



# Stormwater and Street Maintenance Fees

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PRESENTED TO THE CITY COUNCIL: JANUARY 6, 2025

# Background

- Potential stormwater and street maintenance fees have been discussed at:

February 13, 2024 Council Retreat

May 8, 2024 Finance Committee meeting

May 20, 2024 Council meeting

November 18, 2024 Council meeting



- At the November 18th discussion, council supported moving these initiatives forward for further analysis to determine the viability and impact in preparation of adopting a fee in advance of the upcoming budget discussion.
- Project rough proportionality analysis is estimated to take 6-9 months to complete.

# Stormwater Utility Fee

- Dedicated funding source for drainage improvements throughout the community
- Can be used for on-going maintenance and/or capital projects
- Would be included on monthly water bill as a separate fee
- Extensive fee program development process and analysis recommended via consultant to recommend a defensible fee structure and program compliant with state law
- Maintenance fees are dedicated for ongoing maintenance vs new development

Chapter 395 of the Texas Local Government Code authorizes impact fees for water, wastewater, roadway, and drainage (stormwater) **for new development**; Burleson has implemented these fees for water, wastewater, and roadway infrastructure

# Street Maintenance Fee

- Dedicated funding source to assist in the maintenance of existing roadways
- Cannot be used for construction of new streets
- Included on water bill as a separate fee
- Requires extensive calculations and methodology for creating fee structure and program (anticipated via consultant support)

# Freese and Nichols

The consultant will assist with developing the following tasks:

- Identification of polices and procedures
- Street maintenance fee data compilation
- Street maintenance fee rate model and fee structure development
- Evaluate stormwater management cost of service
- Develop stormwater utility fee assessment basis
- Develop stormwater utility fee structure and revenue model
- City council meetings for ordinance/fee schedule adoption
- Data maintenance methodology
- Combined study report
- Public outreach support
- On going support

# Funding

Based on council feedback on November 18<sup>th</sup>, staff negotiated reduced pricing based on economies of scale for incorporating both studies and partnering on the public engagement and billing implementation section of this project.

Combined Stormwater & Street Maintenance Fees		Stormwater Utility Fee Only		Street Maintenance Fee Only		Delta
Original proposed cost of the consolidated study \$408,500						
		Cost:	\$137,400	Cost:	\$134,900	
		Professional Services:	\$30,000	Professional Services:	\$30,000	
<b>Total:</b>	<b>\$282,100</b>	<b>Total:</b>	<b>\$167,400</b>	<b>Total:</b>	<b>\$164,900</b>	<b>\$50,200</b>

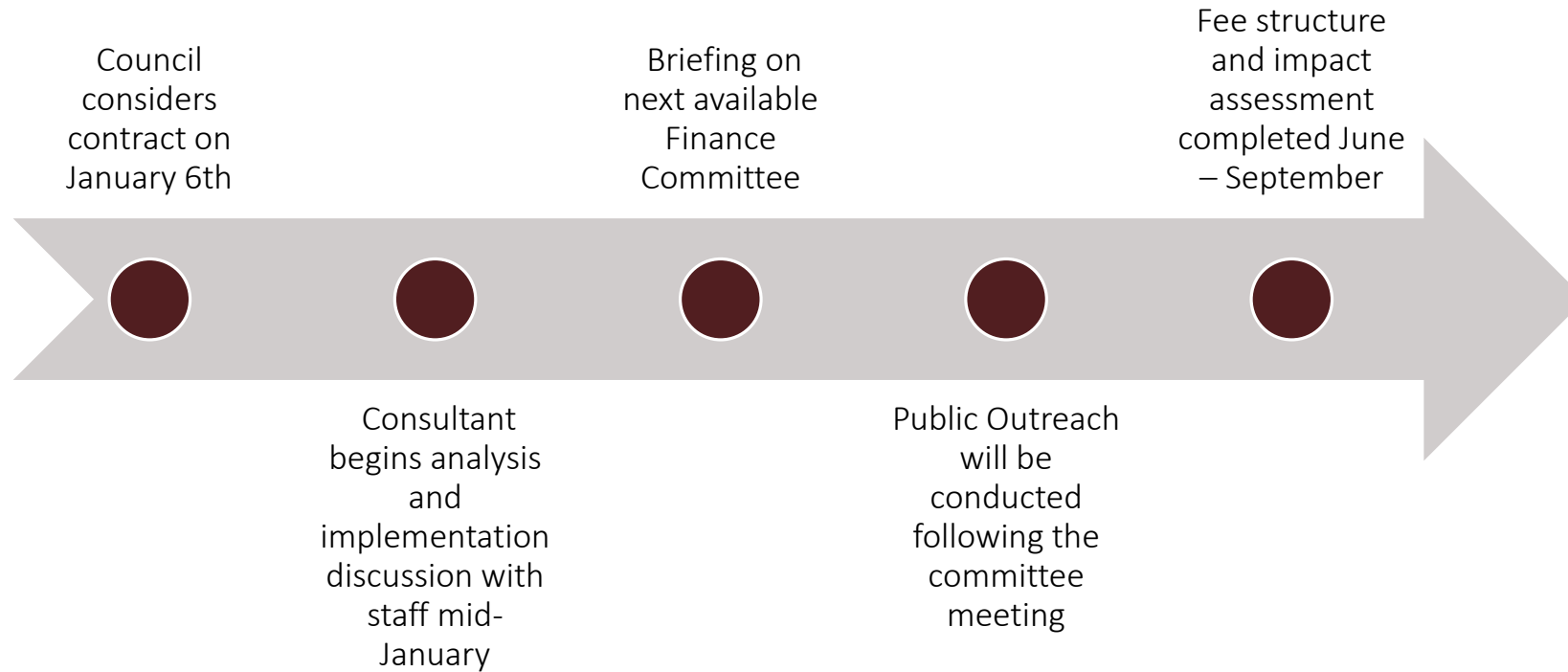
Funded through Development Services – Engineering Services

Funded through supplemental appropriation

# Contract Scoping Discussion

- During the November 18th presentation, council reinforced the significance of public engagement throughout this process
- In order to reduce the proposed contract cost, City staff is now proposed to develop and implement the public engagement and billing implementation effort and will consult with Freese and Nichols for support as needed
- Having staff lead these initiatives lead to cost savings through the agreement

# Timeline





# Options for Consideration

- Approve a professional services contract with Freese and Nichols to conduct analysis on developing a Street Maintenance in the amount of \$164,900.
- Approve a professional services contract with Freese and Nichols to conduct analysis on developing a Stormwater Utility fee in the amount of \$167,400.
- \*Approve a professional service contract with Freese and Nichols, Inc. for the development and analysis of a Stormwater Utility and Street Management fee in the amount of \$282,100.

*\*Staff recommendation*

*\*\* Any action needs to be subject to the review and approval of the City Attorney*

# Questions/Comments

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