

## City Manager Update (8-9-24)

TGIF! It is hard to believe that it's August already and the kids are getting ready to go back to school. Classes will begin **Wednesday, August 14, 2024** with Labor Day, Halloween, Thanksgiving, and Christmas just around the corner.

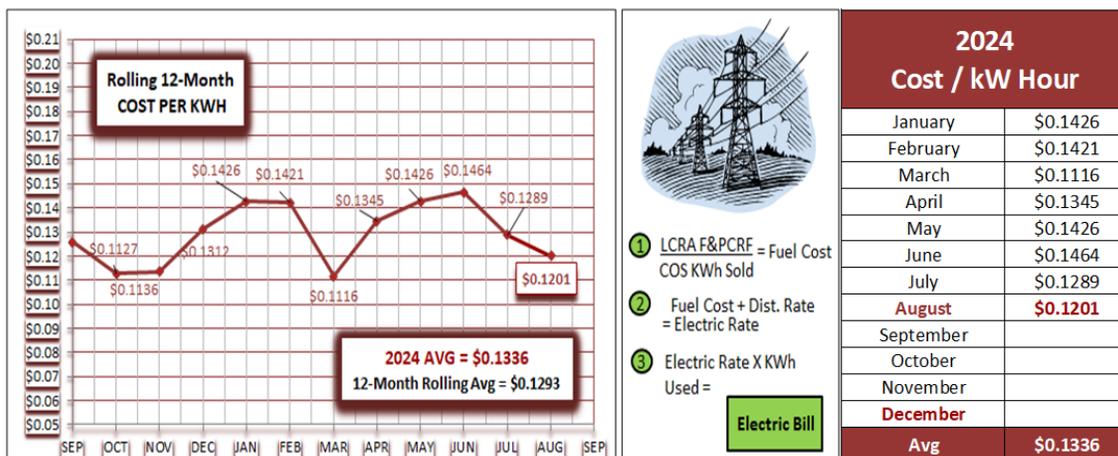
I would like to request all downtown business owners to remove and/or replace the faded US flags (on wooden staffs) that were put in planters along Main Street the week of July 4<sup>th</sup> in recognition of Independence Day. The flags are faded and need to be retired. According to the US Flag Code, American flags that are too worn-out or damaged to be displayed should be destroyed with dignity. Throwing a flag in the trash is considered disrespectful. VFW Post 1309 in Smithville has an [American Flag Drop-off Box](#) and they regularly conduct flag retirement ceremonies in a partnership with Boy Scout Troop 183. Should the business owners on Main Street be unable to fulfill this request, the city will remove any faded, wooden-staff US flags that remain in planters the morning of Friday, August 16<sup>th</sup> and will ensure proper retirement.

The FY24/25 budget cycle is well-underway. During our last staff meeting, I provided budget guidance and thanked the staff for their hard work over the past year. We are still working on finalizing / prioritizing projects, verifying projected revenues / expenses, and actively evaluating cost savings opportunities / cost cutting measures to minimize the Y-O-Y spending. There are NO PLANS at this time to increase utility fees (e.g., water, electric, sewer, garbage). Budget workshops will be held on **August 14, 2024, August 21, 2024** and **September 4, 2024** at City Hall beginning at 5:00 pm respectively. Public Hearings for the FY24/25 Tax Rate and Budget have also been scheduled. The public is welcome and encouraged to attend these meetings, workshops, and public hearings. Click on the following link to access the → [City Calendar](#).

Here is a list of significant accomplishments, events, issues, and planned activities since my last update:

- 1) Notice of Downtown Road Closure** - WJC Constructors, LLC began Phase 1 of the NW 2nd drainage improvement project on Wednesday, July 31, 2024. The project includes upsizing the storm drain lines, lowering / repaving the street, adding curbs, drainage inlets, handicap ramps / parking, and replacing sidewalks (SEE PHOTOS). This will require closure of the NW 2<sup>nd</sup> and/or Ramona to ensure the SAFETY of all involved. The street(s) will be re-opened daily by 7:00 pm to allow "thru-traffic". At no time will both streets be simultaneously closed. Pending any weather-related delays, the road closures will only be necessary until Wednesday, August 14, 2024. Click on the following link → [PUBLIC NOTICE](#) for additional information or contact City Hall on 512-237-3282 if you have any questions.
- 2) Residential Cost Per Kilowatt Hour (kWh) Calculated** - An analysis of LCRA billing data was conducted to determine residential cost per kilowatt hour (kWh) in AUGUST. Fuel costs vary month to month and are based upon utility generation, transmission, line loss, and service fees. The cost per kWh for residential customers in AUGUST will be \$0.1201. This represents a **6.84% DECREASE** compared to the JULY cost per kWh of \$0.1289. Fuel costs are typically higher during the summer months and the higher temperatures will increase both consumption and demand. Utility customers can make payment arrangements if their account is not over 30-days past due. Under no circumstance will the City disconnect power to an occupied residence when the temperature is above 100° F. The Texas Public Utility Commission (PUC) provides energy conservation tips → <https://www.puc.texas.gov/consumer/facts/Save.aspx> to help reduce consumption which in turn will help citizens save money. Below you will find a "rolling" 12-month residential cost per kWh and a fuel cost comparison chart.

### City of Smithville Residential Cost Per kWh - AUGUST



Note: Fuel & Power Cost Recovery Factor + City Distribution Fee\* (\$0.0550) = Cost / kWh

\*Residential Distribution Fee = \$0.0550/kWh (Effective October 1, 2023). Non-Resident (i.e., service outside city limit) Distribution Fee = \$0.0650/kWh

## City Manager Update (8-9-24) - continued

### 3) City Council to Consider \$5M Certificate of Obligation (C of O) for Wastewater Treatment Facility Rehabilitation

During a Special-Called City Council meeting and workshop held on Wednesday, July 10 2024, BEFCO Engineering, Inc. presented the preliminary results of the [Wastewater Treatment Facility \(WWTF\) Expansion Study](#). The focus of the WWTF expansion study includes evaluating exiting WWTF infrastructure, developing growth assumptions, identifying future infrastructure system needs, and determining associated cost estimates to refurbish / expand the city's wastewater treatment capacity. The estimated wastewater system refurbishment / expansion cost ranges from \$5-24M. In summary, the City of Smithville has enough wastewater capacity to meet the current demand with room for expansion in the short-term (2-3 years). However, the Gazley WWTF and supporting infrastructure is antiquated and will need to be refurbished / upgraded sooner than later. The 3 to 5-year timeframe is where the urgency exists and what our focus has been with the wastewater expansion study as it will take that long to design, fund, and build a new wastewater plant. BEFCO Engineering will publish the final WWTF Expansion Study in the next 30-45 days. In the interim, funding sources (e.g., TWDB grants, impact fees, improvement districts, bonds, C of O's, etc.) are currently being explored per City Council direction. To this end, Andrew Friedman (Senior Managing Director of Public Finance from SAMCO Capital will be making a presentation during the August 12, 2024 City Council meeting for Council consideration of a \$5M Certificate of Obligation (C of O).

4) City of Smithville Sales Tax Update - Below are the sales tax allocations for August 2024 vs. August 2023 (retail sales made primarily in June). This data reflects RETAIL sales of goods and services subject to LOCAL sales tax. Our sales tax payment (receipt) for August was \$88,120. This represents a **2.78% INCREASE** in our net payment compared to the same time last year with a year-to-date increase of 2.05%. In the past 4-years, our annual sales tax receipts have increased 33%! As a reminder, sales tax dollars are used to make street / road repairs and help pay for community services like FIRE and POLICE. In addition, a portion of our sales tax receipts (0.5%) is used to offset property owner's annual tax liability. Remember...SHOP LOCAL - it makes a difference!!!

### Bastrop County Sales Tax Allocation - AUGUST 2024

County/City	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2024 Payments To Date	2023 Payments	% Change
Bastrop	1.50%	\$1,059,959	\$1,162,918	-8.85%	\$8,394,500	\$8,204,319	2.31%
Elgin	1.50%	\$358,803	\$325,087	10.37%	\$2,710,761	\$2,553,017	6.17%
Smithville	1.50%	\$88,120	\$85,733	2.78%	\$600,436	\$588,318	2.05%
Bastrop County	0.50%	\$720,335	\$713,002	1.02%	\$5,073,053	\$4,785,413	6.01%

5) City-wide Mosquito Spraying Initiated – In response to dozens of citizen complaints regarding mosquitos, the City has begun spraying all roads and alley-ways twice a week in the evening hours between 9:00 pm and 3:00 am (every Tuesday and Friday during the month of August). The City will be using “Evoluer 30-30” mosquito repellent which is mixed with an oil surfactant and delivered by a truck-mounted, ultra-low volume mister / sprayer. The manner and method in which the City dispenses the mosquito repellent solution complies with all regulatory requirements governing its use and does not present a significant health hazard to humans when delivered in DILUTE concentrations. However, the mixture can be toxic to fish and bees if sprayed directly in fish ponds or on blooming plants where bees are active. Note: Roads and alleys will be sprayed during the late evening and early morning hours when bees are not active. Click on the following link to review the [Evoluer 30-30 Safety Data Sheet \(SDS\)](#). Citizens can help do their part by keeping tall grass mowed and removing commonly overlooked breeding spots that can hold water that include old tires, clogged gutters, abandoned tubs or buckets. A good mosquito repellent (e.g., OFF, CUTTER, REPEL, etc.) is also advised if going outdoors in the late afternoon / evening. Cloves inserted into lime halves also does a decent job for localized mosquito control. Some people swear by rubbing dryer sheets on their arms. When all else fails....the palm of your hand is a tried and true, guaranteed method of mosquito abatement! Spraying will continue during May and June or until the current wet weather pattern subsides. Click on the following link for some interesting facts about mosquitos-><https://www.raid.com/en-US/education/bug-basics/fascinating-mosquito-facts>. Citizens who do not want the roads and alleys sprayed in front of (or behind) their property may request to be put on the Public Works “no-spray” list. Please contact City Hall at (512) 237-3282 if you have any questions or need additional information.

## City Manager Update (8-9-24) - continued

- 6) **Over-65 Tax Freeze Exemption Impacting FY24/25 Tax Rate and Budget** – The City Council passed Ordinance #2021-613 on November 8, 2021 to “freeze” future property taxes for those property owners with residential homestead exemptions who were/are 65-years of age or older. The law requires the appraisal district to update a homestead application to an over-65 category when they have the date of birth in their computer system and the applicant has reached the age to qualify. This was not the case when the tax freeze was passed in 2021 and implemented in 2022. Eligible property owners had to file with BCAD for the exemption. In 2023, the number of property owners who were over-65 was thirty-seven (37). The 2024 certified tax roll now shows a significant increase in property owners (463) who are over-65 that either qualified automatically by age on a prior application or have made a new application and became eligible for both the over-65 homestead exemption (\$10k) + the tax freeze. This has created a property tax (revenue) shortfall of approximately \$119k against the FY24/25 budget as each of the property owners that are over-65 will now be receiving an average \$258 exemption in 2024. The city staff is still working on finalizing / prioritizing projects, verifying projected revenues / expenses, and actively evaluating cost savings opportunities / cost cutting measures to offset the revenue shortfall. There are NO PLANS at this time to increase utility fees (e.g., water, electric, sewer, garbage).
- 7) **2024 Ad Valorem Tax Rate PROPOSED** – BCAD property values increased approximately 3.37% in Smithville this year with the average home value estimated at \$257,204 (see below). During 2024, the average homeowner will pay \$1,595 in property taxes (\$305 more than the average paid in 2023). The strategy the city has followed in the past is to identify the maximum tax rate allowable without triggering the possibility of a rollback election then decide the amount of increase (if any) that is required to support the proposed budget. To this end, we will be recommending a **PROPOSED AD VALOREM TAX RATE of \$0.619997 cents per \$100 valuation** --- a 12.94% increase from our current tax rate of \$0.548952. The current tax rate is \$0.548952 per \$100 property valuation. The FY24/25 effective tax rate (now called the “No-New-Revenue Tax Rate”) is \$0.544722. The No-New-Revenue (NNR) tax rate is basically the tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year. The rollback rate (now called the “Voter-Approval Tax Rate”) is \$0.619997. The Voter-Approval Rate (VAR) is the maximum increase the City can raise taxes in a given year without triggering a rollback election. The City Council will have the opportunity to discuss and vote on the final adopted tax rate in the coming weeks. In the interim, the City will publish the Notice of 2024 Proposed Property Tax Public Hearing in the Austin American Statesman and Bastrop Advertiser. This will be an agenda item during next Monday’s Council meeting and part of the discussion (and action) to set the Ad Valorem Tax Rate at the September 9, 2024 council meeting and public hearing on the budget. Note: This agenda item simply sets the date that the tax rate will be adopted - not the rate itself.

BCAD Property Valuation & City Tax Rate Comparison								
Year	Assessed Valuation	% Change in Value	Avg Home Value	Avg City Tax Paid	M&O Rate	I&S Rate	Total Tax Rate	% Change
2024	\$466,758,584	3.37%	\$257,204	\$1,595	\$0.392417	\$0.227580	\$0.619997	12.94%
2023	\$451,537,121	14.45%	\$236,410	\$1,290	\$0.376543	\$0.172400	\$0.548952	0.004%
2022	\$394,511,444	20.20%	\$208,432	\$1,144	\$0.383085	\$0.165893	\$0.548930	-0.01%
2021	\$328,207,972	12.44%	\$186,277	\$1,023	\$0.419400	\$0.129600	\$0.549010	0.002%
2020	\$291,892,810	6.06%	\$170,086	\$933	\$0.446627	\$0.102434	\$0.549000	-3.52%
2019	\$275,208,274	10.97%	\$162,541	\$925	\$0.452515	\$0.116505	\$0.569020	0.004%
2018	\$247,999,239	4.63%	\$151,444	\$862	\$0.445499	\$0.123500	\$0.568999	5.57%

- 8) **Revised Residential Plan Review and Building Inspection Process Initiated** – The City of Smithville is no longer using a 3<sup>rd</sup> Party company to review residential building plans and conduct virtual inspections. The process was initiated on a trial basis after our previous Building Inspector left employment with the City. Feedback from homeowners and contractors indicated the process was cumbersome, confusing, and time consuming. As such, we have brought back **Jack Page** as a consultant on a temporary basis to backfill the position until another Building Inspector can be hired. The City plans to open a requisition for a Building Inspector in the coming weeks pending City Council approval. We will be considering both internal and external candidates to fill the position based on qualifications and experience.

## City Manager Update (8-9-24) - continued

- 9) **“Notify Me” Alerts Available on City Website** – In an effort to enhance communication and increase transparency, the city has implemented a new feature on our website whereby citizens can receive alerts via text and/or email for a variety of city notices, meetings, and events. On the city website landing page, there is a [“Notify Me”](#) radial button that will allow citizens to sign up for over 2-dozen types of alerts (e.g., council agendas, specific meeting dates, general news, alerts, city manager updates, etc.). Citizens can click on the “Notify Me” icon to set-up a CivicPlus account and user-defined password. Once the set-up and login are complete, citizens can select the type of alerts they would like to receive and method of delivery (e.g., text, email). Beginning 10/1/24, I will no longer be sending my CM Update to individual email addresses as the distribution list has grown to 227 recipients and is becoming too difficult to manage.
- 10) **City Council to Consider Selection of an Administrative Management Consultant for TX-CDBG FAST-ROW Grant** – During the July 8, 2024 meeting, the City Council unanimously approved serving as a community sponsor for the Texas Department of Agriculture (TDA) Community Development Block Grant (CDBG) Fire, Ambulance, and Service Truck (FAST) Rural Outreach and Wellness (ROW) program. The CDBG FAST-ROW grant will provide up to \$1M to procure and distribute eighteen (18) SUVs to area communities for non-emergency transport of citizens to/from healthcare service providers. Eligible communities for this funding are cities under 50,000 in population and non-metropolitan counties under 200,000. As the community sponsor, Smithville will be responsible for the overall application for grant funding, meeting citizen participation requirements, and other regulations necessary to execute a grant agreement with TDA including the competitive procurement of an administrative services provider, completing an environmental review, and competitively procuring all vehicles. To this end, the City of Smithville is seeking a qualified grant management service provider to manage this effort. Requests for Proposals (RFP’s) were published in the Austin-American Statesman, the Bastrop Advertiser, and various list servers on July 24<sup>th</sup> and July 31<sup>st</sup>, 2024 respectively. Typically, proposals for grant management services are reviewed by city staff to evaluate experience, work performance, capacity to perform, cost, and qualification as a Historically Underutilized Business (HUB) to differentiate each grant management consultant’s qualifications. However, only one (1) grant management services provider, Langford Community Management Services, Inc. (LCMS) submitted an RFP. As such, it is recommended that the City Council award the grant management services contract to **Langford Community Management Services, Inc. (LCMS)** to manage all activities associated with the CDBG FAST-ROW grant. There is no match required for this program and TxCDBG will cover the cost (up to \$50k) of all administrative expenses for grant management. The contract cost for LCMS grant management services is \$45k.
- 11) **WaterSmart (VertexOne) Customer Interface Portal To Launch September 3, 2024** – The WaterSmart (VertexOne) customer interface portal will be available to Smithville utility customers on Tuesday, September 3, 2024. WaterSmart is a user-friendly platform that will help citizens better monitor and manage the water portion of their utility bills by providing the ability to set up leak alerts, track water usage, view historical trends, and pay on-line. WaterSmart can also generate a water “score” compared to other local neighborhood use and offer cost savings recommendations / solutions to help citizens conserve water and save money. For additional information, click on the following link to see the capabilities of → [WaterSmart](#) and/or contact the Smithville Utility Department on (512) 237-3282. Customers will need their utility account number to log in and set-up a password to access the [Smithville WaterSmart Portal](#). In the future, there will be an additional interface that will allow citizens to monitor / manage their electric use.
- 12) **Sealed bids for Construction of the Smithville Workforce Training Center (SWTC) Received** – The City of Smithville received Competitive Sealed Bids on Wednesday, July 31, 2024 for construction of the “Innovation Center,” a 3,300 square foot Workforce Training and Incubator space including an alternative build for additional square footage, to be located at 400 Fawcett Street, Smithville, TX. An add-alternate for the underground stormwater detention system was also required. Previously, the City of Smithville was awarded a \$1M grant from the Texas Department of Agriculture (TDA) to construct this facility. Engineering and administrative cost total \$110,000 leaving \$890,000 for construction. Four general contractors submitted their sealed bids with the lowest bidder (**Hodges Construction Services**) coming in at \$1,095,000 to construct the building (base bid) plus \$89,950 for the underground detention system. This leaves a deficit of \$294,500 compared to what the TDA grant will cover. If all add-alternates are included with the base bid, the total cost would be \$1,337,720 leaving a deficit of approximately \$450k. The bid is valid for 45-days. In the interim, the City is exploring a multitude of additional funding mechanisms (e.g., requesting additional funding from TDA, short term loans, re-allocating funds from the 2023 Tax Note, and/or combination thereof, etc.) to bridge the deficit as the SWTC is a valuable asset to our community. This issue (and the selection of a general contractor) will be a topic for discussion and action during the September 9, 2024 Council Meeting.

## City Manager Update (8-9-24) – continued

**13) TXDOT Mowing Completed** - TXDOT contractors finished mowing Hwy 71, Loop 230, and most of the arterial roadways last month to include SH95, FM 2571 and FM 2104. TXDOT only mows the Right-of-Way (ROW) twice a year (typically July and November) unless a line-of-sight hazard exists. Unfortunately, line-of-sight hazards must be called into the district office to resolve and it is often easier to have City crews just take care of the issue. Since TXDOT only mows twice a year, the city hired a local contractor to help keep the Loop 230 and the Hwy 71 triangle (by the airport) mowed on a regular basis. This has helped the eastbound entrance to our community look more attractive and well-maintained. The same contractor also mows around the crepe myrtles at the airport and on Charleston Blvd.

There are several events in Smithville scheduled the next few weeks:

The next SMITHVILLE CITY COUNCIL meeting will be held on **Monday, August 12, 2024** (6:00) pm at City Hall (317 Main). Citizens can access the meeting via the City's [YouTube Channel](#). Click → [HERE](#) for agenda and council DATA packet.

BUDGET WORKSHOP #3 – **Wednesday, August 14, 2024** at City Hall from 5:00-9:00 pm. Citizens can access the meeting via the City's [YouTube Channel](#).

BUDGET WORKSHOP #4 – **Wednesday, August 21, 2024** at City Hall from 5:00-9:00 pm. Citizens can access the meeting via the City's [YouTube Channel](#).

CITY OFFICES will be CLOSED on **Monday, September 2, 2024** in observance of Labor Day.

P&Z MEETING will be held on **Tuesday, September 3, 2024** at City Hall (6:00 pm).

PUBLIC HEARING on 2024-25 TAX RATE and BUDGET and FINAL BUDGET WORKSHOP will be held on **Wednesday, September 4, 2024** at City Hall (317 Main Street) from 5:00 pm - 9:00 pm. Citizens can access the meeting via the City's [YouTube Channel](#).

Please let me know if you have any questions or need additional information.



# PHOTOS – 8/9/24

## Gasoline Tank Removal / Remediation on Loop 230 East at the old Circle K Convenience Store



Smithville PD Chief David Repka 50<sup>th</sup> B-Day Celebration

Barnes & Balusek - "In the Trenches"



NW 2<sup>nd</sup> Drainage Improvement Project



Faded US Flags on Main Street & VFW American Flag Drop-Off Box

