

AN ORDINANCE OF THE CITY OF NATALIA, TEXAS, AMENDING CHAPTER 42, UTILITIES BY ADDING AN ARTICLE TO THE CITY OF NATALIA'S CODE OF ORDINANCES; ESTABLISHING A CAPITAL IMPROVEMENT PROGRAM, REVIEW PROCEDURES, AND CIP FEE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Natalia, Texas, developed a Capital Improvements Program (CIP) introduced in the adoption of the City's Comprehensive Master Plan which is a community guide to assess the long-term needs for infrastructure improvements and their estimated costs; and,

WHEREAS, the CIP addresses a list of projects for construction or improvements for years in advanced, summarizing and prioritizing the planning phases for streets, water, wastewater, storm drainage, park and recreation facilities, buildings and equipment within and for the City of Natalia, Texas; and,

WHEREAS, to undertake capital improvement projects, the City must have the ability to fund the tasks, essentially studying the city's budget, operating costs, debt limitations, financial practices and funding sources to prepare for the expenditure.

WHEREAS, historically, the City's capital improvement efforts have been limited to water and wastewater system improvements primarily funded by state or federal programs, with minimal city matching-funds; and

WHEREAS, to financially afford several capital projects, the City Council of the City of Natalia, Texas deems it necessary to establish procedures of the Capital Improvement Program, a fee and its specific uses.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NATALIA, TEXAS:

SECTION 1: DEFINITIONS

For the purpose of this Article, the following definitions shall apply.

- 1) Capital Improvement Projects mean any of the following projects or facilities, construction, or improvement that has a life expectancy of three or more years, or has a value of \$5,000 or more, and are owned and operated by or on behalf of the City of Natalia, to include but not limited to:
 - a. Water supply, water systems, treatment and distribution facilities; wastewater systems, collection, treatment and distribution facilities; storm water systems, drainage and flood control facilities; street improvements to include sidewalks and lighting improvements;
 - b. Municipal buildings and facilities; city halls, libraries, community centers, parks and recreational facilities, municipal offices; and
 - c. Municipal equipment and operations; patrol vehicles, utility vehicles, light or heavy machinery, tools or equipment, computer systems and software programs used for municipal operations.
- 2) Capital Improvement Program means a plan that identifies the purchases, facilities, improvements, replacement, construction or expansion of a capital improvement project.
- 3) Capital Improvement Program Fee means a predetermined rate adopted by the City Council and charged to every utility customer within the city's service area to pay for capital projects.
- 4) Service Area means the area within the corporate limits and boundaries of the City of Natalia or within the corporate extraterritorial boundaries serviced or to be serviced by the capital improvements.

SECTION 2: REVIEW PROCEDURES

The City Council shall establish, adopt and maintain a plan that lists capital improvement projects that is for the best interest and needs of the service area. Projects shall be identified, rated and budgeted prior to it being funded, constructed or improved.

A) Annual Review and Approval

- 1) The list of capital improvements projects shall be reviewed no less than annually and may be revised or updated not less than once each fiscal year during the period of when the City's Operating Budget(s) for the subsequent fiscal year is being considered.
- 2) Any revisions or updates to the capital improvements project list must be approved by a majority vote of the City Council prior to adopting the subsequent fiscal year annual budget(s).
- 3) Only capital improvement projects approved by the City Council may be included in the City's Annual Budget(s) to begin planning, construction, and funding of the project.
- 4) City Council may only amend the budget to fund capital improvement projects declared an emergency.
- 5) City Council may establish a capital improvement program fee to fund the planning, construction, or implementation of capital improvement projects.

B) Identification of Projects

- 1) **Approved Identified Projects:** A list of all capital improvement projects shall be approved by a majority vote of the City Council for construction, establishment, or accomplishment; providing a cost estimate for each project, identifying a funding source, and the rate of the project.
- 2) **Unscheduled Projects:** A list of all unscheduled projects that have been identified, but funding has not been approved or established, and planned to be reviewed at the next annual review. An unscheduled project may not be funded by the CIP Fee until it's been approved by a majority vote of the City Council.
- 3) **Emergency Projects:** A capital improvements project may be declared an emergency if the project causes a hazard to the health, safety, and welfare of a human life in which the project cannot wait for the next annual review to be approved, constructed, established or accomplished. If such emergency exists, the Mayor and/or the Mayor Pro-Tem may, by the recommendation of the City Administrator, Police Chief and/or Public Works Director, approve the capital project and its funding source through the CIP Fee, if necessary. This action shall be reaffirmed by a majority vote of the City Council at the next scheduled city council meeting, and the budget shall be amended to reflect such expense.

C) Rating Projects

The purpose of a rating system is to determine the priority and need of a capital improvement project which will rank its place in the funding and construction plan for the City. The following rating system is designed to strengthen the decisions makers' evaluation and review of the community's existing infrastructure and needs for public improvements, and placing them in one of the four categories.

- 1) **Mandatory** – Those activities that are urgent and necessary to protect the health, safety and welfare of human life or public property, or to prevent hazards from resulting by any cause of neglect, deterioration, damage, disregarded or worsening conditions of infrastructure. These activities should be addressed and/or resolved within one (1) to two (2) years.
- 2) **Necessary** – Those public improvements needed to provide important public services for reasons of convenience or comfort, to protect endangered resources, to improve public properties, and/or to complete unfinished projects. These activities should be addressed and/or resolved within two (2) to five (5) years.
- 3) **Desirable** – Those public improvements which replace or improve existing or obsolete facilities and operations of the municipality by improving the attractiveness of the community, providing improved services, and protecting property which does not endanger the health, safety or welfare of the

community or human life. These activities should be addressed and/or resolved within five (5) to ten (10) years.

- 4) Deferrable – Those public improvements needed to insure the city can function properly, to reduce operating costs, or to improve the efficiency of the city’s operations. These activities should be addressed and/or resolved within ten (10) years, or deferred to the next CIP cycle.

The City Council may, at any time, establish a different method, plan or strategy for rating capital improvement projects.

SECTION 3. CAPITAL IMPROVEMENTS PROGRAM FEE

To financially afford the capital improvement projects identified, unscheduled or in declaration of an emergency, the City Council of the City of Natalia, Texas hereby adopts a capital improvement program fee.

The City of Natalia Utility Customers shall be assessed a CIP Fee on each month’s utility bill at a reasonable fixed rate determined and approved by the City Council during each annual review, and may, from time to time, be adjusted, amended or repealed, subject by a majority vote of the City Council.

The CIP Fee shall be collected by the City of Natalia Utility Department in the same manner as the collection of payments for all utility services billed by the City of Natalia.

SECTION 4: REPEALER

All Ordinances of the City of Natalia in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict, and all other provisions of the Ordinances of the City of Natalia not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 5: SEVERABILITY

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the city council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6: EFFECTIVE DATE

This here ordinance shall become effective upon passage and publication as required by State Law.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF NATALIA, TEXAS ON THIS 20TH DAY OF MARCH, 2017.

APPROVED:

Sam Smith

Sam Smith, Mayor Pro-Tem

Attest:

Lisa Hernandez

Lisa S. Hernandez,
City Administrator/Secretary