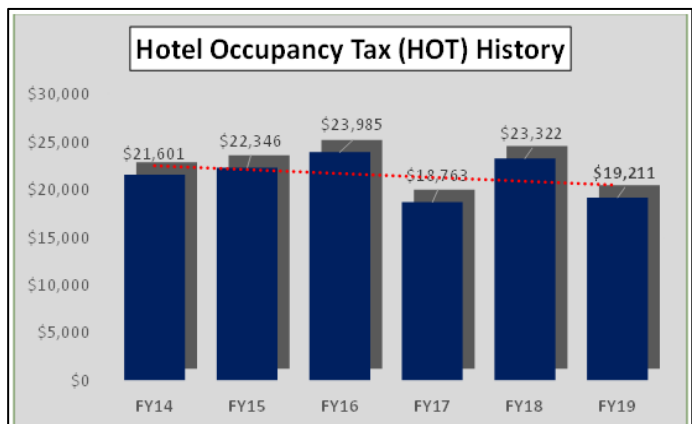
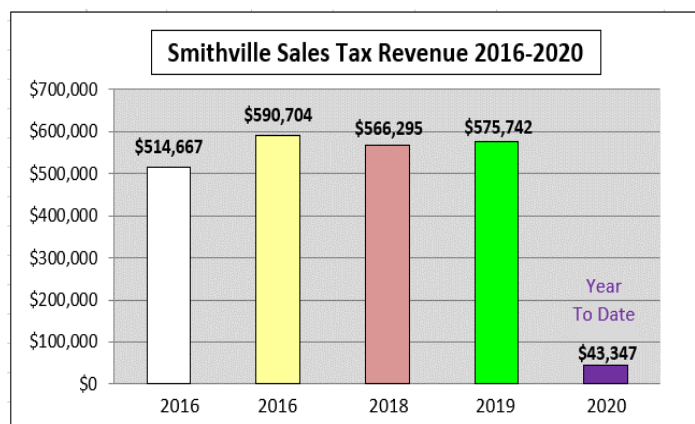
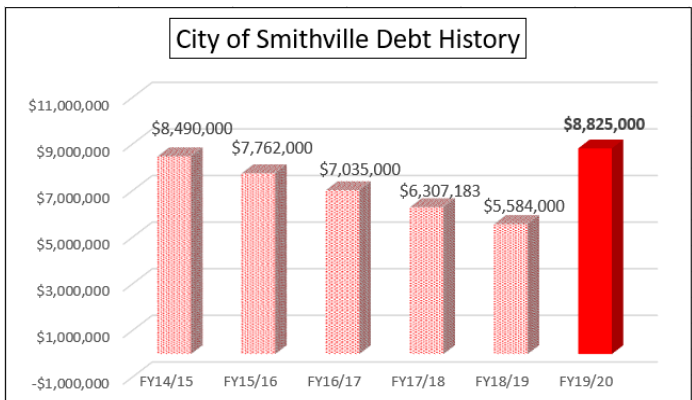
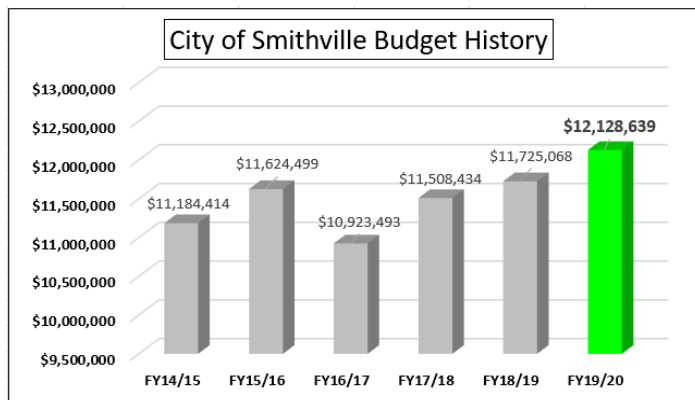


## City Manager Update – 1/10/20

Happy New Year everyone! A new decade is upon us and I hope you all had a restful Holiday Season. 2019 was a very busy and successful year. Nineteen (19) new businesses opened in our community that created approximately fifty-five (55) new jobs. Eighteen (18) new single-family residential homes were built during 2019 adding approximately \$4.0M to the tax roll. Multiple development projects were supported that will bring additional housing and commerce to our community. The Towers Nursing Home opened its 120-bed facility in November. Construction of the Smithville ISD new athletic complex and junior high school was completed in August. Hurta Estates opened last February with 35-40% of the available 50 residential lots already sold. Other significant accomplishments / projects completed in 2019 include:

- Adopted Historic Commercial District Architectural Design Guidelines.
- Developed and distributed Tiny Home Survey and held Tiny Home Public Forum.
- Prepared 2019/20 balanced budget (\$12.1M) to include funding of new projects/programs.
- Obtained \$1.3M in TXDOT emergency funding to replace 4<sup>th</sup> Avenue bridge over Gazley Creek.
- Acquired \$2.7M in TXDOT funding (via SB-1512) for utilities relocation in support of SH95 expansion project.
- Obtained \$3.0M C of O for water, wastewater, drainage, and road repairs. Received "AA-Minus" Bond rating.
- Provided supervisory guidance to the SPD resulting in 216 arrests, 1524 warnings, and 899 citations issued.
- Completed MLK 10-inch water line upgrade to improve volume and fire flow (\$345k TX-CDBG Grant).
- Completed 7th Street Detention Pond (HMGP DR-4223) and 60" drainage Conveyance (HMGP DR-4266).
- Received \$600k in TXDOT Aviation funding for purchase of ten (10) Hangars and an Aeronautical Survey.
- Supported multiple development projects (Hurta Estates, Sisd Athletic Complex / Junior High, Towers Nursing Home, Go Big Solar, 230 Properties, LLC - Subdivision)

The City of Smithville's fiscal performance during 2019 improved significantly with revenues exceeding expenses on an \$11.7M budget by \$504k. This helped replenish our fund balance well beyond the 3-month operating reserves required per [GASB-54](#). During 2019, our long-term debt position increased by \$3M due to the issuance of Certificates of Obligation (C of O) needed to fund the repair of our water storage tanks, pave roads, improve drainage, and upgrade our wastewater system. As of October 1, 2019, our total long-term (bonded) debt stands at \$8.8M. Our current S&P bond rating is "AA-minus". Smithville's sales tax receipts during 2019 totaled \$575,742. The data indicates a positive trend with a 1.7% increase (approximately \$9k) over the same period last year. Hotel Occupancy Tax (HOT) receipts declined significantly with a 17.6% decrease during FY19 compared to the prior year.



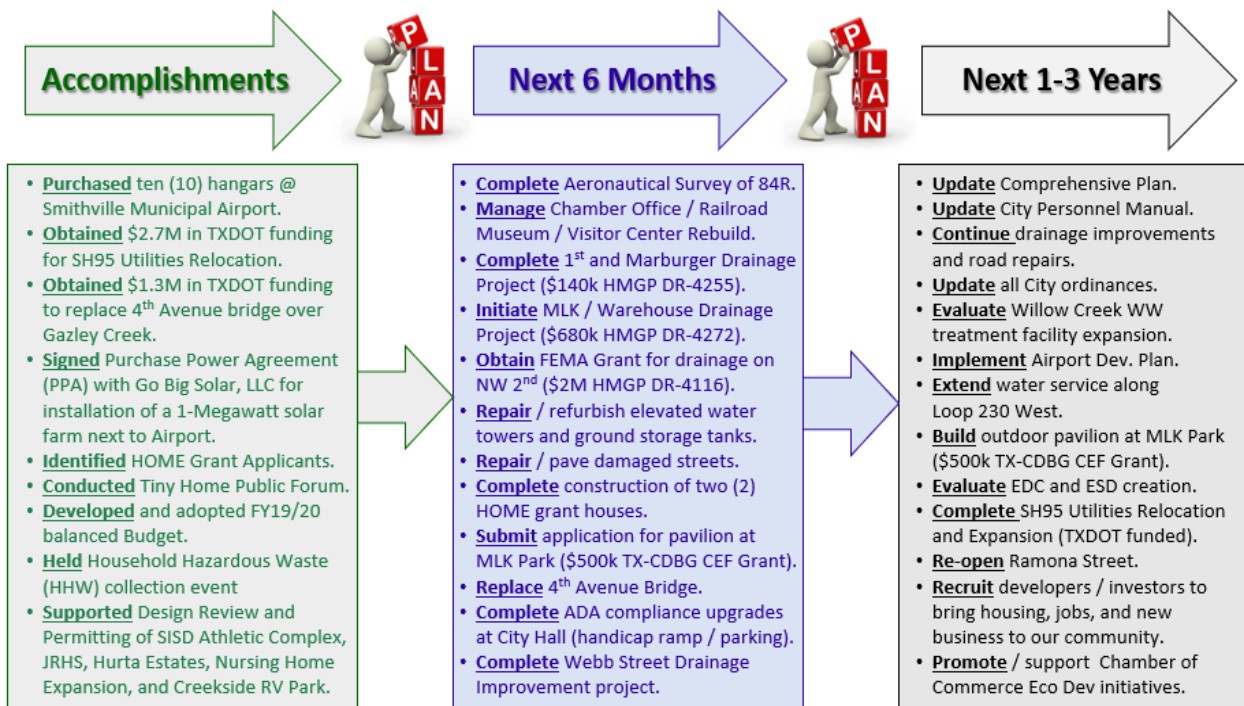
## City Manager Update – 1/10/20 (continued)

During 2020, the City will face many challenges with respect to managing growth. Infrastructure improvement, economic development, and fiscal performance remain the City's key areas of focus. Drainage improvements, water storage tank repair, wastewater improvements, road repairs, 4th Avenue bridge replacement, housing development, and business recruiting are among the City's top priorities for FY19/20. Some of the major projects / initiatives the City will undertake over the next 6-9 months include:

- Replace 4th Avenue Bridge over Gazley Creek
- Repair / refurbish elevated water towers and ground storage tanks
- Complete drainage improvements at 1<sup>st</sup> and Marburger (\$140k FEMA Grant DR-4245)
- Manage Chamber Office / Railroad Museum / Visitor Center re-build
- Complete city-wide street, road, and street sign inventory assessment
- Initiate MLK / Warehouse Drainage Project (\$680k HMGP DR-4272)
- Obtain FEMA Grant for drainage improvements on NW 2nd (\$2M HMGP DR-4116)
- Repair / pave damaged streets and roads (Reed, Tiger Lane, Bunte, Gentry, SE 2<sup>nd</sup>, Main Street, Whitehead)
- Support ongoing economic development initiatives / projects (partnership with Smithville and Austin Chambers)
- Complete construction of two (2) HOME grant houses (207 Gentry / 307 Yeager)
- Complete Aeronautical Survey and Instrument Approach Procedure for 84R
- Submit application for outdoor pavilion at MLK Park (\$500k TX-CDBG CEF Grant)
- Complete ADA compliance upgrades at City Hall (handicap ramp / parking)
- Coordinate and support 2020 Census initiative and 2020 General Election
- Support Investor / Entrepreneur Development Initiatives
- Complete drainage improvement project on Webb Street

As you can see above, there are many plans and projects the City staff continues to juggle. These projects are above and beyond what it takes to keep the City running on a daily basis. Miscellaneous drainage projects, sidewalk repairs, and road improvement projects will continue as the weather and budget permit. Good things are happening within our City and I look forward to what the future holds.

## CITY OF SMITHVILLE – STRATEGIC ROADMAP



- Much has been accomplished but still much to be done.
- **Strategic Focus** - Infrastructure Improvement, Eco Development, and Fiscal Responsibility.
- Partner with the Community, Chamber, and County to proactively manage growth in a manner that preserves and protects our small-town look, feel, and charm.

## City Manager Update – 1/10/20 (continued)

The New Year will also bring a tightening of the reigns with respect to delinquent utility accounts. Over the past 4-years, a concentrated effort has been made to reduce the number of past-due utility accounts by limiting the number of days a customer is allowed to be delinquent. In the past, many utility customers with delinquent accounts (exceeding 90-days) were allowed to continue receiving services if the customer made payment arrangements. With 10% late penalties accruing each month (and continued utility usage), many customers simply could not honor their agreements. As a result, utility services were disconnected and the delinquent account(s) sent to a collection agency. This is revenue the City will very likely never recover. In fact, the City has incurred more than \$577k in lost utility revenue associated with delinquent accounts over the past 10 years. Beginning **June 1, 2020**, utility customers with past due accounts greater than 30-days will have their service disconnected. There are three (3) exceptions to this rule: 1) Temperatures over 100°F in the summer; 2) Temperatures below freezing 32°F in the winter; and/or 3) a life-threatening medical condition (certified by a licensed medical professional) that would be exacerbated by disconnecting service. For the record, per Section [13.203 \(4\)](#) of our City Ordinance, “Services shall be interrupted to any customer whose account is five (5) days delinquent. In the event that the 5th day falls on a Friday, Saturday, Sunday or holiday, service interruption shall occur on the first following working day.” We are not quite ready to ratchet down to 5-days as this situation was not created overnight. Ultimately, establishing a 30-day past-due limit will benefit both the customer and the City by reducing the delinquent utility customer’s balance to something manageable while enabling a more reliable payment of utility services provided. This strategy has resulted in a 72% reduction in “uncollectible” utility debt since 2016. The City will send out notices well in advance of the June 1, 2020 deadline to give customers with past due balances time to settle their accounts. The following table provides a snapshot of delinquent accounts as of 1/10/20 and the \$\$\$ value of utility accounts sent to collections by year since 2016:

Late Utility Payments (as of 1/10/20)			Value of Past-Due Utility Accounts Sent to Collections		
Days Delinquent	Amount	# of Accounts	Year	Amount	% Reduction (YOY)
31 to 60	\$57,875	266	2016	\$116,582	Baseline
61 to 90	\$11,028	48	2017	\$53,066	54%
91 to 120	\$6,840	14	2018	\$42,268	20%
121 to 180	\$12,203	27	2019	\$32,821	22%
181 to 1 Year	\$26,743	59	2020	TBD	TBD
1 to 2 Years	\$43,039	96			
2 to 3 Years	\$50,735	99			
3-10 Years	\$577,197	1168			
			Total	\$244,737	72%

Below you will find a list of accomplishments, issues, and planned activities since my last report:

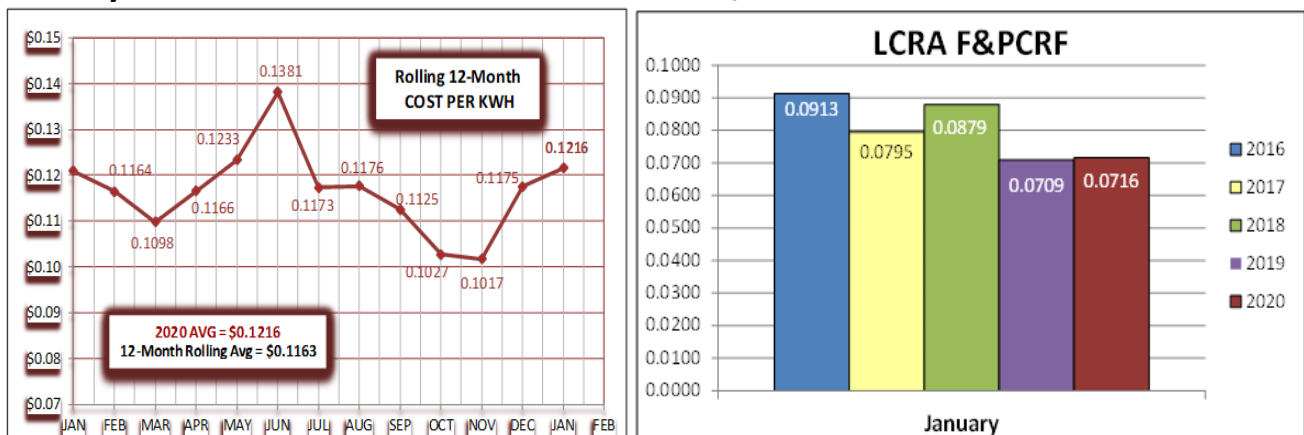
- 1) 2020 Wastewater Rates - Three Month Winter Water Average in Effect** - Wastewater rates in Smithville are set by using a three (3) month “winter” water use average between DECEMBER and FEBRUARY. You can reduce your monthly wastewater (sewer) bill by conserving water during these months. In the event that the monthly water usage for any month is less than the computed “winter water average,” the lesser of the two shall be used as the basis for calculating the wastewater bill. Residential customers pay a \$10.50 sewer base rate per month and \$3.85 sewer fee per 1000 gallons of water used. Cut back on water use between December and February and let the savings begin! Click on the following link → <https://www.ci.smithville.tx.us/city-departments/utilities/rates/> for a list of utility rates in Smithville.
- 2) 4<sup>th</sup> Avenue Bridge Replacement Project Update** - If you recall, the off-system bridge at 4th Avenue over Gazley Creek was ordered CLOSED for public safety by the Texas Department of Transportation (TXDOT) on November 20, 2019. The City received notice from TXDOT that our emergency funding request to the Texas Department of Emergency Management (TDEM) to cover the estimated \$1.3M bridge replacement was denied. However, TXDOT has agreed to cover the cost of construction through an Advanced Funding Agreement (AFA) requiring a City match of \$6.5k. The AFA was approved by City Council resolution on Monday, December 9<sup>th</sup>. With the AFA in place, TXDOT will design and manage the bridge replacement project. The design of the replacement bridge is 95% complete and will include building a new 2-lane bridge with 5-ft shoulders. Utility relocation is currently being coordinated. The project will be bid and a construction contractor selected in the next 45-60 days. Once a contractor is selected, construction will take approximately 4-6 months. For more information, click on the following link for a recent Austin American Statesman article → [TXDOT CLOSES DETERIORATING BRIDGE IN SMITHVILLE](#).

## City Manager Update – 1/10/20 (continued)

3) **Union Pacific Railroad (UPRR) Crossing at Live Oak and FM2571** – The City of Smithville is a railroad community that has maintained a good working relationship with the Union Pacific Railroad (UPRR) for decades. However, I am disappointed with UPRR's current performance (or lack thereof) resulting in the Live Oak crossing to be continuously blocked. Having said this, I do not feel the local engineers are to blame for the current situation and I am confident they are doing everything they can to ensure the Live Oak crossing is not blocked by a stationary train. Unfortunately, UPRR trains are dispatched out of Omaha, NE and it is apparent that they do not share the same sense of urgency or concern regarding a blocked crossing at Live Oak. With the 4th avenue bridge closure, the only way in or out of the Mt. Pleasant Subdivision (which is home to approximately 150 families) is a detour via Live Oak and FM2571. This is also where the UPRR maintains and operates one (1) of five (5) railroad crossings within our community. Since the bridge was closed on November 20, the Live Oak crossing has been blocked by a stationary train 27 TIMES with the average time exceeding 30-minutes. On December 16, 2019, one train blocked the crossing for over 2-hours causing people to be late for work, students to be late for school, and one citizen to miss a work-related airline flight. Beside the inconvenience of being "trapped" on the Hill, this is a life-safety issue. We are fortunate that no one in the Mt. Pleasant Subdivision needed emergency services personnel to respond to a fire or life-threatening medical emergency during the times when UPRR has blocked the Live Oak crossing with a stationary train. Until the bridge over Gazley Creek on 4th Avenue can be replaced, this is an issue of great concern to our community. In my mind, the solution is simple.... DON'T BLOCK THE CROSSING! Park incoming trains 300-ft WEST of the Live Oak where there is already a crew change platform. This will prevent traffic issues on FM2571 and allow emergency response personnel access to the Hill when needed. The City has expressed this concern on numerous occasions and have been told the UPRR will do everything possible to ensure the crossing is not blocked by a stationary train in the future. In the interim, if the Live Oak crossing is blocked, citizens should call the UPRR emergency operations center in Omaha, NE. The toll-free number is **1-888-877-7267**. Provide the UPRR engine number, time of day, and crossing ID (#416-355D). A 4' x 8' fluorescent sign has been installed next to the railroad right-of-way to remind UPRR engineers not to block the Live Oak crossing (SEE PHOTOS). The City is currently working with a private land-owner and Clara Beckett (Precinct 2 County Commissioner) to evaluate the possibility of putting in a temporary gravel road to connect Mt. Pleasant Avenue (aka Dump Ground Road) to Coupland Hill Road for use during emergencies (e.g., fire, medical response) when the Live Oak crossing is blocked. In addition, the City has also identified two (2) emergency landing zones (Keilberg Park and Bo Peep's Crossing) for use by the local air ambulance service to expedite medical transport off of the Hill. Lastly, City officials will be meeting with UPRR management on Tuesday, January 14<sup>th</sup> to discuss what measures will be taken (and enforced) to ensure the Live Oak crossing is not blocked by a stationary train. See on-line [KVUE article / video](#).

4) **Residential Cost Per Kilowatt Hour (kWh) Calculated** – An analysis of LCRA billing data was conducted to determine residential cost per kilowatt hour (kWh) in January. LCRA fuel costs vary month to month and are based upon electric utility generation, transmission, line loss, and service fees. The LCRA fuel cost per kWh for January is \$0.0716. This represents a **6.08% INCREASE** compared to December's fuel cost of \$0.0675. Adding the City's distribution fee of \$0.0500 and LCRA's \$0.0716 fuel cost, the cost per kWh for residential service in Smithville during JANUARY will be \$0.1216. Below you will find a "rolling" 12-month residential cost per kWh and a fuel cost comparison chart. On average, the annual cost per kWh for residential electric service in Smithville is between 11-12 cents.

### City of Smithville Residential Cost Per kWh / LCRA Fuel Cost - JANUARY 2020



Note: LCRA Fuel & Power Cost Recovery Factor (See Table Above) + City Distribution Fee\* (\$0.0500) = Cost / kWh

\*Residential Distribution Fee = \$0.500/kWh. Non-Resident (i.e., service outside city limit) Distribution Fee = \$0.650/kWh Effective October 1, 2019

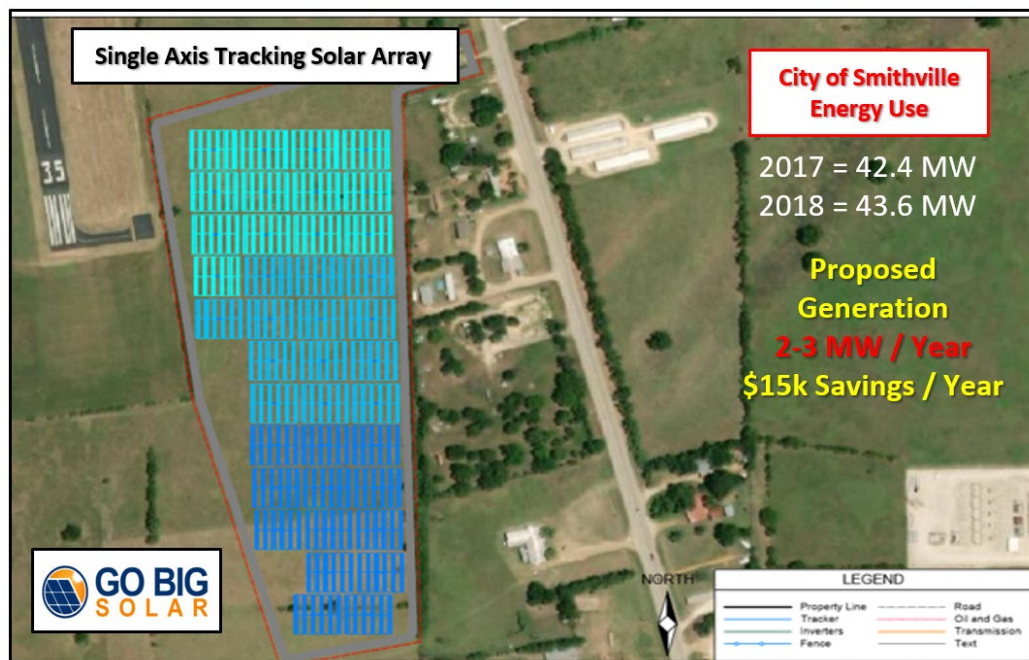


## City Manager Update – 1/10/20 (continued)

- 5) **Used Tires and Electronic Recycling Collection Event Scheduled** - On Saturday, **February 1, 2020**, the City of Smithville will partner with the City of Bastrop, Keep Smithville Beautiful, Bastrop County, and Lee County to hold a used tire and electronics recycling event at the Household Hazardous Waste (HHW) facility located at 109 Taylor and SE 2<sup>nd</sup> Street in Smithville from 9:00 am to noon. Only pickup truck tires or smaller will be accepted --- with or without the rim. Residents do NOT need a voucher and can recycle up to ten (10) used tires for FREE. There will be a \$5 fee for each additional over 10 tires. No 18-wheeler or tractor tires will be accepted. Electronics recycling includes anything with a plug or battery (e.g., televisions, computers, monitors, cell phones, small appliances, rechargeable batteries, etc.). No items with Freon (e.g., A/C units, refrigerators, and/or freezers) will be accepted. Click on the following link for additional information → [https://www.co.bastrop.tx.us/page/ds.household\\_waste](https://www.co.bastrop.tx.us/page/ds.household_waste)
- 6) **Go Big Solar Power Purchase Agreement (PPA)**: The City Council approved a 25-year solar Power Purchase Agreement (PPA) with [Go Big Solar, LLC](#) on Monday, December 9, 2019. Go Big Solar, LLC plans to build a 1-Megawatt single axis photovoltaic solar array on property located next to the Smithville Municipal Airport on the west side of Loop 230 (see map below). Our current wholesale power agreement with LCRA allows the City of Smithville to purchase up to 15% of alternative energy through a 3<sup>rd</sup> party. The solar area will generate 2.9 Megawatts of clean energy per year. Although the Council approved the PPA, if any of the following events or circumstances occur prior to the Commercial Operation Date, Provider or Purchaser may (at its sole discretion) terminate the Agreement, in which case neither Party shall have any liability to the other:
- Provider determines Premises is insufficient to accommodate System
  - Unknown Site conditions (including environmental) preventing installation
  - Adverse change in the regulatory environment making project unfeasible
  - Provider is unable to obtain financing or clear title of property
  - Provider is unable to obtain access easement for interconnect line
  - FAA Does not Grant Approval to construct (e.g. solar glare analysis)
  - Bluebonnet Electric Cooperative does not approve of the installation and operation of a direct-tie distribution line across their service territory
  - 380 Economic Agreement between Purchaser and Provider is not reached

The City will save a minimum of \$350k over the 25-year term --- double this amount if battery storage is added in the future allowing the City to sell power back to LCRA / ERCOT during the summer 4CP (4 Coincident Peak). Assuming the above parameters are met, construction of the solar array will begin before the end of the year with the system operational in 2021.

### Go Big Solar, LLC - Proposed Solar Farm Location



## City Manager Update – 1/10/20 (continued)

- 7) **31<sup>TH</sup> Annual MLK Walk for Peace, Justice, and Equality** - The 31st annual Bastrop County Martin Luther King Jr. Holiday Commission Walk for Peace, Justice and Equality will be held **January 20, 2020** in Elgin. The walk's theme is "A Day On... Not a Day Off!!" which emphasizes that though the day celebrating the civil rights leader is a national holiday, everyone is encouraged to remember and celebrate King's legacy. The Martin Luther King Jr. walk in Bastrop County rotates yearly between the cities of Bastrop, Elgin and Smithville. This year, the walk will begin at 10 a.m. at the Elgin Depot Museum, 14 Depot St., and will end at Booker T. Washington Elementary School, 510 Martin Luther King Blvd., where a tribute will be held. For more information, click the following link → [www.facebook.com/BlackHistoryBastrop](https://www.facebook.com/BlackHistoryBastrop).
- 8) **HEB It's Time Texas Community Challenge** - Each year, H-E-B sponsors the free, state-wide competition in which Texas communities compete to see which communities can demonstrate the greatest commitment to healthy living. The winning community in each size category will receive an \$1,800 community grant to put toward future health-related efforts, along with a trophy, school district banner, and Governor's certificate. The City has won the competition the past 2-years in a row. Approximately 225 community members from Smithville have registered to participate. Currently, Smithville is leading the competition in the "extra small" community category (population < 5,000) ahead of Liberty Hill and Dripping Springs. Thanks to all who are participating in this competition. If you have not yet registered, there is still plenty of time to participate as the challenge runs through March 1, 2020. Go to <https://ittcommunitychallenge.com/> to register. There will be a series of community-sponsored events this Saturday, January 11, 2020. Click on the following link → <https://www.facebook.com/SmithvilleWholeHealthPartnership/> for more information.
- 9) **City of Smithville Sales Tax Update** - Below are the sales tax allocations for January 2019 vs. January 2020 (retail sales made primarily in November 2019). This data reflects RETAIL sales of goods and services subject to LOCAL sales tax. Our sales tax payment (receipt) for January was \$43,347. This represents an **10.22% INCREASE** in our net payment compared to the same time last year. As you can see by the chart below, all municipalities within Bastrop County experienced higher sales tax receipts in January. As a reminder, revenue from local sales tax is used to offset expenses for community services like fire, police, leaf/limb pick-up, garbage pick-up, and the public library. Remember --- Shop Local....it makes a difference!"

### Bastrop County Sales Tax Allocation - JANUARY 2020

County/City	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2020 Payments To Date	2019 Payments To Date	% Change
Bastrop	1.50%	\$645,670	\$539,835	19.60%	\$645,670	\$539,835	19.60%
Elgin	1.50%	\$194,619	\$166,451	16.92%	\$194,619	\$166,451	16.92%
Smithville	1.50%	\$43,347	\$39,325	10.22%	\$43,347	\$39,325	10.22%
Bastrop County	0.50%	\$400,651	\$358,557	11.73%	\$400,651	\$358,557	11.73%

There are several events / activities planned the next few weeks:

The next CITY COUNCIL MEETING will be held on **Monday, January 13, 2020** at City Hall (6:00 pm).

The CHAMBER MONTHLY MIXER will be held **January 16, 2020** at 5pm at the Smithville Heritage Museum, 602 Main Street.

The SMITHVILLE VETERANS MEMORIAL PARK PLAQUE FUNDRAISER will be held on **Saturday, January 18, 2020** at the American Legion Hall (145 American Legion Rd) from 11:00 am to midnight. Meal tickets are \$10.

As a reminder, CITY HALL WILL BE CLOSED **Monday, January 20, 2020** in observance of Martin Luther King Day. City Hall hours will be 7:30 am to 5:00 pm Tuesday-Friday.

The next COMMUNITY BLOOD DRIVE will be held on **Tuesday, January 28, 2020** from 1:30 to 6pm at the Smithville Rec Center. You may register on line → <http://weareblood.org>. Use group code C179. Contact Sharlene Scheler at 210-259-3733 for more information.

The CHAMBER OF COMMERCE QUARTERLY LUNCHEON will be held on **January 29, 2020** at the First United Methodist Church (400 Olive) from 11:30 to 1:00 pm. The guest speaker will be Rep. John Cyrier with a "State of the State" update.

The BEST COUNTY-WIDE BREAKFAST will be held in Bastrop on **Friday, January 31, 2020** from 8:00-9:30 am. Location TBD.



## PHOTOS – 1/10/20:

### UPRR Blocking Live Oak & FM 2571 Railroad Crossing



### Landing Zones on the "Hill" - BoPeep's Crossing/Keilberg Park



### ADA Ramp Repair on Main



**CITY OFFICES CLOSED**  
**JANUARY 20<sup>th</sup> IN OBSERVANCE OF**  
**MARTIN LUTHER KING, JR**