THE HEART OF BRAZORIA COUNTY ANGLETON

AGENDA ITEM SUMMARY FORM

MEETING DATE: March 25th 2025

PREPARED BY: Hector Renteria

AGENDA CONTENT: CIP and Project Updates

AGENDA ITEM SECTION: Regular Agenda

BUDGETED AMOUNT:

FUNDS REQUESTED:

FUND:

EXECUTIVE SUMMARY:

This is an update and discussion on the CIP and a current update on projects that affect the Utility Fund. Due to a recent but necessary utility rate increase an update on projects, and their costs were requested. Also, to help demonstrate why these increases, and prior ones, are necessary.

Our current projected Capital Improvement Plan will cost approximately $402M, in today's dollars. This included necessary replacements, equipment purchases, and new infrastructure for the city's water and sewer systems. One of the factors that drives utility rates to provide a mechanism to plan and fund these upcoming projects. Also, as we plan these projects to replace infrastructure there are emergencies that occur which force repairs, and replacements sooner than planned. As we look back at historical populations, we can see that by 1980 there were 13,929 residents in Angleton. The most recent census puts Angleton at 19,429 residents. Based on this, approximately 72% of Angleton's infrastructure was in place by 1980. The age of this infrastructure has put it all in a need to replace category. Especially since the materials used during this earlier period had much less life expectancy than today's materials. As we are concerned ourselves more today about the replacements of the infrastructure, it is all coming due at a rapid rate. $7.063M has been spent since 19-20 FY on emergency repairs/replacements to infrastructure. This is compared to the $11.812M that was spent on infrastructure projects in total since the 19-20FY. As we plan and create capital projects, we have infrastructure failures that are occurring as well. This significantly compounds the issue as we are having to address these immediately. It takes away funding for planned projects and erodes away our reserve funding for future emergencies. Our revenue is $12,429,728 for the 24-25 FY, with expenditures at $12,429,728, this leaves no room for error and won't bolster our fund balance. This is up from revenues in 23-24 FY at $11,174,102 in the 23-24 FY with expenditures at $11,360,836. Our budget needs are essential and increase annually based on many factors including the needs of the department, inflation, new regulations, growth, and trying to propel the department forward. There are also many things that we currently don't accomplish that are necessary as well. An example was how we increased the budget to create a hydrant maintenance plan, but we still have a need for a valve maintenance program. Another factor is how we have ageing equipment that we are trying to keep up with, whether it's replacement or the amount we are having to spend to repair it. There have also been transfers to the general fund for the last 3 fiscal years in the amount of $3,476,085.04.

In summary there are many needs across our infrastructure that must be met. It appears that we are at a point where we have infrastructure failing at a faster rate as it is all coming to that age at the same time. This is the reason for the increase in rates to attempt to meet these needs as they arise. We are behind the curve when it comes to maintaining our infrastructure, increasing resiliency, and keeping up with new innovations. It is detrimental that we continuously plan to make improvements annually, whilst also providing a funding source for emergency issues as they arise.

RECOMMENDATION: