12; Saturday, July 19; and Saturday, July 26, 2014; from 2:30 p.m. (when sound set-up begins) until 12:00 a.m. when clean-up is through. Klehm explained there will be a free concert, children’s activities, food and beverage sales, and a classic car cruise-in. Klehm advised that they will have bands and a sound amplification system, which require a Noise Variance. Klehm stated the Brenham Police Department and the Brenham Fire Department have approved the noise variance request.

A motion was made by Councilmember Herring and seconded by Councilmember Ebel to approve a request for a noise variance in connection with Hot Nights, Cool Tunes Summer Concert Series to be held from 4:00 P.M. to 11:00 P.M. on July 5, 12, 19, and 26, 2014.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**18. Discuss and Possibly Act Upon Resolution No. R-14-015 Authorizing Execution of an Agreement with TxDOT for the Temporary Closure of State Right-of-Way in Connection with the 2014 Downtown Summer Concert Series (Hot Nights, Cool Tunes) to be Held on July 5, 12, 19, and 26, 2014**

Deputy City Secretary Amanda Klehm presented this item. Klehm stated the Downtown Summer Concert Series (Hot Nights, Cool Tunes) is sponsored by Main Street Brenham. Klehm explained these are free concerts for the public. Klehm advised that this year's concerts will be held on July 5, 12, 19, and 26, 2014 from 7:00 pm – 11:00 pm. Klehm stated that one lane of Alamo Street will be closed between Austin Street and Market Street from 4:30pm – 11:30pm. Food and beverage booths and kids' activities will be set up along the street as well as classic car cruise-in with people sitting and enjoying the entertainment.

A motion was made by Councilmember Williams and seconded by Councilmember Barnes-Tilley to approve Resolution No. R-14-015 authorizing execution of an Agreement with TxDOT for the Temporary Closure of State Right-of-Way in connection with the 2014 Downtown Summer Concert Series (Hot Nights, Cool Tunes) to be held on July 5, 12, 19, and 26, 2014.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**19. Discuss and Possibly Act Upon Resolution No. R-14-014 in Support of TxDOT's Turnback Program, or Similar Program, Concerning Conveyance of TxDOT FM 389 Right-of-Way from Business 36 South to FM 332 to the City of Brenham**

City Engineer Grant Lischka presented this item. Lischka passed out a redlined version of the Resolution with some changes. Lischka stated that City staff has been approached by TxDOT regarding the maintenance and ownership of FM 389. Lischka explained that currently TxDOT maintains the entire length of FM 389 within the City limits. Lischka stated that Prairie Lea Street from U.S. Hwy 290 to College Avenue and College Avenue from Prairie Lea Street to Business Hwy 36 (South Day Street) are currently maintained by TxDOT as FM 389. Lischka advised that outside of U.S. Hwy 290, FM 389 travels in a westerly direction out of the City, intersects with FM 332 and then continues on. Lischka explained the length of roadway inside and outside of U.S. Hwy 290 (up to FM 332) is approximately 6,600' and 3,600' respectively. Lischka explained this comes to a total of approximately 2 miles. Lischka stated that inside U.S. Hwy 290, the road is a curb and gutter section, while outside it is a 2-lane open ditch section. Lischka advised that in discussions with TxDOT, they have tentatively offered to upgrade the section outside of U.S. Hwy 290 to a curb and gutter, 2-lane with center turn lane section. Lischka stated as a condition of the upgrade, TxDOT would turn over ownership and maintenance responsibilities to the City for the entire length from FM 332 to South Day Street.

Lischka explained that as of this time TxDOT is not proposing any improvements inside of U.S. Hwy 290. Lischka advised that Staff has inspected this portion of FM 389 and feels that the current condition is in the Good or Satisfactory classification, as per the rating system used for the 2013 Street Inventory. Lischka stated that other than minor maintenance and crack sealing, staff feels that this portion of FM 389 would not be a maintenance liability for the next 10-15 years.

Councilmember Goss questioned if the Street Department is willing to accept the responsibility and maintenance for all of these additional roads. Lischka explained that the roads are good to satisfactory condition and no major repairs are needed.

Lischka stated that TxDOT wanted a Resolution that stated the City is willing to participate in the program. Lischka explained that Staff will not go head first into the project now, but will do the Resolution so that it shows the City is thinking about it and Staff can move forward with negotiations before proceeding with whether or not to do the project. Lischka advised that the Resolution does not bind the City to participate in the program, but rather is to show that the City is willing to look at the program and negotiate terms.

A citizen questioned what is in it for the City to do this program. Lischka stated that the City would control the right-of-way for utility and signage, where now Staff has to get permission from TxDOT to utilize anything in the right-of-way. Lischka explained that TxDOT is offering a \$2.5 million dollar project with the stipulation that the City will take over and maintain the road. Lischka stated if the City chooses not to participate in the program, then they will downsize the project as overlaying the road, which is standard maintenance.

A citizen questioned if there would be an expense to maintain the road. Lischka stated that yes, there would be expenses to maintain.

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Goss to Approve Resolution No. R-14-014 in support of TxDOT's Turnback Program, or similar program, concerning conveyance of TxDOT FM 389 right-of-way from Business 36 South to FM 332 to the City of Brenham with changes as presented.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

**20. Discuss and Possibly Act Upon the Acceptance of a 2014 BAE Caimen Mine Resistant Ambush Protected (MRAP) Vehicle for Use by the Brenham Police Department and Authorize the Mayor to Execute Any Necessary Documentation**

Police Chief Rex Phelps presented this item. Phelps stated that the federal government offers a program (1033 program) to supply local law enforcement agencies with equipment at no cost that has application to local law enforcement. Phelps explained that currently the Brenham Police Department's Tactical Team does not have the benefit of an armored protection vehicle. Phelps advised that these vehicles are very costly and they have the service life of many years. Phelps stated that their costs can be several hundred thousand dollars. Phelps explained that the 1033 program has afforded the Brenham Police Department to acquire such a vehicle. Phelps advised that this vehicle is ballistic and explosive resistant. Phelps stated that in fact, it will withstand and protect officers in a tactical situation from virtually all domestic type weaponry. Phelps stated that it could potentially allow the tactical team the ability to get close enough to stop a deadly situation and protect not only themselves but the community at large. Phelps explained that the 1033 program makes it possible for smaller agencies with limited budgets to have equipment that is standard to larger agencies. Phelps advised that the vehicle called a Caiman MRAP (Mine Resistant Ambush Protected Vehicle). Phelps stated that many law enforcement agencies across the country have opted to utilize these vehicles because they work well for law enforcement tactical operations. Phelps advised that the vehicles in this program are well maintained with little to no use due to a government surplus.

Phelps explained that at times, you have to prepare and train for the worst. Phelps advised the vehicle is valued at \$733,000, so the donation is an opportunity and a benefit to the tactical team. Councilmember Goss questioned if the vehicle is road safe. Phelps explained that it is and can be driven in high water, if necessary.

Councilmember Goss questioned about maintenance on the vehicle. Phelps stated he doesn't see a lot of maintenance, if any. Phelps stated that the company gave them two spare sets of tires, which run approximately \$3,000 per tire.

Phelps advised that the vehicles are used by agencies for civilian application. Councilmember Goss stated he sees them at Premier Metal Buyers being cut up. Phelps advised the ones that are no longer in use are being cut up. Mayor Pro Tem Nix stated that she thinks this is a win win situation.

A citizen questioned what other maintenance costs they anticipate and is there any special training that will need to take place to use the vehicle. Phelps stated that oil changes may be more, but most mechanical repairs can be handled in house. Phelps explained the Police Department was recognized at a Best Practices organization, which less than 3% of agencies receive. Phelps advised the tactical team is required to do a certain amount of training. Phelps explained he has two officers on the tactical team that are qualified to drive and one who may get their Class B non-CDL license to drive the vehicle. Citizen stated he can see that it's an asset, but if the vehicle remains unused then the tires may dry rot and would cost more than it's worth.

Phelps advised that once the department is done with the vehicle, they must give it back to the government to be disposed of properly. Councilmember Goss questioned if a part needs to be replaced and the plant is Sealy is out of business, will it be a problem to find the necessary parts. Phelps stated BAE is still in business and they will be able to find parts, if they're needed. Phelps explained that if the vehicle gets to be too expensive, there is always the option to send it back.

Citizen John Muegge questioned if Pat could fix the vehicle. Phelps stated that yes, he can fix anything and he didn't think they would have any problems fixing the vehicle, if necessary.

A motion was made by Mayor Pro Tem Nix and seconded by Councilmember Williams to Approve acceptance of a 2014 BAE Caimen Mine Resistant Ambush Protected (MRAP) Vehicle for use by the Brenham Police Department and authorize the Mayor to execute any necessary documentation.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

|                                     |     |
|-------------------------------------|-----|
| Mayor Milton Y. Tate, Jr.           | Yes |
| Mayor Pro Tem Gloria Nix            | Yes |
| Councilmember Andrew Ebel           | Yes |
| Councilmember Danny Goss            | Yes |
| Councilmember Keith Herring         | Yes |
| Councilmember Mary E. Barnes-Tilley | Yes |
| Councilmember Weldon Williams       | Yes |

## **21. Administrative/Elected Officials Report**

City Manager Terry Roberts reported on the following:

- There is a memo laid around the Dias about the TML Conference. Councilmembers will need to make a decision on whether or not they will attend by July 1<sup>st</sup> and let Paula know.
- Thanked Council for their time working through the budget this morning.

The meeting was adjourned.

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Milton Y. Tate, Jr.  
Mayor

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Jeana Bellinger, TRMC  
City Secretary



## AGENDA ITEM 6

|  |  |  |
|--|--|--|
| <b>DATE OF MEETING:</b> July 3, 2014   | <b>DATE SUBMITTED:</b> June 27, 2014             |  |
| <b>DEPT. OF ORIGIN:</b> Finance  | <b>SUBMITTED BY:</b> Carolyn D. Miller           |  |
| <b>MEETING TYPE:</b>   | <b>CLASSIFICATION:</b>                           | <b>ORDINANCE:</b>                                |
| <input checked="" type="checkbox"/> REGULAR  | <input type="checkbox"/> PUBLIC HEARING          | <input type="checkbox"/> 1 <sup>ST</sup> READING |
| <input type="checkbox"/> SPECIAL   | <input type="checkbox"/> CONSENT                 | <input type="checkbox"/> 2 <sup>ND</sup> READING |
| <input type="checkbox"/> EXECUTIVE SESSION   | <input type="checkbox"/> REGULAR                 | <input type="checkbox"/> RESOLUTION              |
|  | <input checked="" type="checkbox"/> WORK SESSION |  |
| <b>AGENDA ITEM DESCRIPTION:</b> Discuss and Review the FY2013-14 Second Quarter Financial Report.  |  |  |
| <b>SUMMARY STATEMENT:</b> See attached Financial Performance Report and Financial Statements for General Fund and Five Utility Funds.                      |  |  |
| <b>STAFF ANALYSIS (For Ordinances or Regular Agenda Items):</b>  |  |  |
| A. PROS:   |  |  |
| B. CONS:   |  |  |
| <b>ALTERNATIVES (In Suggested Order of Staff Preference):</b>  |  |  |
| <b>ATTACHMENTS:</b> (1) FY2013-14 Second Quarter Financial Report from CFO; and (2) Financial Performance Reports for General Fund and Five Utility Funds. |  |  |
| <b>FUNDING SOURCE (Where Applicable):</b>  |  |  |
| <b>RECOMMENDED ACTION:</b> Discussion only.  |  |  |
| <b>APPROVALS:</b> Terry K. Roberts   |  |  |



**MEMORANDUM**

To: Mayor, Council and City Manager

From: Carolyn D. Miller  
Chief Financial Officer *CDM*

Subject: FY2013-14 Second Quarter Financial Report

Date: June 27, 2014

The Finance Division is pleased to provide financial performance reports for the quarter ended March 31, 2014. The General Fund and the five major utility funds are presented in the usual format which includes a comparison of the 2<sup>nd</sup> quarter actual versus the prior year and a comparison to budget.

For the second quarter, the City experienced favorable performance in the General, Electric, Gas, Wastewater and Sanitation Funds. The Water Fund posted net losses for the quarter due primarily to lower water consumption which is weather driven.

**FINANCIAL PERFORMANCE SUMMARY**

| Fund            | 2nd QTR Actual Performance |              |              |
|-----------------|----------------------------|--------------|--------------|
|                 | Revenues                   | Expenditures | Net Revenues |
| General Fund    | \$ 8,177,478               | \$ 7,684,954 | \$ 492,524   |
| Electric Fund   | 13,006,313                 | 12,644,492   | 361,820      |
| Gas Fund        | 2,489,416                  | 2,200,063    | 289,353      |
| Water Fund      | 2,221,605                  | 2,404,967    | (183,361)    |
| Wastewater Fund | 1,778,999                  | 1,665,058    | 113,941      |
| Sanitation Fund | 1,685,346                  | 1,596,778    | 88,568       |

**GENERAL FUND**

The second quarter performance for the General Fund posted net revenues of \$492,542 with property taxes being the only revenue source ahead. As you recall, we projected a 10% growth in sales tax, however we are running around 8% behind budget and 3% below prior year actual. Due to higher utility fund revenues the franchise tax paid to the General Fund is ahead of budgeted levels; however Municipal Court fees and fines are running behind budget.

**GENERAL FUND (continued)**

Operating expenditures were \$278,040 favorable to budget and specific categories are detailed below:

- Personnel is under budget due primarily to turnover and vacant positions in the Police Department, Streets, Parks and Purchasing;
- Maintenance category is over budget due to repairs on the communications tower of \$10,570 which was partially covered by insurance and unanticipated pump repairs for the outdoor pool at the Aquatics Center;
- Services category is less than budget due to timing difference for legal fees related to the charter review which was not started until March, and lower animal adoption coupon expense;
- Sundry category is favorable due to the remaining balance in the city manager's contingency account.

Capital expenditures are tracked in Fund 236 Equipment Fund and are presented in Exhibit H.

**ELECTRIC FUND**

The Electric Fund had favorable net revenues of \$361,820 for the second quarter. The revenue components of distribution revenues (customer and wire charges) and generation revenue [excluding the due from (to) customers] are both ahead of budget. Most of the favorable revenue was due to higher kWh sales driven by colder winter weather which were running about 6.56 million (5%) higher than budget estimates based on LCRA forecasts.

Distribution expenditures in the Electric Fund were favorable to budget by \$174,354 due to lower departmental operating costs. However, generation expenditures (LCRA purchased power costs) were unfavorable to budget by \$1.47 million due to higher than expected winter weather demand creating a supply/demand phenomenon which drove purchase costs higher. As a result, the generation side of the Electric Fund under-recovered purchase costs from customers. The Fund is expected to be in a deficit position by fiscal year end due to under-recovery of purchase costs.

During our recent pre-budget workshops, City Council decided not to increase electric customer rates, but to use Electric Fund reserves (primarily derived from the PCRF and ABNR) to cover this deficit situation.

**GAS FUND**

For the second quarter, the Gas Fund posted favorable net revenues of \$289,353 which was volume driven (80%) versus price (20%). The combination of increased mcf sales (28% above budget) and slightly higher prices for natural gas resulted in favorable revenues.

As you would expect, operating expenditures were also ahead of budget by \$326,527 primarily due to higher mcf purchases due to cold winter weather and slightly higher gas prices driven by higher demand. The actual purchase price of \$4.61/mcf exceeded budget forecast of \$4.41/mcf creating \$397,993 in higher purchase costs. Department operating expenditures were favorable to budget; franchise taxes paid to the General Fund were higher; and reduced shared service department costs resulted in lower transfers-out.

**WATER FUND**

The Water Fund experienced unfavorable net revenues of (\$183,362) for the second quarter due to lower water consumption. Water consumption was down 55 million gallons or 15% over the prior year and 64 million gallons or 17% below budget forecast. As you would expect, franchise taxes paid to the General Fund are lower due to lower utility revenues in the Water Fund. Expenditures for the two operating departments, Water Treatment and Water Construction, were below budget; as shown in Exhibit H, some of the capital projects are running ahead of budget.

**WASTEWATER FUND**

Net revenues for the Wastewater Fund were favorable at \$113,941. Total utility revenues are on track with budget. Operating department expenditures for Wastewater Treatment and Wastewater Construction were favorable due to personnel turnover; the AMR meter project expenditures were higher; and reduced shared service department costs resulted in lower transfers-out.

**SANITATION FUND**

The combined operations of the Sanitation Fund posted favorable net revenues of \$88,568 for the second quarter. In the Sanitation Fund, operating resources are derived from four business units: Residential Collections, Collection Station, Transfer Station and Recycling Center.

- Transfer Station and Collection Station revenues exceeded budget; Recycling Center revenues met budget; and Residential Collection revenues fell slightly behind budget.
- In looking at Exhibit F, Expenditures by Department, Collection Station and Recycling Center experienced favorable variances; Residential Collection was on track with budget; and expenditures were slightly higher for the Transfer Station operation due to fuel costs.

**CONCLUSION**

As noted in the opening paragraph, the City experienced favorable performance in the General, Electric, Gas, Wastewater and Sanitation Funds with the Water Fund posting net losses due to lower water consumption. In the remaining months of the fiscal year, we will closely monitor fund performance and reduce expenditures to mitigate any negative impact.

After you have reviewed this quarterly financial performance report, should you have any questions or comments prior to the council meeting, please do not hesitate to contact Terry Roberts, Kyle Dannhaus, Lowell Ogle, Debbie Gaffey or me directly.

*NOTE: The financial performance reports for the General Fund and five utility funds are attached to this memorandum, and are an integral part of the quarterly financial performance report.*

**GENERAL FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT A**

**TOTAL OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                              | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                              | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>REVENUES</b>          |                 |                         |                              |                      |                 |                         |
| 3,394,704                | 3,748,155       | 353,451                 | PROPERTY TAX                 | 3,661,831            | 3,748,155       | 86,324                  |
| (1,621,778)              | (1,785,273)     | (163,494)               | - DEFERRED PROP TAX (1)      | (1,744,156)          | (1,785,273)     | (41,117)                |
| 2,205,121                | 2,139,713       | (65,408)                | SALES TAX (2)                | 2,339,196            | 2,139,713       | (199,483)               |
| 1,177,049                | 1,314,695       | 137,646                 | UTILITIES FRANCHISE TAX      | 1,213,713            | 1,314,695       | 100,982                 |
| 261,865                  | 277,425         | 15,560                  | OTHER TAXES                  | 267,425              | 277,425         | 10,000                  |
| 5,416,960                | 5,694,715       | 277,755                 | <b>SUBTOTAL TAXES</b>        | 5,738,009            | 5,694,715       | (43,294)                |
| 355,380                  | 390,948         | 35,568                  | LICENSES, PERMITS & FEES     | 411,465              | 390,948         | (20,517)                |
| 107,780                  | 175,633         | 67,854                  | MISCELLANEOUS                | 88,907               | 175,633         | 86,726                  |
| 43,988                   | 37,316          | (6,672)                 | AQUATICS                     | 44,926               | 37,316          | (7,610)                 |
| 15,074                   | 15,883          | 809                     | ANIMAL CONTROL               | 13,866               | 15,883          | 2,017                   |
| 5,939,182                | 6,314,495       | 375,313                 | <b>TOTAL REVENUES</b>        | 6,297,173            | 6,314,495       | 17,323                  |
| 1,463,095                | 1,560,287       | 97,192                  | <b>TRANSFERS-IN</b>          | 1,621,761            | 1,560,287       | (61,474)                |
| 211,103                  | 302,695         | 91,592                  | <b>INTERLOCAL AGREEMENTS</b> | 237,525              | 302,695         | 65,170                  |
| 7,613,380                | 8,177,478       | 564,098                 | <b>TOTAL OP RESOURCES</b>    | 8,156,459            | 8,177,478       | 21,019                  |

(1) Approximately 95% of property tax revenue is collected in the first quarter. A portion is deferred to cover operating expenditures later in the year.

(2) Reflects October 2013 to March 2014 sales tax collected in December 2013 to May 2014.

**EXHIBIT B**

**TOTAL USES OF OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|--------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>EXPENDITURES</b>      |                 |                         |                                |                      |                 |                         |
| 7,121,891                | 7,124,192       | (2,300)                 | OPERATING DEPTS                | 7,402,232            | 7,124,192       | 278,040                 |
| 290,192                  | 225,324         | 64,868                  | NON-DEPT DIRECT                | 134,535              | 225,324         | (90,789)                |
| 5,796                    | 20,816          | (15,020)                | NON-DEPT MISC (3)              | 31,986               | 20,816          | 11,170                  |
| 7,417,879                | 7,370,332       | 47,548                  | <b>TOTAL EXPENDITURES</b>      | 7,568,753            | 7,370,332       | 198,421                 |
| 216,149                  | 314,622         | (98,474)                | <b>TRANSFERS-OUT</b>           | 348,000              | 314,622         | 33,378                  |
| 7,634,028                | 7,684,954       | (50,926)                | <b>TOTAL USES OP RESOURCES</b> | 7,916,753            | 7,684,954       | 231,799                 |

(3) Excludes uncollectible accounts.

**GENERAL FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT C**

**NET REVENUES**

| ACTUAL VERSUS PRIOR YEAR |           |             |                                | ACTUAL VERSUS BUDGET |           |             |
|--------------------------|-----------|-------------|--------------------------------|----------------------|-----------|-------------|
| YTD                      | YTD       | FAV/(UNFAV) |                                | YTD                  | YTD       | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14  | VARIANCE    |                                | BUD FY14             | ACT FY14  | VARIANCE    |
| 7,613,380                | 8,177,478 | 564,098     | <b>TOTAL OP RESOURCES</b>      | 8,156,459            | 8,177,478 | 21,019      |
| 7,634,028                | 7,684,954 | (50,926)    | <b>TOTAL USES OP RESOURCES</b> | 7,916,753            | 7,684,954 | 231,799     |
| (20,648)                 | 492,524   | 513,172     | <b>NET REVENUES</b>            | 239,706              | 492,524   | 252,818     |

**EXHIBIT D**

**UNRESTRICTED FUND BALANCE**

| ACTUAL VERSUS PRIOR YEAR |           |             |                             | ACTUAL VERSUS BUDGET |           |             |
|--------------------------|-----------|-------------|-----------------------------|----------------------|-----------|-------------|
| YTD                      | YTD       | FAV/(UNFAV) |                             | YTD                  | YTD       | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14  | VARIANCE    |                             | BUD FY14             | ACT FY14  | VARIANCE    |
| 3,564,464                | 3,574,960 | 10,497      | <b>BEGINNING BALANCE</b>    | 3,574,960            | 3,574,960 | 0           |
| (20,648)                 | 492,524   | 513,172     | <b>NET REVENUES</b>         | 239,706              | 492,524   | 252,818     |
| 0                        | 0         | 0           | <b>NON-BUDGET/CAFR ADJS</b> | 0                    | 0         | 0           |
| 3,543,816                | 4,067,484 | 523,669     | <b>ENDING BALANCE</b>       | 3,814,666            | 4,067,484 | 252,818     |

**EXHIBIT E**

**DAYS COVERAGE**

| ACTUAL VERSUS PRIOR YEAR |           |             |                             | ACTUAL VERSUS BUDGET |           |             |
|--------------------------|-----------|-------------|-----------------------------|----------------------|-----------|-------------|
| YTD                      | YTD       | FAV/(UNFAV) |                             | YTD                  | YTD       | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14  | VARIANCE    |                             | BUD FY14             | ACT FY14  | VARIANCE    |
| <b>CALCULATION</b>       |           |             |                             |                      |           |             |
| 5,939,182                | 6,314,495 | 375,313     | REVENUES                    | 6,297,173            | 6,314,495 | 17,323      |
| 211,103                  | 302,695   | 91,592      | INTERLOCAL AGREEMENTS       | 237,525              | 302,695   | 65,170      |
| 6,150,285                | 6,617,190 | 466,905     | TOTAL RESOURCES             | 6,534,698            | 6,617,190 | 82,493      |
| 33,700                   | 36,259    | 2,558       | RESOURCES PER DAY (365) (4) | 35,807               | 36,259    | 452         |
| 3,543,816                | 4,067,484 | 523,669     | ACTUAL RESERVES             | 3,814,666            | 4,067,484 | 252,818     |
| 3,033,017                | 3,263,272 | 230,255     | 90-DAY POLICY               | 3,222,591            | 3,263,272 | 40,681      |
| 510,798                  | 804,212   | 293,414     | <b>EXCESS/(SHORTFALL)</b>   | 592,075              | 804,212   | 212,137     |
| 105                      | 113       | 8           | <b>DAYS COVERAGE</b>        | 107                  | 113       | 6           |

(4) Annualized

**GENERAL FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT F**

**DEPARTMENT EXPENDITURES BY CATEGORY**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>EXPENSE CATEGORY</b>  |                 |                         |                      |                 |                         |
| 4,911,349                | 4,970,301       | (58,952)                | 5,235,136            | 4,970,301       | 264,835                 |
| 425,805                  | 437,758         | (11,953)                | 439,910              | 437,758         | 2,152                   |
| 403,798                  | 400,010         | 3,788                   | 366,049              | 400,010         | (33,961)                |
| 915,457                  | 920,672         | (5,215)                 | 939,822              | 920,672         | 19,150                  |
| 113,729                  | 29,829          | 83,900                  | 30,050               | 29,829          | 221                     |
| 351,753                  | 365,623         | (13,870)                | 391,266              | 365,623         | 25,643                  |
| 7,121,891                | 7,124,192       | (2,300)                 | 7,402,232            | 7,124,192       | 278,040                 |

**EXHIBIT G**

**DEPARTMENT EXPENDITURES BY DEPARTMENT**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>DEPARTMENT</b>        |                 |                         |                      |                 |                         |
| 480,833                  | 493,694         | (12,862)                | 535,871              | 493,694         | 42,177                  |
| 144,529                  | 164,146         | (19,617)                | 175,549              | 164,146         | 11,403                  |
| 86,444                   | 76,867          | 9,577                   | 79,457               | 76,867          | 2,590                   |
| 65,358                   | 51,051          | 14,307                  | 54,254               | 51,051          | 3,203                   |
| 281,855                  | 306,736         | (24,881)                | 318,231              | 306,736         | 11,495                  |
| 409,396                  | 447,824         | (38,429)                | 461,934              | 447,824         | 14,110                  |
| 122,228                  | 132,491         | (10,263)                | 147,347              | 132,491         | 14,856                  |
| 657,739                  | 637,325         | 20,414                  | 670,306              | 637,325         | 32,980                  |
| 510,308                  | 482,387         | 27,921                  | 502,678              | 482,387         | 20,291                  |
| 187,221                  | 195,996         | (8,775)                 | 206,930              | 195,996         | 10,934                  |
| 37,037                   | 44,304          | (7,266)                 | 34,935               | 44,304          | (9,369)                 |
| 90,146                   | 81,899          | 8,247                   | 85,922               | 81,899          | 4,023                   |
| 275,178                  | 254,242         | 20,936                  | 254,291              | 254,242         | 50                      |
| 0                        | 177,542         | (177,542)               | 144,015              | 177,542         | (33,527)                |
| 680,447                  | 441,332         | 239,115                 | 489,454              | 441,332         | 48,122                  |
| 1,660,037                | 1,727,344       | (67,306)                | 1,777,728            | 1,727,344       | 50,384                  |
| 715,102                  | 750,466         | (35,364)                | 771,629              | 750,466         | 21,164                  |
| 146,840                  | 139,160         | 7,680                   | 150,682              | 139,160         | 11,522                  |
| 186,834                  | 182,883         | 3,951                   | 189,943              | 182,883         | 7,060                   |
| 143,150                  | 84,669          | 58,481                  | 88,987               | 84,669          | 4,318                   |
| 241,209                  | 251,833         | (10,624)                | 262,088              | 251,833         | 10,255                  |
| 7,121,891                | 7,124,192       | (2,300)                 | 7,402,232            | 7,124,192       | 278,040                 |





**ELECTRIC FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT A**

**TOTAL OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR     |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|------------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13              | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>DISTRIBUTION REVENUES</b> |                 |                         |                      |                 |                         |
| 619,919                      | 616,225         | (3,694)                 | 635,457              | 616,225         | (19,232)                |
| 1,952,370                    | 2,207,298       | 254,928                 | 2,058,393            | 2,207,298       | 148,905                 |
| 301,998                      | 308,950         | 6,952                   | 322,829              | 308,950         | (13,879)                |
| 13,390                       | 8,784           | (4,606)                 | 13,387               | 8,784           | (4,603)                 |
| 16,125                       | 15,718          | (407)                   | 13,003               | 15,718          | 2,715                   |
| 2,903,802                    | 3,156,974       | 253,173                 | 3,043,069            | 3,156,974       | 113,905                 |
| <b>GENERATION REVENUES</b>   |                 |                         |                      |                 |                         |
| 9,430,251                    | 10,063,704      | 633,454                 | 9,547,022            | 10,063,704      | 516,682                 |
| (568,753)                    | 376,993         | 945,746                 | (853,212)            | 376,993         | 1,230,205               |
| (1,317,067)                  | (858,614)       | 458,453                 | (585,321)            | (858,614)       | (273,293)               |
| 7,544,431                    | 9,582,084       | 2,037,653               | 8,108,489            | 9,582,084       | 1,473,595               |
| 10,448,232                   | 12,739,058      | 2,290,825               | 11,151,558           | 12,739,058      | 1,587,500               |
| 222,275                      | 267,255         | 44,980                  | 283,534              | 267,255         | (16,279)                |
| 10,670,507                   | 13,006,313      | 2,335,805               | 11,435,092           | 13,006,313      | 1,571,220               |

**EXHIBIT B**

**TOTAL USES OF OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR         |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|----------------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13                  | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>DISTRIBUTION EXPENDITURES</b> |                 |                         |                      |                 |                         |
| 1,281,393                        | 1,378,564       | (97,171)                | 1,581,355            | 1,378,564       | 202,791                 |
| 25,604                           | (75)            | 25,679                  | 0                    | (75)            | 75                      |
| 747,983                          | 842,003         | (94,020)                | 815,889              | 842,003         | (26,115)                |
| 5,579                            | 5,579           | 0                       | 4,782                | 5,579           | (797)                   |
| 1,200                            | 1,200           | 0                       | 1,200                | 1,200           | 0                       |
| 8,112                            | 9,401           | (1,289)                 | 7,800                | 9,401           | (1,601)                 |
| 2,069,871                        | 2,236,672       | (166,801)               | 2,411,026            | 2,236,672       | 174,354                 |
| <b>GENERATION EXPENDITURES</b>   |                 |                         |                      |                 |                         |
| 7,544,430                        | 9,582,083       | (2,037,653)             | 8,108,489            | 9,582,083       | (1,473,594)             |
| 7,544,430                        | 9,582,083       | (2,037,653)             | 8,108,489            | 9,582,083       | (1,473,594)             |
| 776,472                          | 825,737         | (49,265)                | 924,275              | 825,737         | 98,538                  |
| 10,390,773                       | 12,644,492      | (2,253,719)             | 11,443,790           | 12,644,492      | (1,200,703)             |

**EXHIBIT C**

**NET REVENUES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 279,733                  | 361,820         | 82,087                  | (8,697)              | 361,820         | 370,517                 |
| 0                        | 0               | (0)                     | (0)                  | 0               | 1                       |
| 279,734                  | 361,820         | 82,086                  | (8,698)              | 361,820         | 370,518                 |

**ELECTRIC FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT D**

**WORKING CAPITAL BALANCE**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                   | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                   | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 6,631,950                | 7,330,942       | 698,992                 | BEGINNING BALANCE | 7,330,942            | 7,330,942       | 0                       |
| 279,734                  | 361,820         | 82,086                  | NET REVENUES      | (8,698)              | 361,820         | 370,518                 |
| 0                        | 0               | 0                       | CAFR ADJ          | 0                    | 0               | 0                       |
| 6,911,684                | 7,692,762       | 781,078                 | ENDING BALANCE    | 7,322,244            | 7,692,762       | 370,518                 |

**EXHIBIT E**

**DEPARTMENT EXPENDITURES BY CATEGORY**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                         | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
|                          |                 |                         | <b>EXPENSE CATEGORY</b> |                      |                 |                         |
| 804,169                  | 854,871         | (50,702)                | PERSONNEL               | 929,730              | 854,871         | 74,859                  |
| 69,799                   | 73,601          | (3,802)                 | SUPPLIES                | 76,199               | 73,601          | 2,598                   |
| 48,921                   | 41,830          | 7,091                   | MAINTENANCE             | 107,083              | 41,830          | 65,253                  |
| 172,416                  | 96,157          | 76,260                  | SERVICES                | 156,983              | 96,157          | 60,827                  |
| 159,880                  | 276,384         | (116,504)               | CAPITAL (SEE EXHIBIT H) | 275,690              | 276,384         | (694)                   |
| 26,208                   | 35,721          | (9,513)                 | SUNDRY                  | 35,670               | 35,721          | (51)                    |
| 1,281,393                | 1,378,564       | (97,171)                | TOTAL DEPT EXPENDITURES | 1,581,355            | 1,378,564       | 202,791                 |

**EXHIBIT F**

**KWH SALES AND PURCHASES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                 | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                 | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 125,735,414              | 134,182,942     | 8,447,528               | KWH SALES       | 127,621,445          | 134,182,942     | 6,561,497               |
| 128,381,649              | 136,632,087     | (8,250,438)             | KWH PURCHASES   | 130,307,384          | 136,632,087     | (6,324,703)             |
| 2.06%                    | 1.79%           | 0.27%                   | LINE LOSS % (1) | 2.06%                | 1.79%           | 0.27%                   |

(1) REFLECTS LINE LOSS AND CYCLE BILLING VARIANCE.

**EXHIBIT G**

**DEPARTMENT EXPENDITURES BY DEPARTMENT**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                             | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                             | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
|                          |                 |                         | <b>DEPARTMENT</b>           |                      |                 |                         |
| 219,702                  | 237,664         | (17,961)                | DEPT 132 - UTILITY BILLING  | 236,761              | 237,664         | (902)                   |
| 307,948                  | 388,846         | (80,899)                | DEPT 160 - PUBLIC UTILITIES | 440,401              | 388,846         | 51,555                  |
| 753,743                  | 752,054         | 1,689                   | DEPT 161 - ELECTRIC         | 904,193              | 752,054         | 152,139                 |
| 1,281,393                | 1,378,564       | (97,171)                | TOTAL DEPT EXPENDITURES     | 1,581,355            | 1,378,564       | 202,791                 |

**ELECTRIC FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT H**

**CAPITAL EXPENDITURE DETAIL**

| ACTUAL VERSUS PRIOR YEAR |          |             |                                      | ACTUAL VERSUS BUDGET |          |             |
|--------------------------|----------|-------------|--------------------------------------|----------------------|----------|-------------|
| YTD                      | YTD      | FAV/(UNFAV) |                                      | YTD                  | YTD      | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14 | VARIANCE    |                                      | BUD FY14             | ACT FY14 | VARIANCE    |
| 0                        | 477      | (477)       | DEPT 132-CAMERA LIC/UPGRADE          | 0                    | 477      | (477)       |
| 0                        | 935      | (935)       | DEPT 132-DOME CAMERA                 | 1,700                | 935      | 765         |
| 0                        | 2,887    | (2,887)     | DEPT 132-ELECTRONIC COUNTERTOP COMM  | 3,000                | 2,887    | 113         |
| 0                        | 1,950    | (1,950)     | DEPT 132-INSTALL KIT/APPL EXT BLADE  | 0                    | 1,950    | (1,950)     |
| 0                        | 3,990    | (3,990)     | DEPT 132-ALARM                       | 4,000                | 3,990    | 10          |
| 0                        | 0        | 0           | DEPT 132-DOOR                        | 2,100                | 0        | 2,100       |
| 0                        | 2,021    | (2,021)     | DEPT 132-DRIVE THRU DRAWER           | 0                    | 2,021    | (2,021)     |
| 9,993                    | 1,810    | 8,183       | DEPT 160-SCADA WIRELESS EXP          | 12,000               | 1,810    | 10,190      |
| 0                        | 0        | 0           | DEPT 160-SCADA MULTISPEAK            | 19,000               | 0        | 19,000      |
| 0                        | 15,100   | (15,100)    | DEPT 160-PIPE LOCATOR                | 15,450               | 15,100   | 350         |
| 0                        | 2,651    | (2,651)     | DEPT 161-HIGH VOLTAGE METER          | 2,700                | 2,651    | 49          |
| 0                        | 7,950    | (7,950)     | DEPT 161-TREE SHEAR                  | 9,500                | 7,950    | 1,550       |
| 0                        | 550      | (550)       | DEPT 161-LABOR WIRE CONTROL          | 0                    | 550      | (550)       |
| 0                        | 3,043    | (3,043)     | DEPT 161-LOAD BUSTER & CASE          | 3,500                | 3,043    | 457         |
| 2,599                    | 0        | 2,599       | DEPT 161-ACSR CUTTER                 | 0                    | 0        | 0           |
| 666                      | 0        | 666         | DEPT 161 - DIE BOX                   | 0                    | 0        | 0           |
| 3,592                    | 0        | 3,592       | DEPT 161 - CRIMP TOOL                | 0                    | 0        | 0           |
| 29,367                   | 0        | 29,367      | DEPT 161-FORD 250 TRUCK              | 0                    | 0        | 0           |
| 2,060                    | 8,465    | (6,405)     | 61C-14 AUTO CAPACITOR PROJ           | 8,549                | 8,465    | 84          |
| 0                        | 0        | 0           | 61C-17 08-09 ELECTRIC METERS         | 0                    | 0        | 0           |
| 773                      | 132      | 641         | 61C-19 SYSTEM PROTECTION             | 134                  | 132      | 1           |
| 17,379                   | 32,251   | (14,872)    | 61C-21 ANNUAL POLE CHG OUT           | 30,835               | 32,251   | (1,416)     |
| 8,866                    | 0        | 8,866       | 61C-28 WALNUT HILL UPGRADE           | 0                    | 0        | 0           |
| 12,900                   | 8,406    | 4,494       | 61C-37 ANNUAL SVC REPLACEMENTS       | 5,931                | 8,406    | (2,475)     |
| 7,590                    | 31,234   | (23,645)    | 61C-38 ANNUAL NEW SVC INSTALLS       | 29,900               | 31,234   | (1,335)     |
| 107                      | 3,514    | (3,407)     | 61C-42 ANNUAL NEW ST LIGHTS          | 257                  | 3,514    | (3,257)     |
| 2,691                    | 0        | 2,691       | 61C-56 WOODBRIDGE SUB                | 0                    | 0        | 0           |
| 33,332                   | 0        | 33,332      | 61C-57 BLUE BELL FEEDER RECON        | 0                    | 0        | 0           |
| 288                      | 2,979    | (2,690)     | 61C-58 BLINN SVC IMPROVEMENT         | 3,008                | 2,979    | 30          |
| 20,639                   | 143      | 20,496      | 61C-65 PADMOUNT SWITCH GEAR          | 144                  | 143      | 1           |
| 2,065                    | (871)    | 2,935       | 61C-66 BLINN POLE BREAKER            | (879)                | (871)    | (9)         |
| 4,282                    | 0        | 4,282       | 61C-70 BRENHAM CLINIC                | 0                    | 0        | 0           |
| 691                      | 0        | 691         | 61C-74 BLUEBELL COLD STORAGE         | 0                    | 0        | 0           |
| 0                        | 4,933    | (4,933)     | 61C-75 BLINN SWITCH GEAR             | 4,900                | 4,933    | (33)        |
| 0                        | 2,109    | (2,109)     | 61C-76 COPPER CONDUCTOR              | 2,130                | 2,109    | 21          |
| 0                        | 19,973   | (19,973)    | 61C-77 BLUE BELL VAULT TRANS         | 20,929               | 19,973   | 956         |
| 0                        | 27,959   | (27,959)    | 61C-78 SEALY                         | 29,178               | 27,959   | 1,219       |
| 0                        | 306      | (306)       | 61C-79 HWY 36 & FM 577               | 309                  | 306      | 3           |
| 0                        | 22,261   | (22,261)    | 61C-81 LJ/CLEARSPRING LN REPL        | 22,561               | 22,261   | 300         |
| 0                        | 14,152   | (14,152)    | 61C-82 AUTO PROTECTION DEVICES       | 14,281               | 14,152   | 129         |
| 0                        | 2,186    | (2,186)     | 61C-83 SYSTEM AUTOMATION             | 2,208                | 2,186    | 22          |
| 0                        | 4,704    | (4,704)     | 61C-84 SEALY NEW SERVICE             | 3,736                | 4,704    | (968)       |
| 0                        | 10,282   | (10,282)    | 61C-85 NEW SVC DR IMPORTS            | 9,765                | 10,282   | (517)       |
| 0                        | 15,386   | (15,386)    | 61C-86 OLD MILL CK FIBER RE-ROUTE    | 0                    | 15,386   | (15,386)    |
| 0                        | 10,764   | (10,764)    | 61C-87 ALTON ELEMENTARY              | 10,556               | 10,764   | (208)       |
| 0                        | 3,915    | (3,915)     | 61C-88 BRENHAM MIDDLE SCHOOL         | 3,314                | 3,915    | (601)       |
| 0                        | 0        | 0           | 61C-90 36 S FEEDER UPGRADE           | 0                    | 0        | 0           |
| 0                        | 0        | 0           | 61C-91 BLUE BELL UNDERGROUND PROJECT | 0                    | 0        | 0           |
| 0                        | 7,836    | (7,836)     | UNIDENTIFIED PROJECTS                | 994                  | 7,836    | (6,842)     |
| 159,880                  | 276,384  | (116,505)   | TOTAL CAPITAL                        | 275,690              | 276,384  | (694)       |

**GAS FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT A**

**TOTAL OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR     |                 |                         |                                  | ACTUAL VERSUS BUDGET |                 |                         |
|------------------------------|-----------------|-------------------------|----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13              | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                  | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>DISTRIBUTION REVENUES</b> |                 |                         |                                  |                      |                 |                         |
| 250,851                      | 309,125         | 58,274                  | CUSTOMER CHARGE                  | 316,744              | 309,125         | (7,619)                 |
| 419,852                      | 571,409         | 151,558                 | DISTRIBUTION CHARGE              | 427,916              | 571,409         | 143,493                 |
| 7,537                        | 7,436           | (101)                   | ANCILLARY SERVICE REVENUES       | 6,015                | 7,436           | 1,421                   |
| 323                          | 145             | (178)                   | INTEREST EARNED                  | 350                  | 145             | (205)                   |
| 935                          | 152             | (783)                   | OTHER REVENUE                    | 175                  | 152             | (23)                    |
| 679,498                      | 888,268         | 208,769                 | <b>SUBTOTAL DISTRIBUTION REV</b> | 751,200              | 888,268         | 137,068                 |
| <b>COMMODITY REVENUES</b>    |                 |                         |                                  |                      |                 |                         |
| 1,953,450                    | 1,668,329       | (285,121)               | UTILITY REVENUES                 | 1,981,444            | 1,668,329       | (313,115)               |
| (984,458)                    | (67,181)        | 917,278                 | GCA                              | (826,851)            | (67,181)        | 759,670                 |
| 968,992                      | 1,601,148       | 632,157                 | <b>SUBTOTAL COMMODITY REV</b>    | 1,154,593            | 1,601,148       | 446,555                 |
| 0                            | 0               | 0                       | TRANSFERS-IN ELECTRIC            | 0                    | 0               | 0                       |
| 1,648,490                    | 2,489,416       | 840,926                 | <b>TOTAL OPERATING RESOURCES</b> | 1,905,793            | 2,489,416       | 583,623                 |

**EXHIBIT B**

**TOTAL USES OF OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR         |                 |                         |                                   | ACTUAL VERSUS BUDGET |                 |                         |
|----------------------------------|-----------------|-------------------------|-----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13                  | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                   | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>DISTRIBUTION EXPENDITURES</b> |                 |                         |                                   |                      |                 |                         |
| 234,912                          | 234,296         | 616                     | OPERATING DEPARTMENTS             | 249,362              | 234,296         | 15,066                  |
| 53,162                           | 152             | 53,010                  | AMR METER PROJECT                 | 0                    | 152             | (152)                   |
| 114,778                          | 173,718         | (58,940)                | FRANCHISE TAX                     | 132,948              | 173,718         | (40,770)                |
| 1,186                            | 1,186           | 0                       | DEBT SERVICE                      | 1,017                | 1,186           | (169)                   |
| (796)                            | (393)           | (402)                   | OTHER                             | 0                    | (393)           | 393                     |
| 403,242                          | 408,959         | (5,717)                 | <b>SUBTOTAL DISTRIBUTION EXP</b>  | 383,326              | 408,959         | (25,633)                |
| <b>COMMODITY EXPENDITURES</b>    |                 |                         |                                   |                      |                 |                         |
| 945,573                          | 1,547,198       | (601,625)               | GAS PURCHASE COST                 | 1,149,204            | 1,547,198       | (397,993)               |
| 945,573                          | 1,547,198       | (601,625)               | <b>SUBTOTAL COMMODITY EXP</b>     | 1,149,204            | 1,547,198       | (397,993)               |
| 219,429                          | 243,907         | (24,478)                | TRANSFERS-OUT                     | 275,909              | 243,907         | 32,002                  |
| 1,568,244                        | 2,200,063       | (631,820)               | <b>TOTAL USES OF OP RESOURCES</b> | 1,808,440            | 2,200,063       | (391,624)               |

**GAS FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT C**

**NET REVENUES**

| ACTUAL VERSUS PRIOR YEAR |          |             |                           | ACTUAL VERSUS BUDGET |          |             |
|--------------------------|----------|-------------|---------------------------|----------------------|----------|-------------|
| YTD                      | YTD      | FAV/(UNFAV) |                           | YTD                  | YTD      | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14 | VARIANCE    |                           | BUD FY14             | ACT FY14 | VARIANCE    |
| 56,828                   | 235,402  | 178,574     | DISTRIBUTION              | 91,965               | 235,402  | 143,437     |
| 23,419                   | 53,951   | 30,532      | COMMODITY                 | 5,389                | 53,951   | 48,562      |
| 80,246                   | 289,353  | 209,106     | <b>TOTAL NET REVENUES</b> | 97,354               | 289,353  | 191,999     |

**EXHIBIT D**

**WORKING CAPITAL BALANCE**

| ACTUAL VERSUS PRIOR YEAR |           |             |                       | ACTUAL VERSUS BUDGET |           |             |
|--------------------------|-----------|-------------|-----------------------|----------------------|-----------|-------------|
| YTD                      | YTD       | FAV/(UNFAV) |                       | YTD                  | YTD       | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14  | VARIANCE    |                       | BUD FY14             | ACT FY14  | VARIANCE    |
| 969,554                  | 1,141,582 | 172,028     | BEGINNING BALANCE     | 1,141,582            | 1,141,582 | 0           |
| 80,246                   | 289,353   | 209,106     | NET REVENUES          | 97,354               | 289,353   | 191,999     |
| 0                        | 0         | 0           | CAFR ADJ              | 0                    | 0         | 0           |
| 1,049,800                | 1,430,935 | 381,134     | <b>ENDING BALANCE</b> | 1,238,936            | 1,430,935 | 191,999     |

**EXHIBIT E**

**DEPARTMENT EXPENDITURES BY CATEGORY**

| ACTUAL VERSUS PRIOR YEAR |          |             |                                | ACTUAL VERSUS BUDGET |          |             |
|--------------------------|----------|-------------|--------------------------------|----------------------|----------|-------------|
| YTD                      | YTD      | FAV/(UNFAV) |                                | YTD                  | YTD      | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14 | VARIANCE    |                                | BUD FY14             | ACT FY14 | VARIANCE    |
| 165,246                  | 167,761  | (2,515)     | PERSONNEL                      | 170,329              | 167,761  | 2,568       |
| 13,692                   | 11,427   | 2,264       | SUPPLIES                       | 10,588               | 11,427   | (839)       |
| 8,869                    | 15,144   | (6,275)     | MAINTENANCE                    | 12,987               | 15,144   | (2,157)     |
| 27,518                   | 19,914   | 7,605       | SERVICES                       | 10,322               | 19,914   | (9,591)     |
| 15,171                   | 15,509   | (338)       | CAPITAL (SEE EXHIBIT H)        | 40,833               | 15,509   | 25,324      |
| 4,415                    | 4,540    | (125)       | SUNDRY                         | 4,301                | 4,540    | (239)       |
| 234,912                  | 234,296  | 616         | <b>TOTAL DEPT EXPENDITURES</b> | 249,362              | 234,296  | 15,066      |

**GAS FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT F**

**MCF SALES AND PURCHASES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                 | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                 | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 237,646                  | 309,156         | 71,510                  | MCF SALES       | 241,052              | 309,156         | 68,104                  |
| 256,317                  | 335,340         | (79,023)                | MCF PURCHASES   | 260,282              | 335,340         | (75,058)                |
| 7.28%                    | 7.81%           | -0.52%                  | LINE LOSS % (1) | 7.39%                | 7.81%           | -0.42%                  |

(1) REFLECTS LINE LOSS AND CYCLE BILLING VARIANCE.

**EXHIBIT G**

**DEPARTMENT EXPENDITURES BY DEPARTMENT**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                         | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 234,912                  | 234,296         | 616                     | DEPT 162 - GAS          | 249,362              | 234,296         | 15,066                  |
| 234,912                  | 234,296         | 616                     | TOTAL DEPT EXPENDITURES | 249,362              | 234,296         | 15,066                  |

**EXHIBIT H**

**CAPITAL EXPENDITURE DETAIL**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                   | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                   | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 0                        | 0               | 0                       | DEPT 162 SCADA                    | 1,500                | 0               | 1,500                   |
| 0                        | 0               | 0                       | DEPT 162 REMOTE METHANE LEAK DETI | 18,283               | 0               | 18,283                  |
| 5,687                    | 9,438           | (3,751)                 | 62C-17 ANNUAL SVC REPLACEMENTS    | 10,278               | 9,438           | 840                     |
| 7,696                    | 4,567           | 3,130                   | 62C-18 ANNUAL NEW SVC INSTALLS    | 5,772                | 4,567           | 1,206                   |
| 511                      | 0               | 511                     | 62C-25 REPLACE 2" STEEL MAIN      | 0                    | 0               | 0                       |
| 288                      | 0               | 288                     | 62C-26 HIGH ST MAIN EXT BLINN     | 0                    | 0               | 0                       |
| 989                      | 0               | 989                     | 62C-28 GUN & ROD MAIN EXT         | 0                    | 0               | 0                       |
| 0                        | 1,505           | (1,505)                 | 62C-29 RALSTON CREEK              | 1,505                | 1,505           | 0                       |
| 0                        | 0               | 0                       | UNIDENTIFIED PROJ                 | 3,495                | 0               | 3,495                   |
| 15,171                   | 15,509          | (338)                   | TOTAL CAPITAL                     | 40,833               | 15,509          | 25,324                  |

**WATER FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT A**

**TOTAL OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR |                  |                  |                                  | ACTUAL VERSUS BUDGET |                  |                  |
|--------------------------|------------------|------------------|----------------------------------|----------------------|------------------|------------------|
| YTD                      | YTD              | FAV/(UNFAV)      |                                  | YTD                  | YTD              | FAV/(UNFAV)      |
| ACT FY13                 | ACT FY14         | VARIANCE         |                                  | BUD FY14             | ACT FY14         | VARIANCE         |
| <b>REVENUES</b>          |                  |                  |                                  |                      |                  |                  |
| 1,898,796                | 1,625,982        | (272,814)        | UTILITY REVENUES                 | 1,927,127            | 1,625,982        | (301,146)        |
| 47,430                   | 49,602           | 2,172            | ANCILLARY SERVICE REVENUES       | 49,859               | 49,602           | (256)            |
| 2,263                    | 549              | (1,714)          | INTEREST EARNED                  | 2,350                | 549              | (1,801)          |
| 7,927                    | 786              | (7,141)          | OTHER REVENUE                    | 1,000                | 786              | (214)            |
| <b>1,956,416</b>         | <b>1,676,919</b> | <b>(279,498)</b> | <b>TOTAL REVENUES</b>            | <b>1,980,336</b>     | <b>1,676,919</b> | <b>(303,417)</b> |
| <b>248,610</b>           | <b>544,687</b>   | <b>296,077</b>   | <b>OTHER SOURCES (1)</b>         | <b>532,332</b>       | <b>544,687</b>   | <b>12,355</b>    |
| <b>2,205,026</b>         | <b>2,221,605</b> | <b>16,579</b>    | <b>TOTAL OPERATING RESOURCES</b> | <b>2,512,667</b>     | <b>2,221,605</b> | <b>(291,062)</b> |

(1) RESIDUAL BOND PROCEEDS FROM 2008 DEBT ISSUANCE RELEASED FROM RESTRICTED CASH AT YEAR-END.

**EXHIBIT B**

**TOTAL USES OF OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR |                  |                 |                                   | ACTUAL VERSUS BUDGET |                  |               |
|--------------------------|------------------|-----------------|-----------------------------------|----------------------|------------------|---------------|
| YTD                      | YTD              | FAV/(UNFAV)     |                                   | YTD                  | YTD              | FAV/(UNFAV)   |
| ACT FY13                 | ACT FY14         | VARIANCE        |                                   | BUD FY14             | ACT FY14         | VARIANCE      |
| <b>EXPENDITURES</b>      |                  |                 |                                   |                      |                  |               |
| 821,229                  | 930,739          | (109,510)       | OPERATING DEPARTMENTS             | 1,005,201            | 930,739          | 74,463        |
| 36,332                   | 377,355          | (341,024)       | HIGH PRESSURE PLANE EXPAND        | 365,000              | 377,355          | (12,355)      |
| 56,547                   | 0                | 56,547          | VALMONT EXTENSION                 | 0                    | 0                | 0             |
| 117,006                  | 0                | 117,006         | SALEM ROAD EXTENSION              | 0                    | 0                | 0             |
| 354,806                  | 39,345           | 315,461         | AMR METER PROJECT (1)             | 0                    | 39,345           | (39,345)      |
| 132,916                  | 113,818          | 19,098          | FRANCHISE TAX                     | 134,899              | 113,818          | 21,081        |
| 547,997                  | 559,706          | (11,708)        | DEBT SERVICE (2)                  | 553,122              | 559,706          | (6,583)       |
| 132,825                  | 137,865          | (5,040)         | PURCHASE COSTS                    | 132,825              | 137,865          | (5,040)       |
| 229                      | 15,287           | (15,058)        | OTHER                             | 0                    | 15,287           | (15,287)      |
| <b>2,199,886</b>         | <b>2,174,115</b> | <b>25,772</b>   | <b>TOTAL EXPENDITURES</b>         | <b>2,191,047</b>     | <b>2,174,115</b> | <b>16,933</b> |
| <b>215,905</b>           | <b>230,852</b>   | <b>(14,948)</b> | <b>TRANSFERS-OUT</b>              | <b>266,734</b>       | <b>230,852</b>   | <b>35,882</b> |
| <b>2,415,791</b>         | <b>2,404,967</b> | <b>10,824</b>   | <b>TOTAL USES OF OP RESOURCES</b> | <b>2,457,781</b>     | <b>2,404,967</b> | <b>52,815</b> |

(1) THIS PROJECT IS MONITORED IN FUND 108 BUT IS AN EXPENDITURE OF THE FUND.

(2) INCLUDES ACCRUED INTEREST AND PRINCIPAL ON BOND PAYMENTS MADE IN FEBRUARY AND AUGUST.

**WATER FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT C**

**NET REVENUES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                   | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                   | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 2,205,026                | 2,221,605       | 16,579                  | <b>TOTAL OPERATING RESOURCES</b>  | 2,512,667            | 2,221,605       | (291,062)               |
| 2,415,791                | 2,404,967       | 10,824                  | <b>TOTAL USES OF OP RESOURCES</b> | 2,457,781            | 2,404,967       | 52,815                  |
| (210,764)                | (183,361)       | 27,403                  | <b>NET REVENUES</b>               | 54,886               | (183,361)       | (238,247)               |

**EXHIBIT D**

**WORKING CAPITAL BALANCE**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                          | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|--------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                          | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 2,328,885                | 2,161,312       | (167,573)               | <b>BEGINNING BALANCE</b> | 2,161,312            | 2,161,312       | 0                       |
| (210,764)                | (183,361)       | 27,403                  | <b>NET REVENUES</b>      | 54,886               | (183,361)       | (238,247)               |
| 0                        | 0               | 0                       | <b>CAFR ADJ</b>          | 0                    | 0               | 0                       |
| 2,118,121                | 1,977,951       | (140,170)               | <b>ENDING BALANCE</b>    | 2,216,198            | 1,977,951       | (238,247)               |

**EXHIBIT E**

**DEPARTMENT EXPENDITURES BY CATEGORY**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|--------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 312,668                  | 322,381         | (9,712)                 | PERSONNEL                      | 323,394              | 322,381         | 1,014                   |
| 104,628                  | 101,230         | 3,398                   | SUPPLIES                       | 171,559              | 101,230         | 70,329                  |
| 89,979                   | 109,102         | (19,122)                | MAINTENANCE                    | 110,850              | 109,102         | 1,748                   |
| 143,587                  | 150,365         | (6,778)                 | SERVICES                       | 136,807              | 150,365         | (13,558)                |
| 162,680                  | 238,142         | (75,462)                | CAPITAL (SEE EXHIBIT H)        | 252,637              | 238,142         | 14,495                  |
| 7,686                    | 9,519           | (1,833)                 | SUNDRY                         | 9,954                | 9,519           | 435                     |
| 821,229                  | 930,739         | (109,510)               | <b>TOTAL DEPT EXPENDITURES</b> | 1,005,201            | 930,739         | 74,463                  |

**EXHIBIT F**

**GALLONS CONSUMED**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                        | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                        | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 372,368,400              | 319,342,100     | (53,026,300)            | <b>GALLON CONSUMED</b> | 383,406,077          | 319,342,100     | (64,063,977)            |

**WATER FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT G**

**DEPARTMENT EXPENDITURES BY DEPARTMENT**

| ACTUAL VERSUS PRIOR YEAR |          |             |                                | ACTUAL VERSUS BUDGET |          |             |
|--------------------------|----------|-------------|--------------------------------|----------------------|----------|-------------|
| YTD                      | YTD      | FAV/(UNFAV) |                                | YTD                  | YTD      | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14 | VARIANCE    |                                | BUD FY14             | ACT FY14 | VARIANCE    |
| 463,250                  | 530,592  | (67,342)    | DEPT 163 - WATER TREATMENT     | 642,177              | 530,592  | 111,585     |
| 357,978                  | 400,147  | (42,168)    | DEPT 164 - WATER CONSTRUCTION  | 363,024              | 400,147  | (37,123)    |
| 821,229                  | 930,739  | (109,510)   | <b>TOTAL DEPT EXPENDITURES</b> | 1,005,201            | 930,739  | 74,463      |

**EXHIBIT H**

**CAPITAL EXPENDITURE DETAIL**

| ACTUAL VERSUS PRIOR YEAR |          |             |                                    | ACTUAL VERSUS BUDGET |          |             |
|--------------------------|----------|-------------|------------------------------------|----------------------|----------|-------------|
| YTD                      | YTD      | FAV/(UNFAV) |                                    | YTD                  | YTD      | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14 | VARIANCE    |                                    | BUD FY14             | ACT FY14 | VARIANCE    |
| 3,073                    | 0        | 3,073       | DEPT 163 A/C CHEMICAL ROOM         | 0                    | 0        | 0           |
| 0                        | 2,564    | (2,564)     | DEPT 163-FLANGE SPREADER (1/2)     | 3,000                | 2,564    | 436         |
| 0                        | 0        | 0           | DEPT 163-AIR COMPRESSOR            | 5,500                | 0        | 5,500       |
| 0                        | 3,661    | (3,661)     | DEPT 163-CAMERA LAKE PUMP STN      | 3,500                | 3,661    | (161)       |
| 0                        | 3,840    | (3,840)     | DEPT 163-GATE CONCRETE WORK        | 3,500                | 3,840    | (340)       |
| 0                        | 7,311    | (7,311)     | DEPT 163-GATE & OPERATOR           | 6,500                | 7,311    | (811)       |
| 0                        | 17,359   | (17,359)    | DEPT 163-INSULATED PIPE BLANKETS   | 19,000               | 17,359   | 1,641       |
| 0                        | 4,800    | (4,800)     | DEPT 163-SECURITY FENCE            | 4,900                | 4,800    | 100         |
| 0                        | 0        | 0           | DEPT 163-UNIDENTIFIED              | 0                    | 0        | 0           |
| 0                        | 20,545   | (20,545)    | DEPT 163-TRUCK                     | 25,650               | 20,545   | 5,105       |
| 0                        | 8,404    | (8,404)     | DEPT 163-RTU LAKE PUMP STATION     | 9,549                | 8,404    | 1,145       |
| 0                        | 0        | 0           | DEPT 163-RTU WATER PLANT           | 9,786                | 0        | 9,786       |
| 2,862                    | 0        | 2,862       | DEPT 164 COMPRESSOR/GENERATOR      | 0                    | 0        | 0           |
| 3,340                    | 0        | 3,340       | DEPT 164 CHAIN SAW                 | 0                    | 0        | 0           |
| 2,875                    | 0        | 2,875       | DEPT 164 TAPPING KIT               | 0                    | 0        | 0           |
| 0                        | 2,564    | (2,564)     | DEPT 164-FLANGE SPREADER (1/2)     | 3,000                | 2,564    | 436         |
| 0                        | 11,642   |             | DEPT 164-AUTO CRANE                | 0                    | 11,642   | (11,642)    |
| 0                        | 7,357    | (7,357)     | DEPT 164-8" LINESTOP VALVE         | 12,000               | 7,357    | 4,643       |
| 4,933                    | 8,453    | (3,519)     | 64C-13 ANNUAL SVC REPLACEMENTS     | 22,262               | 8,453    | 13,809      |
| 3,463                    | 8,661    | (5,197)     | 64C-14 ANNUAL NEW SVC INSTALLS     | 9,238                | 8,661    | 577         |
|                          | 225      | (225)       | 64C-20 EXT HOP AMPHITHEATER        | 0                    | 0        | 0           |
| 123,858                  | 0        | 123,858     | 64C-22 2012 WATER DIST SYS IMPROVE | 0                    | 0        | 0           |
| 9,219                    | 0        | 9,219       | 64C-24 WESTWOOD LN                 | 0                    | 0        | 0           |
| 9,056                    | 88,567   | (79,511)    | 64C-29 2013 WATER DIST SYS IMPROVE | 0                    | 88,567   | (88,567)    |
|                          | 22,945   | (22,945)    | 64C-30 COUNTRYSIDE MFG HOME        | 0                    | 22,945   | (22,945)    |
| 0                        | 2,445    | (2,445)     | 64C-31 WATER DIST IMPROVEMENTS     | 115,252              | 2,445    | 112,807     |
| 0                        | 16,800   | (16,800)    | 64C-32 BLUE BELL LINE REPLACEMENT  | 0                    | 16,800   | (16,800)    |
| 162,680                  | 238,142  | (63,820)    | <b>TOTAL CAPITAL</b>               | 252,637              | 237,917  | 14,720      |

**WASTEWATER FUND  
2ND QUARTER YTD PERFORMANCE**



**EXHIBIT A**

**TOTAL OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                  | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                  | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>REVENUES</b>          |                 |                         |                                  |                      |                 |                         |
| 1,672,841                | 1,723,372       | 50,530                  | UTILITY REVENUES                 | 1,727,020            | 1,723,372       | (3,649)                 |
| 6,712                    | 2,902           | (3,810)                 | RECLAIMED WATER                  | 6,746                | 2,902           | (3,844)                 |
| 28,146                   | 41,196          | 13,050                  | WASTEHAULERS                     | 32,000               | 41,196          | 9,196                   |
| 8,550                    | 8,700           | 150                     | CLASS A BIO SOLIDS (SLUDGE)      | 10,000               | 8,700           | (1,300)                 |
| 5,165                    | 2,299           | (2,866)                 | ANCILLARY REVENUES               | 5,000                | 2,299           | (2,701)                 |
| 976                      | 330             | (646)                   | INTEREST EARNED                  | 1,150                | 330             | (820)                   |
| 0                        | 0               | 0                       | CAPITAL REIMBURSEMENT            | 0                    | 0               | 0                       |
| 28,195                   | 200             | (27,995)                | OTHER REVENUE                    | 3,250                | 200             | (3,050)                 |
| 1,750,586                | 1,778,999       | 28,413                  | <b>TOTAL OPERATING RESOURCES</b> | 1,785,166            | 1,778,999       | (6,167)                 |

**EXHIBIT B**

**TOTAL USES OF OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                   | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                   | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>EXPENDITURES</b>      |                 |                         |                                   |                      |                 |                         |
| 703,540                  | 674,543         | 28,998                  | OPERATING DEPARTMENTS             | 706,657              | 674,543         | 32,114                  |
| 51,997                   | 24,996          | 27,001                  | AMR METER PROJECT                 | 0                    | 24,996          | (24,996)                |
| 117,098                  | 120,635         | (3,537)                 | FRANCHISE TAX                     | 120,891              | 120,635         | 256                     |
| 585,276                  | 615,622         | (30,346)                | DEBT SERVICE                      | 603,512              | 615,622         | (12,110)                |
| (1,845)                  | 794             | (2,639)                 | OTHER                             | 500                  | 794             | (294)                   |
| 1,456,066                | 1,436,590       | 19,476                  | <b>TOTAL EXPENDITURES</b>         | 1,431,560            | 1,436,590       | (5,030)                 |
| 218,859                  | 228,468         | (9,609)                 | <b>TRANSFERS-OUT</b>              | 255,887              | 228,468         | 27,419                  |
| 1,674,925                | 1,665,058       | 9,867                   | <b>TOTAL USES OF OP RESOURCES</b> | 1,687,447            | 1,665,058       | 22,389                  |

**EXHIBIT C**

**NET REVENUES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         |                                   | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|-----------------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |                                   | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 1,750,586                | 1,778,999       | 28,413                  | <b>TOTAL OPERATING RESOURCES</b>  | 1,785,166            | 1,778,999       | (6,167)                 |
| 1,674,925                | 1,665,058       | 9,867                   | <b>TOTAL USES OF OP RESOURCES</b> | 1,687,447            | 1,665,058       | 22,389                  |
| 75,661                   | 113,941         | 38,280                  | <b>NET REVENUES</b>               | 97,719               | 113,941         | 16,222                  |

**WASTEWATER FUND  
2ND QUARTER YTD PERFORMANCE**



**EXHIBIT D**

**WORKING CAPITAL BALANCE**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 633,859                  | 551,212         | (82,647)                | 551,212              | 551,212         | 0                       |
| 75,661                   | 113,941         | 38,280                  | 97,719               | 113,941         | 16,222                  |
| 0                        | 0               | 0                       | 0                    | 0               | 0                       |
| 709,520                  | 665,153         | (44,367)                | 648,931              | 665,153         | 16,222                  |

**EXHIBIT E**

**DEPARTMENT EXPENDITURES BY CATEGORY**

| ACTUAL VERSUS PRIOR YEAR    |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|-----------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13             | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>EXPENDITURE CATEGORY</b> |                 |                         |                      |                 |                         |
| 252,422                     | 256,915         | (4,492)                 | 275,706              | 256,915         | 18,792                  |
| 62,392                      | 60,407          | 1,985                   | 66,856               | 60,407          | 6,449                   |
| 86,557                      | 66,443          | 20,114                  | 103,100              | 66,443          | 36,657                  |
| 240,537                     | 257,505         | (16,968)                | 233,783              | 257,505         | (23,723)                |
| 43,659                      | 13,223          | 30,437                  | 7,496                | 13,223          | (5,727)                 |
| 17,972                      | 20,050          | (2,078)                 | 19,716               | 20,050          | (334)                   |
| 703,540                     | 674,543         | 28,998                  | 706,657              | 674,543         | 32,114                  |

**EXHIBIT F**

**GALLONS PROCESSED**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 158,996,500              | 159,608,500     | 612,000                 | 166,946,325          | 159,608,500     | (7,337,825)             |

**EXHIBIT G**

**DEPARTMENT EXPENDITURES BY DEPARTMENT**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>DEPARTMENTS</b>       |                 |                         |                      |                 |                         |
| 214,839                  | 148,617         | 66,222                  | 186,916              | 148,617         | 38,298                  |
| 488,701                  | 525,925         | (37,224)                | 519,741              | 525,925         | (6,184)                 |
| 703,540                  | 674,543         | 28,998                  | 706,657              | 674,543         | 32,114                  |

**WASTEWATER FUND  
2ND QUARTER YTD PERFORMANCE**



**EXHIBIT H**

**CAPITAL EXPENDITURE DETAIL**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 407                      | 0               | 407                     | 0                    | 0               | 0                       |
| 385                      | 736             | (351)                   | 2,408                | 736             | 1,672                   |
| 30                       | 29              | 1                       | 88                   | 29              | 60                      |
| 3,163                    | 0               | 3,163                   | 0                    | 0               | 0                       |
| 8,405                    | 0               | 8,405                   | 0                    | 0               | 0                       |
| 31,270                   | 0               | 31,270                  | 0                    | 0               | 0                       |
| 0                        | 1,238           | (1,238)                 | 0                    | 1,238           | (1,238)                 |
| 0                        | 11,080          | (11,080)                | 5,000                | 11,080          | (6,080)                 |
| 0                        | 140             | (140)                   | 0                    | 140             | (140)                   |
| 43,659                   | 13,223          | 30,437                  | 7,496                | 13,223          | (5,727)                 |

**SANITATION FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT A**

**TOTAL OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR         |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|----------------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13                  | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>REVENUES</b>                  |                 |                         |                      |                 |                         |
| 421,248                          | 465,806         | 44,558                  | 442,000              | 465,806         | 23,806                  |
| 158,025                          | 193,247         | 35,222                  | 177,564              | 193,247         | 15,682                  |
| 43,060                           | 54,437          | 11,376                  | 55,000               | 54,437          | (563)                   |
| 973,540                          | 971,712         | (1,829)                 | 984,872              | 971,712         | (13,160)                |
| 511                              | 144             | (367)                   | 463                  | 144             | (318)                   |
| 17,446                           | 1               | (17,445)                | 925                  | 1               | (924)                   |
| 1,613,830                        | 1,685,346       | 71,515                  | 1,660,823            | 1,685,346       | 24,522                  |
| <b>TOTAL OPERATING RESOURCES</b> |                 |                         |                      |                 |                         |

**EXHIBIT B**

**TOTAL USES OF OPERATING RESOURCES**

| ACTUAL VERSUS PRIOR YEAR          |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|-----------------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13                   | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| <b>EXPENDITURES</b>               |                 |                         |                      |                 |                         |
| 1,349,609                         | 1,379,103       | (29,494)                | 1,388,305            | 1,379,103       | 9,201                   |
| 34,812                            | 35,034          | (222)                   | 35,244               | 35,034          | 210                     |
| 2,071                             | 2,071           | 0                       | 1,775                | 2,071           | (296)                   |
| 1,121                             | 1,793           | (672)                   | 3,083                | 1,793           | 1,290                   |
| 1,387,613                         | 1,418,001       | (30,388)                | 1,428,407            | 1,418,001       | 10,406                  |
| <b>TOTAL EXPENDITURES</b>         |                 |                         |                      |                 |                         |
| 163,285                           | 178,777         | (15,492)                | 204,104              | 178,777         | 25,327                  |
| <b>TRANSFERS-OUT</b>              |                 |                         |                      |                 |                         |
| 1,550,898                         | 1,596,778       | (45,880)                | 1,632,511            | 1,596,778       | 35,733                  |
| <b>TOTAL USES OF OP RESOURCES</b> |                 |                         |                      |                 |                         |

**EXHIBIT C**

**NET REVENUES**

| ACTUAL VERSUS PRIOR YEAR |                 |                         | ACTUAL VERSUS BUDGET |                 |                         |
|--------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|
| YTD<br>ACT FY13          | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE | YTD<br>BUD FY14      | YTD<br>ACT FY14 | FAV/(UNFAV)<br>VARIANCE |
| 1,613,830                | 1,685,346       | 71,515                  | 1,660,823            | 1,685,346       | 24,522                  |
| 1,550,898                | 1,596,778       | (45,880)                | 1,632,511            | 1,596,778       | 35,733                  |
| 62,932                   | 88,568          | 25,635                  | 28,313               | 88,568          | 60,255                  |
| <b>NET REVENUES</b>      |                 |                         |                      |                 |                         |

**SANITATION FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT D**

**WORKING CAPITAL BALANCE**

| ACTUAL VERSUS PRIOR YEAR |          |             |                          | ACTUAL VERSUS BUDGET |          |             |
|--------------------------|----------|-------------|--------------------------|----------------------|----------|-------------|
| YTD                      | YTD      | FAV/(UNFAV) |                          | YTD                  | YTD      | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14 | VARIANCE    |                          | BUD FY14             | ACT FY14 | VARIANCE    |
| 864,874                  | 818,275  | (46,599)    | <b>BEGINNING BALANCE</b> | 818,275              | 818,275  | 0           |
| 62,932                   | 88,568   | 25,635      | NET REVENUES             | 28,313               | 88,568   | 60,255      |
| 0                        | 0        | 0           | CAFR ADJ                 | 0                    | 0        | 0           |
| 927,806                  | 906,843  | (20,964)    | <b>ENDING BALANCE</b>    | 846,588              | 906,843  | 60,255      |

**EXHIBIT E**

**DEPARTMENT EXPENDITURES BY CATEGORY**

| ACTUAL VERSUS PRIOR YEAR |           |             |                                | ACTUAL VERSUS BUDGET |           |             |
|--------------------------|-----------|-------------|--------------------------------|----------------------|-----------|-------------|
| YTD                      | YTD       | FAV/(UNFAV) |                                | YTD                  | YTD       | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14  | VARIANCE    |                                | BUD FY14             | ACT FY14  | VARIANCE    |
| 256,822                  | 266,250   | (9,428)     | PERSONNEL                      | 270,653              | 266,250   | 4,403       |
| 139,336                  | 155,312   | (15,976)    | SUPPLIES                       | 174,556              | 155,312   | 19,244      |
| 53,618                   | 67,524    | (13,907)    | MAINTENANCE                    | 47,662               | 67,524    | (19,862)    |
| 759,588                  | 782,125   | (22,537)    | SERVICES                       | 771,079              | 782,125   | (11,046)    |
| 131,915                  | 97,417    | 34,499      | CAPITAL (SEE EXHIBIT G)        | 114,000              | 97,417    | 16,584      |
| 8,331                    | 10,476    | (2,144)     | SUNDRY                         | 10,355               | 10,476    | (121)       |
| 1,349,609                | 1,379,103 | (29,494)    | <b>TOTAL DEPT EXPENDITURES</b> | 1,388,305            | 1,379,103 | 9,201       |

**EXHIBIT F**

**DEPARTMENT EXPENDITURES BY DEPARTMENT**

| ACTUAL VERSUS PRIOR YEAR |           |             |                                | ACTUAL VERSUS BUDGET |           |             |
|--------------------------|-----------|-------------|--------------------------------|----------------------|-----------|-------------|
| YTD                      | YTD       | FAV/(UNFAV) |                                | YTD                  | YTD       | FAV/(UNFAV) |
| ACT FY13                 | ACT FY14  | VARIANCE    |                                | BUD FY14             | ACT FY14  | VARIANCE    |
| 312,229                  | 390,263   | (78,035)    | DEPT 042 - TRANSFER STATION    | 389,228              | 390,263   | (1,036)     |
| 237,819                  | 191,884   | 45,935      | DEPT 043 - COLLECTION STATION  | 192,263              | 191,884   | 379         |
| 119,164                  | 99,581    | 19,583      | DEPT 140 - RECYCLING CENTER    | 109,980              | 99,581    | 10,399      |
| 680,398                  | 697,376   | (16,977)    | DEPT 142 - RESIDENTIAL COLLECT | 696,834              | 697,376   | (542)       |
| 1,349,609                | 1,379,103 | (29,494)    | <b>TOTAL DEPT EXPENDITURES</b> | 1,388,305            | 1,379,103 | 9,201       |

**SANITATION FUND  
2ND QUARTER PERFORMANCE**



**EXHIBIT G**

**CAPITAL EXPENDITURE DETAIL**

| ACTUAL VERSUS PRIOR YEAR |               |               |                              | ACTUAL VERSUS BUDGET |               |               |
|--------------------------|---------------|---------------|------------------------------|----------------------|---------------|---------------|
| YTD                      | YTD           | FAV/(UNFAV)   |                              | YTD                  | YTD           | FAV/(UNFAV)   |
| ACT FY13                 | ACT FY14      | VARIANCE      |                              | BUD FY14             | ACT FY14      | VARIANCE      |
| 1,625                    | 0             | 1,625         | DEPT 142-MODEL AIRPORT ENTR. | 0                    | 0             | 0             |
| 17,700                   | 0             | 17,700        | DEPT 140-BALER               | 0                    | 0             | 0             |
| 0                        | 7,400         | (7,400)       | DEPT 140-HOPPERS             | 12,000               | 7,400         | 4,600         |
| 0                        | 407           | (407)         | DEPT 140-HOPPER SIGNS        | 0                    | 407           | (407)         |
| 0                        | 0             | 0             | DEPT 140-RECYCLING CONTAIN   | 4,000                | 0             | 4,000         |
| 0                        | 317           | (317)         | DEPT 140-INVENTORY DISB      | 0                    | 317           | (317)         |
| 0                        | 50            | (50)          | DEPT 140-SILT FENCE/STAKES   | 0                    | 50            | (50)          |
| 0                        | 17,696        | (17,696)      | DEPT 140-OFFICE/STORAGE BLD  | 20,000               | 17,696        | 2,304         |
| 0                        | 65,420        | (65,420)      | DEPT 042-TRAILER             | 68,000               | 65,420        | 2,580         |
| 78,183                   | 0             | 78,183        | DEPT 043-BACKHOE             | 0                    | 0             | 0             |
| 0                        | 6,126         | (6,126)       | DEPT 140-CAMERA              | 10,000               | 6,126         | 3,874         |
| 34,407                   | 0             | 34,407        | DEPT 140-LAND                | 0                    | 0             | 0             |
| <b>131,915</b>           | <b>97,417</b> | <b>34,499</b> |                              | <b>114,000</b>       | <b>97,417</b> | <b>16,583</b> |



## AGENDA ITEM 7

|   |  |  |
|---|--|--|
| <b>DATE OF MEETING:</b> July 3, 2014  | <b>DATE SUBMITTED:</b> June 27, 2014             |  |
| <b>DEPT. OF ORIGIN:</b> Development Services  | <b>SUBMITTED BY:</b> Julie Fulgham               |  |
| <b>MEETING TYPE:</b>  | <b>CLASSIFICATION:</b>                           | <b>ORDINANCE:</b>                                |
| <input checked="" type="checkbox"/> REGULAR   | <input type="checkbox"/> PUBLIC HEARING          | <input type="checkbox"/> 1 <sup>ST</sup> READING |
| <input type="checkbox"/> SPECIAL  | <input type="checkbox"/> CONSENT                 | <input type="checkbox"/> 2 <sup>ND</sup> READING |
| <input type="checkbox"/> EXECUTIVE SESSION  | <input type="checkbox"/> REGULAR                 | <input type="checkbox"/> RESOLUTION              |
|   | <input checked="" type="checkbox"/> WORK SESSION |  |
| <b>AGENDA ITEM DESCRIPTION:</b> Discussion and Presentation on Various City of Brenham Permitting and Inspection Fees For Development Services, Code Enforcement, and Fire Marshal's Office         |  |  |
| <b>SUMMARY STATEMENT:</b> Staff presentation of fee research and proposed fee increases related to planning, building permits, health inspections, and fire inspections within the City of Brenham. |  |  |
| <b>STAFF ANALYSIS (For Ordinances or Regular Agenda Items):</b>   |  |  |
| A. PROS:  |  |  |
| B. CONS:  |  |  |
| <b>ALTERNATIVES (In Suggested Order of Staff Preference):</b> N/A   |  |  |
| <b>ATTACHMENTS:</b> (1) Proposed Fees Spreadsheets  |  |  |
| <b>FUNDING SOURCE (Where Applicable):</b> N/A   |  |  |
| <b>RECOMMENDED ACTION:</b> Discussion only.   |  |  |
| <b>APPROVALS:</b> Terry K. Roberts  |  |  |



# PROPOSED FEES

## Development Services Planning & Building Permit Fees

|                         | ZONE CHANGE      | SPECIFIC USE     | VARIANCE         | PRELIMINARY PLAT | FINAL PLAT/REPLAT | BUILDING PERMIT  | INSPECTION FEE    | CO FEE      | CONTRACTOR REGISTRATION FEE |
|-------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|-------------|-----------------------------|
| ATHENS                  | \$ 100.00        | \$ 100.00        | \$ 100.00        | \$ 240.00        | \$ 240.00         | \$ 250.00        | No                | \$ -        | \$ -                        |
| BEEVILLE                | \$ 150.00        | \$ 150.00        | \$ 150.00        | \$ 250.00        | \$ 250.00         | \$ 524.50        | Yes               | \$ 275.00   | \$ 75.00                    |
| BELLVILLE               | \$ -             | \$ -             | \$ -             | \$ 250.00        | \$ -              | \$ 460.00        | REINSPECTION ONLY | \$ -        | \$ -                        |
| BELTON                  | \$ 150.00        | \$ 150.00        | \$ 75.00         | \$ 400.00        | \$ 250.00         | \$ 150.00        | REINSPECTION ONLY | \$ -        | \$ 50.00                    |
| BRENHAM                 | \$ -             | \$ -             | \$ -             | \$ -             | \$ -              | \$ 236.50        | REINSPECTION ONLY | \$ -        | \$ -                        |
| <b>BRENHAM PROPOSED</b> | <b>\$ 100.00</b> | <b>\$ 100.00</b> | <b>\$ 100.00</b> | <b>\$ 50.00</b>  | <b>\$ 150.00</b>  | <b>\$ 300.00</b> | <b>NO CHANGE</b>  | <b>\$ -</b> | <b>\$ -</b>                 |
| BRYAN                   | \$ 550.00        | \$ 400.00        | \$ 300.00        | \$ 250.00        | \$ 300.00         | \$ 460.00        | REINSPECTION ONLY | \$ -        | \$ 50.00                    |
| COLLEGE STATION         | \$ 1,165.00      | \$ 1,165.00      | \$ 233.00        | \$ 932.00        | \$ 932.00         | \$ 460.00        | REINSPECTION ONLY | \$ -        | \$ 54.00                    |
| DUMAS                   | \$ 200.00        | \$ 200.00        | \$ -             | \$ -             | \$ -              | \$ 80.00         | REINSPECTION ONLY | \$ -        | \$ 50.00                    |
| GAINESVILLE             | \$ 500.00        | \$ 500.00        | \$ 150.00        | \$ 600.00        | \$ 1,000.00       | \$ 1,082.00      | Yes               | \$ 85.00    | \$ 200.00                   |
| GIDDINGS                | \$ 200.00        | \$ 200.00        | \$ -             | \$ 500.00        |                   | \$ 460.00        | Yes \$25          | \$ 50.00    | \$ -                        |
| HEMPSTEAD               | \$ -             | \$ -             | \$ -             | \$ 200.00        | \$ -              | \$ 460.00        | REINSPECTION ONLY | \$ 25.00    |                             |
| LOCKHART                | \$ 350.00        | \$ 350.00        | \$ 350.00        | \$ 600.00        | \$ 600.00         | \$ 460.00        | No                | \$ -        | \$ -                        |
| MOUNT PLEASANT          | \$ 250.00        | \$ 250.00        | \$ 250.00        | \$ 250.00        | \$ 250.00         | \$ 164.00        | REINSPECTION ONLY | \$ -        | \$ -                        |
| NAVASOTA                | \$ 150.00        | \$ 150.00        | \$ 100.00        | \$ 200.00        | \$ 200.00         | \$ 663.00        | REINSPECTION ONLY | \$ -        | \$ -                        |
| PALESTINE               | \$ 150.00        | \$ 150.00        | \$ 125.00        | \$ 50.00         | \$ 100.00         | \$ 515.00        | REINSPECTION ONLY | \$ 35.00    | \$ 125.00                   |
| STEPHENVILLE            | \$ 500.00        | \$ 500.00        | \$ 200.00        | \$ 700.00        | \$ 700.00         | \$ 992.00        | REINSPECTION ONLY | \$ 25.00    | \$ -                        |
| SULPHUR SPRINGS         | \$ 225.00        | \$ 150.00        | \$ 225.00        | \$ 150.00        | \$ 300.00         | \$ 252.00        | REINSPECTION ONLY | \$ -        | \$ -                        |

All fees are based on a 10 acre tract, 50 lot subdivision, \$100,000 building value, 1000 square feet building, and a commercial building or use.  
Only Lockhart does not also have additional electrical, plumbing, and mechanical fees added to the building permit fee.

# Development Services Plumbing Fees

|                         | NUMBER OF FIXTURES (\$) | HOUSE SEWER REPLACEMENT | WATER SERVICE LINE | WATER HEATER   | GAS PIPING SYSTEM (\$) | LAWN SPRINKLER     | PERMIT FEE (*=min)     | INSPECT FEE | REINSPECT FEE   | REG FEE     |
|-------------------------|-------------------------|-------------------------|--------------------|----------------|------------------------|--------------------|------------------------|-------------|-----------------|-------------|
| ATHENS                  | \$ 15.00                | \$ 3.00                 | \$ 3.00            | \$ 3.00        | \$ 4.00                | \$.50 ( each head) | \$ 15.00               | \$ -        | \$ 10.00        | \$ -        |
| BEEVILLE                | \$ 37.50                | \$ 4.50                 | \$ 4.50            | \$ 7.50        | \$ 35.00               | \$ 35.00           | \$ -                   | \$ 24.75    | \$ -            | \$ -        |
| BELLVILLE               | \$ -                    | \$ 5r/\$10c             | \$ 5r/\$10c        | \$ -           | \$ 10.00               | \$ 10.00           | \$ 5.00                | \$ 2.50     | \$ 1.00         | \$ -        |
| BELTON                  | \$ 15.00                | \$ 5.00                 | \$ 5.00            | \$ 5.00        | \$ 6.00                | \$ 30.00           | \$ 25.00               | \$ -        | \$ 50.00        | \$ 50.00    |
| <b>BRENHAM</b>          | <b>\$ 10.00</b>         | <b>\$ 10.00</b>         | <b>\$ 5.00</b>     | <b>\$ 5.00</b> | <b>\$ 7.50</b>         | <b>\$ 10.00</b>    | <b>\$ 1.00 (5.00*)</b> | <b>\$ -</b> | <b>\$ -</b>     | <b>\$ -</b> |
| <b>BRENHAM PROPOSED</b> | <b>\$ 10.00</b>         | <b>\$ 10.00</b>         | <b>\$ 5.00</b>     | <b>\$ 5.00</b> | <b>\$ 7.50</b>         | <b>\$ 10.00</b>    | <b>\$ 25.00</b>        | <b>\$ -</b> | <b>\$ 25.00</b> | <b>\$ -</b> |
| BRYAN                   | \$ 20.00                | \$ 5.00                 | \$ 5.00            | \$ 4.00        | \$ 7.00                | \$ 20 (only)       | \$ 20.00               | \$ -        | \$ -            | \$ 50.00    |
| COLLEGE STATION         | \$ 20.00                | \$ 5.00                 | \$ 5.00            | \$ 4.00        | \$ 6.00                | \$ 20 (only)       | \$ 20p/\$25g           | \$ -        | \$ 27.00        | \$ -        |
| DUMAS                   | \$ 25.00                | \$ 10.00                | \$ 10.00           | \$ 10.00       | \$ 10.00               | \$ 20.00           | \$ 15.00*              | \$ -        | \$ 20.00        | \$ -        |
| GAINSVILLE              | \$ -                    | \$ -                    | \$ -               | \$ -           | \$ -                   | \$ -               | \$ 85.00               | \$ -        | \$ 50/\$85      | \$ 200-100  |
| GIDDINGS                | \$ 12.50                | \$ -                    | \$ -               | \$ 35.00       | \$ 12.50               | \$ -               | \$ 10.00               | \$ 25.00    | \$ 40.00        | \$ -        |
| HEMPSTEAD               | \$ 15.00                | \$ 10.00                | \$ 10.00           | \$ 2.50        | \$ 6.00                | \$ 20.00           | \$ 10.00               | \$ 260.00   | \$ 50.00        | \$ -        |
| LOCKHART                | \$ -                    | \$ -                    | \$ -               | \$ -           | \$ -                   | \$ -               | \$ 20 (value)          | \$ -        | \$ -            | \$ -        |
| MOUNT PLEASANT          | \$ 25.00                | \$ 15.00                | \$ 15.00           | \$ 5.00        | \$ 17.00               | \$ 20.00           | \$ 20.00*              | \$ -        | \$ 20.00        | \$ -        |
| NAVASOTA                | \$ 15.00                | \$ 7.00                 | \$ 7.00            | \$ 7.00        | \$ 3.00                | \$ 7.00            | \$ 25.00               | \$ -        | \$ 20.00        | \$ -        |
| PALESTINE               | \$ 16.25                | \$ 8.00                 | \$ 8.00            | \$ 3.25        | \$ 6.00                | \$ 20.00           | \$ 20.00*              | \$ -        | \$ 0/\$30/\$60  | \$ 125.00   |
| STEHENVILLE             | \$ 15.00                | \$ 5.00                 | \$ 4.00            | \$ 3.00        | \$ 4.00                | \$ 3.00            | \$ 25.00               | \$ -        | \$ 4.00         | \$ -        |
| SULPHUR SPRINGS         | \$ -                    | \$ -                    | \$ -               | \$ -           | \$ -                   | \$ -               | \$ 40.00               | \$ -        | \$ -            | \$ -        |

# Development Services Electric Permit Fees

|                         | METER LOOP & SERVICE/RECONNECT | FIXTURES (\$)  | ELECTRIC SIGN (per ballast/transformer) | PERMIT FEE (*=min)     | INSPECT FEE  | REINSPECT FEE   | REGISTRATION FEE     |
|-------------------------|--------------------------------|----------------|---|------------------------|--------------|-----------------|----------------------|
| ATHENS                  | \$ 5.00                        | \$ 2.50        | \$ 5.00                                 | \$ 15.00               | \$ -         | \$ 10.00        | \$ -                 |
| BEEVILLE                | \$ 18.00                       | \$ 2.50        | \$ 16.50                                | \$ 16.5 *              | \$ 24.75     | \$ 50.00        | \$ 75.00             |
| BELLVILLE               | \$ -                           | \$ -           | \$ -                                    | \$ 5.00                | \$ 10r/\$15c | \$ 50.00        | \$ 50/\$25           |
| BELTON                  | \$ 20.00                       | \$ 10.00       | \$ 15.00                                | \$ 25.00 *             | \$ -         | \$ 50.00        | \$ 50.00             |
| <b>BRENHAM</b>          | <b>\$ 22.50</b>                | <b>\$ 2.50</b> | <b>\$ 2.00</b>                          | <b>\$ 1.00 (7.50*)</b> | <b>\$ -</b>  | <b>\$ 10.00</b> | <b>\$ -</b>          |
| <b>BRENHAM PROPOSED</b> | <b>\$ 20.00</b>                | <b>\$ 5.00</b> | <b>\$ 13/\$25</b>                       | <b>\$ 25.00</b>        | <b>\$ -</b>  | <b>\$ 25.00</b> | <b>\$ -</b>          |
| BRYAN                   | \$ -                           | \$ -           | \$ -                                    | \$ 35.00               | \$ -         | \$ 25.00        | \$ 50.00             |
| COLLEGE STATION         | \$ -                           | \$ -           | \$ -                                    | \$ 37.00               | \$ -         | \$ 27.00        | \$ 54.00             |
| DUMAS                   | \$ 20.00                       | \$ 75.00       | \$ 15.00                                | \$ -                   | \$ -         | \$ 20.00        | \$ -                 |
| GAINSVILLE              | \$ -                           | \$ -           | \$ -                                    | \$ 85.00               | \$ -         | \$ 50/\$85      | \$ 200/\$100         |
| GIDDINGS                | \$ 45.00                       | \$ 2.50        | \$ 100.00                               | \$ 10.00               | \$ 25.00     | \$ 40.00        | \$ -                 |
| HEMPSTEAD               | \$ 26.00                       | \$ 2.50        | \$ 6.00                                 | \$ 10/\$15*            | \$ -         | \$ 15.00        | \$ -                 |
| LOCKHART                | \$ -                           | \$ -           | \$ -                                    | \$ 20.00 (value)       | \$ -         | \$ -            | \$ -                 |
| MOUNT PLEASANT          | \$ 20.00                       | \$ 20.00       | \$ 25.00                                | \$ 20.00*              | \$ -         | \$ 20.00        | \$ -                 |
| NAVASOTA                | \$ 15.00                       | \$ -           | \$ 15.00                                | \$ 25.00               | \$ -         | \$ 20.00        | \$ -                 |
| PALESTINE               | \$ 2.25                        | \$ 1.25        | \$ 6.00                                 | \$ 30.00*              | \$ -         | \$ 0/\$30/\$60  | \$ 60,\$25/\$30,\$12 |
| STEHENVILLE             | \$ 6.00                        | \$ 15.00       | \$ 12.00                                | \$ 25.00               | \$ -         | \$ 4.00         | \$ -                 |
| SULPHUR SPRINGS         | \$ -                           | \$ -           | \$ -                                    | \$ 40.00               | \$ -         | \$ -            | \$ -                 |

# Development Services Mechanical Permit Fees

|                                | NEW INSTALLATION | CHANGEOUT                   | INSPECTION FEE | REINSPECTION FEE | REGISTRATION FEE | PERMIT FEE *= $\min$ | Total Cost<br>New/Change-Out |
|--------------------------------|------------------|-----------------------------|----------------|------------------|------------------|----------------------|------------------------------|
| ATHENS                         | \$ 33.60         | \$ 33.60                    | \$ -           | \$ 10.00         | \$ -             | \$ -                 | \$ 33.60/33.60               |
| BEEVILLE                       | \$ 46.00         | \$ 46.00                    | \$ 24.75       | \$ 50.00         | \$ 75.00         | \$ -                 | \$ 46.00/46.00               |
| BELLVILLE                      | \$ 20.00         | \$ 20.00                    | \$ -           | \$ 50.00         | \$ -             | \$ 10.00             | \$ 30.00/30.00               |
| BELTON                         | \$ 30.00         | \$ 30.00                    | \$ -           | \$ 50.00         | \$ 50.00         | \$ 25.00             | \$ 55.00/55.00               |
| BRENHAM - Residential          | \$ 17.00         | \$ 17.00                    | \$ -           | \$ -             | \$ -             | \$ 1.00              | \$ 17.00/17.00               |
| BRENHAM - Commercial           | \$ value         | \$ value                    | \$ -           | \$ -             | \$ -             | \$ 1.00              | \$ 23.00/23.00               |
| BRENHAM PROPOSED - Residential | \$ 18.00         | \$ 18.00                    | \$ -           | \$ 25.00         | \$ -             | \$ 25.00             | \$ 43.00/43.00               |
| BRENHAM PROPOSED - Commercial  | \$ value         | \$ value                    | \$ -           | \$ 25.00         | \$ -             | \$ 25.00             | \$ 57.00/57.00               |
| BRYAN                          | \$ 45.00         | \$ 22.50                    | \$ -           | \$ -             | \$ 50.00         | \$ 20.00             | \$ 65.00/22.50               |
| COLLEGE STATION                | \$ 25.00         | \$ 25.00                    | \$ -           | \$ 27.00         | \$ 54.00         | \$ 24.00             | \$ 49.00/49.00               |
| DUMAS                          | \$ 10.00         | \$ 10.00                    | \$ -           | \$ 20.00         | \$ -             | \$ -                 | \$ 10.00/10.00               |
| GAINSVILLE                     | \$ -             | \$ -                        | \$ -           | \$ 50/\$85       | \$ 200/\$100     | \$ 85.00             | \$ 85.00/85.00               |
| GIDDINGS                       | \$ 20.00         | \$ permit fee + inspect fee | \$ 25.00       | \$ 40.00         | \$ -             | \$ 10.00             | \$ 55.00/35.00               |
| HEMPSTEAD                      | \$ 40.00         | \$ 40.00                    | \$ -           | \$ 15.00         | \$ -             | \$ 30.00             | \$ 70.00/70.00               |
| LOCKHART                       | \$ -             | \$ -                        | \$ -           | \$ -             | \$ -             | \$ 40 (value)        | \$ 40.00                     |
| MOUNT PLEASANT                 | \$ 40.00         | \$ 40.00                    | \$ -           | \$ 20.00         | \$ -             | \$ 20.00*            | \$ 60.00                     |
| NAVASOTA                       | \$ 45.00         | \$ 45.00                    | \$ -           | \$ 20.00         | \$ -             | \$ 25.00             | \$ 70.00                     |
| PALESTINE                      | \$ 20.00         | \$ 20.00                    | \$ -           | \$ 0/\$30/\$60   | \$ 125.00        | \$ 20.00*            | \$ 20.00                     |
| STEPHENSVILLE                  | \$ -             | \$ -                        | \$ -           | \$ -             | \$ -             | \$ 25.00             | \$ 25.00                     |
| SULPHUR SPRINGS                | \$ -             | \$ -                        | \$ -           | \$ -             | \$ -             | \$ 40.00             | \$ 40.00                     |

Figures based on the following:  
 4 ton cooling (Residential)  
 90,000 btu heat (Residential)  
 \$5,225 value (Commercial)

# Health Inspection Fees

|                       | Fixed Food Estab. Permit                    | Mobile Food Estab. Permit | Temp. Food Estab. Permit | Re-Inspection                            | Application Late Fee                                       | Child Care Insp.                        |
|-----------------------|---|---------------------------|--------------------------|--|--|---|
| Texas DSHS            | \$129/\$386 (based on \$ sales)             | \$129                     | \$52                     | -  | \$100  | -                                       |
| Athens                | \$250/\$300 (based on # of employees)       | \$250                     | \$50                     | \$100                                    | \$100 (Temp. - 1 week)                                     | \$25/\$50 (based on # of children - 13) |
| Bryan/College Station | \$400                                       | -                         | \$60                     | \$500 (closure/3 consecutive violations) | 20% of permit fee  | \$60                                    |
| Huntsville            | \$150/\$250 (based on # of employees)       | \$250                     | -                        | \$55                                     | 50% of permit fee  | \$150                                   |
| San Marcos            | \$200/\$300/\$500 (based on # of employees) | \$100                     | \$30                     | -  | -  | \$50                                    |
| Palestine             | \$50/\$75/\$100 (based on seating capacity) | \$60                      | -                        | -  | -  | -                                       |
| Stephenville          | \$240                                       | \$150                     | \$100                    | \$50                                     | -  | -                                       |
| Ft. Bend Co.          | \$200/\$300 (based on \$ sales)             | \$200                     | \$40                     | \$150                                    | \$10   | -                                       |
| Brazoria Co.          | \$200/\$300 (based on \$ sales)             | \$200                     | \$40                     | \$150                                    | \$50   | -                                       |
| Brenham (Prop.)       | \$100 (\$25 for Bed and Breakfast)          | \$50                      | \$25                     | \$25                                     | \$25 (\$50 if the permit is needed within 7 calendar days) | \$25                                    |

# Fire Marshal's Office

## Inspection Fees

| BFD Inspection Fee Schedule (proposed)            | Initial Insp | Re-Inspection | 2nd Re-inspection (fee plus): |
|---|--------------|---------------|-------------------------------|
| Residential, existing, upon request               | No Charge    | N/A           | N/A                           |
| Foster or Adoptive Care Home                      | No Charge    | No Charge     | Report to State               |
| Daycare Facility                                  | \$25         | \$25          | Citation; report to State     |
| Health Care (hospital, clinic, nursing home)      | \$150        | \$50          | Citation; report to State     |
| Sprinkler/standpipe (includes plan review)        | \$200        | \$50          | Stop Work/Vacate Order        |
| Fire Alarm Systems (includes plan review)         | \$100        | \$50          | Stop Work/Vacate Order        |
| Underground Fire Line (includes plan review)      | \$100        | \$50          | Stop Work/Vacate Order        |
| Kitchen Vent Hood Systems (including plan review) | \$100        | \$50          | Stop Work/Vacate Order        |
| Special Permit Yearly Inspection                  | \$50         | \$50          | Stop Use/Permit Revoked       |
| General Fire Code Enforcement Inspections         | No Charge    | No Charge     | Citation and/or Vacate Order  |

These Inspection Fees are in ADDITION to applicable building permit fees.

- Should fees be waived for the following:
  - Blinn
  - Brenham Housing Authority
  - Brenham ISD
  - State of Texas (rarely applicable)
  - Washington County



## AGENDA ITEM 8

|  |  |  |
|--|--|--|
| <b>DATE OF MEETING:</b> July 3, 2014   | <b>DATE SUBMITTED:</b> June 30, 2014             |  |
| <b>DEPT. OF ORIGIN:</b> Public Works   | <b>SUBMITTED BY:</b> Grant Lischka               |  |
| <b>MEETING TYPE:</b>   | <b>CLASSIFICATION:</b>                           | <b>ORDINANCE:</b>                                |
| <input checked="" type="checkbox"/> REGULAR  | <input type="checkbox"/> PUBLIC HEARING          | <input type="checkbox"/> 1 <sup>ST</sup> READING |
| <input type="checkbox"/> SPECIAL   | <input type="checkbox"/> CONSENT                 | <input type="checkbox"/> 2 <sup>ND</sup> READING |
| <input type="checkbox"/> EXECUTIVE SESSION   | <input type="checkbox"/> REGULAR                 | <input type="checkbox"/> RESOLUTION              |
|  | <input checked="" type="checkbox"/> WORK SESSION |  |
| <b>AGENDA ITEM DESCRIPTION:</b> Discussion Regarding Burleson Street Improvements and Other Road Improvement Projects  |  |  |
| <p><b>SUMMARY STATEMENT:</b> As part of the Highway 36 and Burleson Street Waterline Extension, approximately 3,000 feet of pavement repair will be required on Burleson Street between Highway 36 and the Little Sandy Creek crossing. Recently, staff has been looking for situations where the City can get more value for its money during utility projects with regard to pavement repair and this project is the first that has presented that opportunity.</p> <p>Also, as discussed with Council at the June 19<sup>th</sup> meeting, approximately \$900,000 is available from the 2012 Bond Proceeds. Taking direction from Council, staff initiated discussions with TxDOT regarding intersection and signal improvements at three intersections in the City. Staff also conducted more in-depth reviews of the other street projects discussed at the meeting.</p> <p><u>Burleson Street Reconstruction</u></p> <p>The bid item in the contract is \$22.80 per linear foot of pavement repair. This translates into approximately \$68,000 to repair the approximately 3-foot wide trench. The contractor has already completed the backfilling and compaction of the trench which is \$6.00 per foot. This leaves approximately \$50,000 available for the remaining pavement repair. After reviewing the roadway, staff has determined that the Street Department could reconstruct and overlay the entire street (approximately 3,000 feet) for approximately the same price. This price does not include the rental of a road mixer so it would be contingent on acquiring the road mixer for another project. Burleson Street's utilization and dynamics have changed with the construction of the Woodbridge Subdivision and staff believes this is a very economical option for improving Burleson Street. Also, Burleson Street has been resurfaced from FM 577 to the Little Sandy Creek crossing, so this would complete improvements to Burleson Street to the City Limits.</p> |  |  |

## Intersection Improvements

TxDOT is receptive to the intersection improvements and, as of the writing of this memo; a coordination meeting is being scheduled. TxDOT has indicated that an Advanced Funding Agreement will need to be executed between the City and TxDOT in order for the City to perform the improvements. Engineered plans will also be required wherever modifications to signal infrastructure is needed. Currently, it appears that the Stone/Day and Academy/Park intersections will require signal infrastructure modifications. Also, we do not have the benefit of survey information at these intersections, so at this time it is difficult to fully determine the right-of-way acquisition that will be required. While we would like to keep right-of-way acquisition to a minimum, there will certainly be the need in some, or possibly all, sides of the respective intersections. Right-of-way acquisition could play a large factor in the cost of the projects. Timeframe for the projects is in the six to twelve month range before any work could begin. Staff will continue to pursue the intersection improvements and establish more accurate cost estimates.

Given the many unknowns and timeframe regarding the intersection improvements, staff recommends that the City should utilize a portion of the remaining bond proceeds to complete projects that are construction ready. The two projects staff recommends are Cantey Street Extension and Chappell Hill Street Widening (from Ralston Creek to Stone Street), which would in turn provide the means to construct the Burleson Street Improvements.

### Cantey Street Extension

The City owns the necessary right-of-way to construct Cantey Street and the projected cost is \$130,000. This cost includes all materials and rental of a road mixer (a discussion regarding road mixer options is below) to construct a 39 foot collector street section to the U.S. 290 Frontage Road. The cost does not include labor or equipment because staff recommends that the City Street Department perform the work. Staff believes Cantey Street utilization will increase with the new residential growth just north of this area.

### Chappell Hill Street Widening (from Ralston Creek to Stone Street)

The widening of Chappell Hill Street is a project that staff believes could be started within a few months. The estimated cost of the project is \$225,000. After review of the existing right-of-way, staff believes that Chappell Hill Street can be widened to a minimum of 31 feet wide with only one property acquisition. While this does not meet the current City standards of a 39-foot wide collector street, staff believes that a pavement section at least 31 feet wide will suffice and improve existing conditions. North of Stone Street it is highly unlikely that anything wider than a 31-foot section is feasible. As with Cantey Street, the estimated cost includes materials and rental of a road mixer, with the Street Department performing the work. Chappell Hill Street is the City's most continuous north-south arterial street and this widening allows for safer traffic conditions.

### Road Mixer/Asphalt Zipper

In order to complete any of the three projects listed above, a road mixer would be required. The rental of the road mixer is included in the cost of Cantey Street and Chappell Hill Street but not in the cost of Burleson. Rental costs for a road mixer or Asphalt Zipper are approximately \$15,000 per month. There would be significant cost savings in the grouping of these projects due to a one-time rental of this machine.

The City demoed an Asphalt Zipper earlier this year and was able to complete approximately 2,600 feet of street reconstruction in less than two weeks at a cheaper cost than the existing construction methods the Street Department currently has available. As discussed with Council before, staff believes that an Asphalt Zipper will greatly expand the City's abilities to improve the existing street system and therefore, if funds are available Staff would recommend the purchase of an Asphalt Zipper.

Summary Recommendation

As outlined above staff recommends that the Cantey Street Extension and Chappell Hill Widening be completed using the 2012 bond proceeds and Burlson Street reconstruction be completed using a combination of budgeted pavement repair and 2012 bond proceeds for the rental of the road mixer. Staff will also continue to pursue the intersection improvement projects and bring recommendations to Council once the cost and scope of the projects are more clearly defined.

**STAFF ANALYSIS (For Ordinances or Regular Agenda Items):**

**A. PROS:** Conducted in-house using city staff at a cost savings versus using contractors. Will allow for better mobility around the Brenham area.

**B. CONS:** None

**ALTERNATIVES (In Suggested Order of Staff Preference):**

**ATTACHMENTS:** None

**FUNDING SOURCE (Where Applicable):** Water Construction Funds and 2012 Bond Proceeds

**RECOMMENDED ACTION:** Discussion only.

**APPROVALS:** Terry K. Roberts



## AGENDA ITEM 9

| <b>DATE OF MEETING:</b> July 13, 2014  | <b>DATE SUBMITTED:</b> June 30, 2014  |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
|--|---|--|---------------------------|------------------|--------------------|-------------------|------------|--------|---|---|------------|------------------|---------|-------|------------|------------------|---|---|------------|------------------|-----|-------|------------|------------------|-----|------|
| <b>DEPT. OF ORIGIN:</b> Finance  | <b>SUBMITTED BY:</b> Carolyn D. Miller  |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>MEETING TYPE:</b><br><input checked="" type="checkbox"/> REGULAR<br><input type="checkbox"/> SPECIAL<br><input type="checkbox"/> EXECUTIVE SESSION  | <b>CLASSIFICATION:</b><br><input type="checkbox"/> PUBLIC HEARING<br><input type="checkbox"/> CONSENT<br><input checked="" type="checkbox"/> REGULAR<br><input type="checkbox"/> WORK SESSION | <b>ORDINANCE:</b><br><input type="checkbox"/> 1 <sup>ST</sup> READING<br><input type="checkbox"/> 2 <sup>ND</sup> READING<br><input type="checkbox"/> RESOLUTION |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>AGENDA ITEM DESCRIPTION:</b> Discuss and Possibly Act Upon an Audit Engagement Letter from Seidel, Schroeder & Company to Perform an Audit for Fiscal Year Ending September 30, 2014 and Authorize the Mayor to Execute Any Necessary Documentation.  |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>SUMMARY STATEMENT:</b> Attached is the proposed audit engagement letter from Seidel, Schroeder & Company (SSC) for the fiscal year ending September 30, 2014, with the audit fee range of \$42,000 to \$44,000. In comparing this fee with prior years, the following information is provided:  |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Fiscal Year Ending</u></th> <th style="text-align: left;"><u>Audit Fee</u></th> <th style="text-align: left;"><u>\$ Increase</u></th> <th style="text-align: left;"><u>% Increase</u></th> </tr> </thead> <tbody> <tr> <td>09/30/2010</td> <td style="text-align: center;">39,500</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>09/30/2011</td> <td style="text-align: center;">41,000 to 43,000</td> <td style="text-align: center;">\$3,500</td> <td style="text-align: center;">8.86%</td> </tr> <tr> <td>09/30/2012</td> <td style="text-align: center;">41,000 to 43,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>09/30/2013</td> <td style="text-align: center;">41,800 to 43,800</td> <td style="text-align: center;">800</td> <td style="text-align: center;">1.86%</td> </tr> <tr> <td>09/30/2014</td> <td style="text-align: center;">42,000 to 44,000</td> <td style="text-align: center;">200</td> <td style="text-align: center;">.46%</td> </tr> </tbody> </table> |   |  | <u>Fiscal Year Ending</u> | <u>Audit Fee</u> | <u>\$ Increase</u> | <u>% Increase</u> | 09/30/2010 | 39,500 | - | - | 09/30/2011 | 41,000 to 43,000 | \$3,500 | 8.86% | 09/30/2012 | 41,000 to 43,000 | - | - | 09/30/2013 | 41,800 to 43,800 | 800 | 1.86% | 09/30/2014 | 42,000 to 44,000 | 200 | .46% |
| <u>Fiscal Year Ending</u>  | <u>Audit Fee</u>  | <u>\$ Increase</u>   | <u>% Increase</u>         |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| 09/30/2010   | 39,500  | -  | -                         |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| 09/30/2011   | 41,000 to 43,000  | \$3,500  | 8.86%                     |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| 09/30/2012   | 41,000 to 43,000  | -  | -                         |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| 09/30/2013   | 41,800 to 43,800  | 800  | 1.86%                     |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| 09/30/2014   | 42,000 to 44,000  | 200  | .46%                      |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| You will notice that the annual audit fee includes a reasonable annual increase of \$200. All other terms of the engagement and services provided are in line with prior years.  |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>STAFF ANALYSIS (For Ordinances or Regular Agenda Items):</b><br><b>A. PROS:</b><br><b>B. CONS:</b>  |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>ALTERNATIVES (In Suggested Order of Staff Preference):</b>  |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>ATTACHMENTS:</b> (1) Audit Engagement Letter from Seidel, Schroeder and Company   |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>FUNDING SOURCE (Where Applicable):</b> Finance Department Budget – Audits & Consultants Account   |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>RECOMMENDED ACTION:</b> Approve an audit engagement letter from Seidel, Schroeder & Company to perform an audit for the fiscal year ending September 30, 2014 and authorize the Mayor to execute any necessary documentation.   |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |
| <b>APPROVALS:</b> Terry K. Roberts   |   |  |                           |                  |                    |                   |            |        |   |   |            |                  |         |       |            |                  |   |   |            |                  |     |       |            |                  |     |      |



SEIDEL, SCHROEDER & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS / BUSINESS ADVISORS

June 23, 2014

To The City Council of the  
City of Brenham, Texas

We are pleased to confirm our understanding of the services we are to provide for the City of Brenham, Texas for the year ended September 30, 2014. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Brenham, Texas, as of and for the year ended September 30, 2014. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Brenham's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Brenham's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principals and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules of funding progress

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Brenham's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining and individual nonmajor fund financial statements
2. Analysis and budgetary comparison information – Governmental Funds and Blended Component Unit
3. Schedules within the reports for management

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide an opinion or any assurance on that other information:

1. Introductory section
2. Statistical data

### **Audit Objectives**

The objective of our audit is the expression of an opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Governmental Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Governmental Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

**Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us, and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the

supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Brenham's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. We will require that all schedules and reports to be provided by management are complete and available to us on prior to the beginning of fieldwork.

We will provide copies of our reports to Council; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Seidel, Schroeder and Company, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant, grantor agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such requests. If requested, access to such workpapers will be provided under the supervision of Seidel, Schroeder and Company personnel. Furthermore, upon request, we may provide copies of selected workpapers to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the parties listed in the above paragraph. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

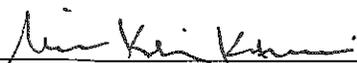
We expect to begin our audit planning process during October, 2014, audit fieldwork beginning in November, 2014 and to issue our reports no later than March 1, 2015. Michele Kohring Kwiatkowski is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs; except that we agree that our total audit fee will range from \$42,000 to \$44,000. The above fee is based on your staff preparing the financial statements, notes, other supplementary information, and anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Brenham, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

SEIDEL, SCHROEDER & COMPANY

By:   
Michele Kohring-Kwiatkowski, CPA

RESPONSE:

This letter correctly sets forth the understanding of the City of Brenham, Texas.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## AGENDA ITEM 10

|   |   |  |
|---|---|--|
| <b>DATE OF MEETING:</b> July 3, 2014  | <b>DATE SUBMITTED:</b> June 25, 2014        |  |
| <b>DEPT. OF ORIGIN:</b> Public Works  | <b>SUBMITTED BY:</b> Dane Rau               |  |
| <b>MEETING TYPE:</b>  | <b>CLASSIFICATION:</b>                      | <b>ORDINANCE:</b>                                |
| <input checked="" type="checkbox"/> REGULAR   | <input type="checkbox"/> PUBLIC HEARING     | <input type="checkbox"/> 1 <sup>ST</sup> READING |
| <input type="checkbox"/> SPECIAL  | <input type="checkbox"/> CONSENT            | <input type="checkbox"/> 2 <sup>ND</sup> READING |
| <input type="checkbox"/> EXECUTIVE SESSION  | <input checked="" type="checkbox"/> REGULAR | <input type="checkbox"/> RESOLUTION              |
|   | <input type="checkbox"/> WORK SESSION       |  |
| <b>AGENDA ITEM DESCRIPTION:</b> Discuss and Possibly Act Upon the Purchase of a 2003 Refurbished Vertical Cardboard Baler for the City of Brenham Recycling Center and Authorize the Mayor to Execute Any Necessary Documentation   |   |  |
| <p><b>SUMMARY STATEMENT:</b> The City of Brenham Recycling Center relies heavily on one component to keep the center operating and bringing revenue into the department. This component is the horizontal cardboard baler. We have recently been experiencing major issues with the 1996 Cram-A-Lot baler and have had it worked on several times this year to keep it operating and producing cardboard. This baler was bought from Howell's Recycling when the City of Brenham assumed the recycling duties in early 2000. This machine works 6 days a week and bales cardboard constantly as product is brought in by the citizens and from our internal cardboard collection routes. When this machine is down it causes a severe mountain of cardboard very quickly.</p> <p>In February we experienced this baler malfunction and had to replace the tail guides which keep the baler in-line as it compacts cardboard. We felt pretty good about this repair but after a few months we experienced the same thing happen. Due to the age and wear of the internal parts of the baler no company can guarantee us that this machine will last for any period of time. In a statement by one of the repair companies they said "We feel that due to the age and wear on this baler it is beyond repair economically, the press and the floor as well as the shear bars are all worn to the extreme. All of the guide channels are worn very thin and we feel that it will be almost impossible to keep guides on this machine" Within the last few years we have spent around \$9,000 in repair costs but all the internal parts are worn so thin that without total refurbishing we no longer have any good options. This baler is a XH-72 Cram-A-Lot baler that produces on average a 1 ton bale. We are able to get premium prices on cardboard due to the size and weight of these bales.</p> <p>We were hoping that this baler could last a few more years and even had it on our 5 yr. plan to replace in 2017. It doesn't appear that we can wait that long. We had it as a decision package for 2015 but we need to act quickly before we have cardboard piling up. We have looked at several options which include either buying a new baler or buying a refurbished baler. A new baler would cost approx. \$98,000 off of the buy board but would not allow us to get the same size bale nor weights as we do with the current baler. We have looked at refurbished balers and have found an identical baler which is a 2003 HX-72 Cram-A-Lot for approximately \$49,874.88 plus shipping and installation which totals \$65,411.88 Other refurbished balers (different brands) were in the same price range around \$42,000-\$50,000 from other companies.</p> |   |  |

Staff would like to replace our 1996 Cram-A-Lot HX-72 baler with a 2003 completely refurbished Cram-A-Lot HX-72 baler from Recycling Equipment Inc. We feel that replacing with an alike baler will be beneficial to our center and our vendors. I have attached some pictures for your reference. This baler will be delivered to our facility from the Carolina's and will have a 60 day like new warranty.

We understand that with refurbished equipment we are taking a risk, but it would be significantly lower than a new baler. Plus the new balers that we could purchase at \$98,000 will not make a comparable size bale as the HX-72.

If approved we will buy this baler out of Sanitation reserves which is currently \$666,000 with a 45 working day reserve. The old baler we would either put on Govdeals.com or sell to a refurbishing company. Several estimates range from \$6000-\$15,000 for the old baler.

We have negotiated the installation costs with the vendor which saved \$3100. The total cost of the install, shipping and baler will not exceed \$65,411.88.

**STAFF ANALYSIS (For Ordinances or Regular Agenda Items):**

**A. PROS:** Will save us money if it is a good machine.

**B. CONS:** Buying a refurbished baler with not much warranty.

**ALTERNATIVES (In Suggested Order of Staff Preference):**

**ATTACHMENTS:** (1) Recycling Equipment, Inc. Quote Proposal; and (2) Cardboard Baler Pictures

**FUNDING SOURCE (Where Applicable):** Sanitation Reserves

**RECOMMENDED ACTION:** Approve the purchase of a 2003 refurbished Vertical Cardboard Baler for the City of Brenham Recycling Center from Sanitation Reserves in the amount of \$65,411.88 and authorize the Mayor to execute any necessary documentation.

**APPROVALS:** Terry K. Roberts



Recycling Equipment, Inc.

PO Box 1474  
Hickory, NC 28603-1474

PROPOSAL 22996

6/12/2014

HX72

**BILL TO**  
City of Brenham  
200 W. Vulcan St.  
Brenham, TX 77833  
TEL (979)337-7407 - FAX

**SHIP TO**  
City of Brenham  
Dane Rau  
200 W. Vulcan St. -  
Brenham, TX 77833

| DATE | PROPOSAL DATE | SALESPERSON | EXPIRATION DATE | TERMS | P.O. NUMBER |
|------|---------------|-------------|-----------------|-------|-------------|
|------|---------------|-------------|-----------------|-------|-------------|

|           |           |           |           |  |  |
|-----------|-----------|-----------|-----------|--|--|
| 6/23/2014 | 6/12/2014 | John Duke | 6/30/2014 |  |  |
|-----------|-----------|-----------|-----------|--|--|

| MODEL NUMBER   | DESCRIPTION   | QTY  | UNIT PRICE | EXT. PRICE |
|----------------|---|------|------------|------------|
| REF-EQUIP      | Refurbished Cram A Lot HX-72 Baler<br>Wide-Mouth, Closed Door Horizontal Baler, 40in x 57in In Feed Opening,<br>30HP Motor, 72in x 42in x 48in Bale Size, 8in Bore Cylinder, 4in Door<br>Cylinder<br>Includes 60 Day Major Parts Warranty; Warranty does not cover<br>consumable parts.   | 1.00 | 49,874.88  | 49,874.88  |
| *INST-EQUIP    | Installation of Equipment<br>Installation to include the following:<br>Tools; Labor; Materials; , Project Management; Coordination with Factory<br>for Manufacturing/Delivery; Operational Training.<br>Buyer to: Disconnect and relocate the existing conveyor; set aside. REI not<br>responsible for the working condition of the conveyor as REI will not<br>disconnect the conveyor.<br>Remove and Relocat Existing Baler. Position replacement baler into desired<br>location.<br><br>REI to : Assist with repositioning and fitting the existing conveyor to baler,<br>Reconnect electrical, we assume the electrical on site is of sufficient size<br>to accommodate new baler (please specify existing), No new electrical<br>breakers or disconnect is included.<br>Remove sensors from existing baler install on new if applicable.<br><br>Customer to Supply: Lifts and rigging equipment. | 1.00 | 11,760.00  | 11,760.00  |
| *Shipping      | Shipping  | 1.00 | 3,777.00   | 3,777.00   |
| *PAYMENT TERMS | TERMS<br>100% Due with order. Delivery Estimated Two to Three Weeks from<br>receipt of funding.   | 1.00 | 0.00       | 0.00       |
| NOTE           | NOTE<br>NOTE:<br>This unit was refurbished with six months of field use. Currently has<br>minimal paint wear.<br>Refurb work includes: New oil cooler, replaced hoses, replaced<br>conduit,clean tank and replaced filters, new directional valve, repacked<br>cylinders,new bale ram hold downs.   | 1.00 | 0.00       | 0.00       |

Proposal Acceptance:

SUBTOTAL

\$65,411.88

Signature :

TAX

\$0.00

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TOTAL

\$65,411.88

The signing of this Proposal constitutes an order and is subject to Terms and Conditions of Sale for Recycling Equipment Inc.  
Note: Prior to acceptance, please ensure that all equipment and options that you would like to purchase are included on this Proposal. Any unlisted items will not be included in this order.

*Since 1994, REI has been an industry leader, providing our customers with cutting edge technology, to meet their waste and recycling challenges. REI offers safe, cost effective equipment, financing, installation and service.*





07.10.2013

6692



6692

07.10.2013



## AGENDA ITEM 11

|  |  |  |
|--|--|--|
| <b>DATE OF MEETING:</b> July 3, 2014   | <b>DATE SUBMITTED:</b> June 25, 2014               |  |
| <b>DEPT. OF ORIGIN:</b> Public Works   | <b>SUBMITTED BY:</b> Dane Rau                      |  |
| <b>MEETING TYPE:</b>   | <b>CLASSIFICATION:</b>                             | <b>ORDINANCE:</b>                                      |
| <input checked="" type="checkbox"/> <b>REGULAR</b>   | <input type="checkbox"/> <b>PUBLIC HEARING</b>     | <input type="checkbox"/> <b>1<sup>ST</sup> READING</b> |
| <input type="checkbox"/> <b>SPECIAL</b>  | <input type="checkbox"/> <b>CONSENT</b>            | <input type="checkbox"/> <b>2<sup>ND</sup> READING</b> |
| <input type="checkbox"/> <b>EXECUTIVE SESSION</b>  | <input checked="" type="checkbox"/> <b>REGULAR</b> | <input type="checkbox"/> <b>RESOLUTION</b>             |
|  | <input type="checkbox"/> <b>WORK SESSION</b>       |  |
| <b>AGENDA ITEM DESCRIPTION:</b> Discuss and Possibly Act Upon the Purchase of a 2014 Trench Roller for the City of Brenham's Fleet Program and Authorize the Mayor to Execute Any Necessary Documentation  |  |  |
| <b>SUMMARY STATEMENT:</b> Central Fleet is looking at purchasing a Wacker-Packer Trench Roller and adding it to the rental items for our internal departments. Throughout the year, Central Fleet keeps equipment that is used by various city departments and rents them out on an as need basis rather than having multiple departments own the same piece of equipment. Staff started this several years ago and it has worked great. Revenues are received throughout the year and expenses on maintenance and new items are paid for by the Central fleet Fund.   |  |  |
| <p>The Central Fleet Dept. would like to purchase a trench roller that would be very beneficial for the gas, water, electric, and sewer departments. This trench roller would allow these departments to mechanically pack down a ditch line to assure that compaction requirements are met. It can be adjusted for ditches as small as 24" to 33". It is a standalone unit that can be operated remotely. We have rented these units several times from rental companies and feel that it would be a great asset for these departments to rent from Central Fleet with all the projects taking place.</p> <p>Currently the Central Fleet Fund balance is \$219,000. We would like to issue a purchase order to Equipro Texas for the trench roller for a total cost of \$31,926.00. We have received 4 quotes on the exact unit RTX-SC2 and Equipro Texas was the lowest quote.</p> <p>In the past we have purchased a 20' dump trailer and a small Vermeer vac unit from these reserves and both have been used greatly by many departments. We would like to get council's approval since it was not an item that was budgeted for.</p> |  |  |
| <b>STAFF ANALYSIS (For Ordinances or Regular Agenda Items):</b>  |  |  |
| <b>A. PROS:</b> Used in Central Fleet and have reserves for this purpose   |  |  |
| <b>B. CONS:</b> None   |  |  |
| <b>ALTERNATIVES (In Suggested Order of Staff Preference):</b>  |  |  |

**ATTACHMENTS:** (1) Trench Roller Brochure

**FUNDING SOURCE (Where Applicable):** Central Fleet Fund Balance

**RECOMMENDED ACTION:** Approve the purchase of a 2014 Trench Roller for the City of Brenham's Fleet Program and authorize the Mayor to execute any necessary documentation.

**APPROVALS:** Terry K. Roberts



## RTx

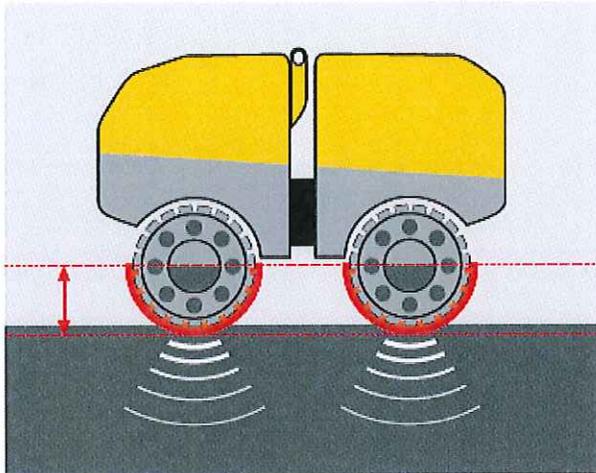
Trench Rollers



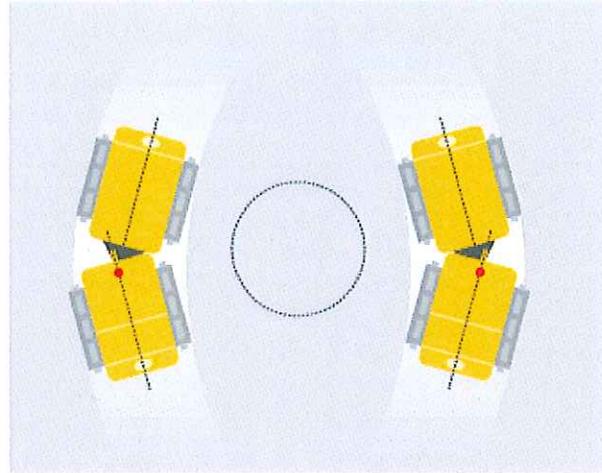
### The smart remote-controlled vibratory trench roller

The RT trench roller is ideally suited for the compaction of excavations and sub bases of foundations, roads and parking lots. The compaction of cohesive soils is the RT's specialty. The sheepfoot drums, together with the adjustable centrifugal force, achieve optimum results. Available in two different drum widths. The remote control system uses infrared technology for maximum safety: The machine is disabled as soon as the line of sight between operator and device is lost. The proximity recognition sensor stops the RT as soon as it moves within 2 m of the operator.

- The lower end is completely maintenance-free, thanks to the self-lubricating design of the drive and exciter. That makes it most economical to run throughout its whole service life.
- The below the axle exciter in each drum allows for more efficient transfer of compaction energy to the soil for superior compaction results. In addition, the low position of the exciters improves the stability of the machine and lowers the risk of the device toppling over.
- The articulated joint increases the maneuverability around curved building segments, such as manhole covers, without tearing up the ground that has just been compacted.
- The engine control module with diagnostic LEDs monitors machine functions such as oil pressure, radiator level, engine temperature, glow plug, battery and air filter capacity.
- RTx model offers flexible drums that allows for convenient conversion from 32 in/82 cm to 22 in/56 cm. The easy to remove extensions have a central mounting system that protects the bolts from exposure to damage during operation.



Below the axle exciter in each drum: means more efficient transfer of compaction energy to the soil and improved stability of the machine.



The articulated joint enables continuous operation around curved building segments.

**Technical specifications**

|  | <b>RTx-SC2</b>  | <b>RT 82-SC2</b>  |
|--|---|---|
| <b>Operating data</b>  |   |   |
| Operating weight lb  | 3,439   | 3,300   |
| L x W x H in   | 73 x 32 x 48.4  | 73 x 32 x 48.4  |
| Drum diameter in   | 20.5  | 20.5  |
| Width Drum in  | *   | 32  |
| Centrifugal force (min.) lbf   | 7,688.5   | 7,688.5   |
| Centrifugal force (max.) lbf   | 15,377  | 15,377  |
| Frequency Hz   | 41.7  | 41.7  |
| Linear force static (per drum) lb/in                                     | 57.1  | 55.4  |
| Linear force dynamic (per drum) lb/in                                    | 257   | 257   |
| Travel speed forward mph   | 1.5   | 1.5   |
| Travel speed reverse mph   | 1.5   | 1.5   |
| Turning radius inner in  | 63  | 63  |
| Surface capacity max. (depending on soil consistency) ft <sup>2</sup> /h | 10,656.4  | 10,656.4  |
| Gradeability max. (without vibration) %                                  | 50  | 50  |
| Gradeability max. (with vibration) %                                     | 45  | 45  |
| <b>Engine / Motor</b>  |   |   |
| Engine / Motor type  | Water-cooled 3-cylinder diesel engine with electric starter | Water-cooled 3-cylinder diesel engine with electric starter |
| Engine / Motor manufacturer  | Kohler KDW 1,003  | Kohler KDW 1,003  |
| Displacement in <sup>3</sup>   | 62.7  | 62.7  |
| Operating performance (DIN ISO 3046) hp                                  | 20.8  | 20.8  |
| RPM / speed Operating rpm  | 2,600   | 2,600   |
| Fuel type Low Sulfur / Ultra Low Sulfur                                  | Diesel  | Diesel  |
| Fuel consumption US gal/h  | 1.2   | 1.2   |
| Tank capacity US gal   | 6.3   | 6.3   |

\*RTx model drums can be configured for 32in (820mm) or 22in (560mm) width.



## AGENDA ITEM 12

|   |   |  |
|---|---|--|
| <b>DATE OF MEETING:</b> July 3, 2014  | <b>DATE SUBMITTED:</b> June 27, 2014        |  |
| <b>DEPT. OF ORIGIN:</b> Public Utilities  | <b>SUBMITTED BY:</b> Lowell Ogle, Jr.       |  |
| <b>MEETING TYPE:</b>  | <b>CLASSIFICATION:</b>                      | <b>ORDINANCE:</b>                                |
| <input checked="" type="checkbox"/> REGULAR   | <input type="checkbox"/> PUBLIC HEARING     | <input type="checkbox"/> 1 <sup>ST</sup> READING |
| <input type="checkbox"/> SPECIAL  | <input type="checkbox"/> CONSENT            | <input type="checkbox"/> 2 <sup>ND</sup> READING |
| <input type="checkbox"/> EXECUTIVE SESSION  | <input checked="" type="checkbox"/> REGULAR | <input type="checkbox"/> RESOLUTION              |
|   | <input type="checkbox"/> WORK SESSION       |  |
| <b>AGENDA ITEM DESCRIPTION:</b> Discuss and Possibly Act Upon the Purchase of Public Utility Software for the Electric System and Authorize the Mayor to Execute Any Necessary Documentation  |   |  |
| <p><b>SUMMARY STATEMENT:</b> In the late 1990's the City of Brenham contracted with the LCRA engineering division to build a model of our electrical distribution system and to do a system study. This model was built using Milsoft software. Over the years the city has spent hundreds of thousands of dollars developing and keeping that model up to date. The City of Brenham owns the model (data) but not the software to run it.</p> <p>During the budget process last year Council approved the purchase of Engineering and Outage Management Software for the Electric System. This model would be used for the engineering analysis and outage management software we will purchase. Due to the growth of our system and the added complexities of the regulatory environment, the City needs to have in-house access to the model. This software will allow us to do more in-house analysis of load additions etc. as well as troubleshoot system problems, increase reliability to our customers, prepare for future regulatory requirements and improve efficiency and safety during outages. The main driver for our purchase of the software is the Outage Management module since this is not used by the engineers.</p> <p>Several years back, the City decided it would be more cost effective to have the electrical engineering firms we use for our system design up keep the model. The data in the model belongs to the city and we had it released to our engineering firms (Schneider and McCord Engineering). These firms only use Milsoft.</p> <p>The main engineering firm we use is McCord Engineering. They only use Milsoft and recommend we stay consistent with what we already own. The other systems they do work for also use Milsoft.</p> <p>Due to the amount of resources, money, etc., that the City has invested in Milsoft, along with being consistent with the engineering firms we use, City staff recommends purchasing the Milsoft software.</p> <p>As stated in the attached letter from our purchasing department, the purchase of Milsoft software is consistent with the sole source provisions of the local government code.</p> |   |  |

**STAFF ANALYSIS (For Ordinances or Regular Agenda Items):**

**A. PROS:** Allow the City to do more in-house analysis of load additions, troubleshoot system problems, increase reliability to our customers, better prepare for future regulatory requirements and improve efficiency and safety during outages.

**B. CONS:**

**ALTERNATIVES (In Suggested Order of Staff Preference):**

**ATTACHMENTS:** (1) Sole Source Provisional Letter from Lowell Ogle

**FUNDING SOURCE (Where Applicable):** 102-5-161-212.00

**RECOMMENDED ACTION:** Approve the purchase of Public Utility Software for the Electric System and authorize the Mayor to execute any necessary documentation

**APPROVALS:** Terry K. Roberts



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**MEMORANDUM**

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To: Lowell Ogle  
From: Wende Ragonis  
Subject: Millsoft Utility Solutions  
Date: June 26, 2014

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The procurement of a Milsoft application license through its manufacturer, Milsoft Utility Solutions, meets the requirements for sole source purchasing as described in the Local Government Code Chapter 252, Section 022. The Code allows for the procurement of an item available from one source due to patents, copyrights, secret processes, or natural monopolies. The City of Brenham has utilized the Milsoft application for many years with a licensing cooperative agreement with the LRCA. The City would like to have ownership of the licensing agreement and not be dependent upon a third party for access to its data.

The City's has a significant investment in Milsoft data models which are solely compliant to Milsoft due to their secret and proprietary processes of their software design. Since the City's data is only compliant to the Milsoft software application, this purchase would meet the requirements for sole source procurement.