

CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

AUGUST 18, 2015

Council Chamber	Workshop Session	6:00 PM
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7008 S. RICE AVENUE
BELLAIRE, TX 77401



Mayor

Dr. Philip L. Nauert

Mayor Pro Tem

Amanda B. Nathan

Councilman

James P. Avioli Sr.

Councilman

Pat B. McLaughlan

Councilman

Roman F. Reed

Councilman

Gus E. Pappas

Councilman

Andrew S. Friedberg

Mission Statement:

The City of Bellaire is dedicated to outstanding quality service and facilities to ensure an open, progressive, and secure community.

BUDGET WORKSHOP SESSION #1 - 6:00 P.M.**A. Call to Order and Announcement of a Quorum - Dr. Philip L. Nauert, Mayor.****B. Budget Discussion:**

Discussion and presentation regarding the FY2016 proposed budget for the City of Bellaire, Texas, with a focus on the proposed Vehicle and Equipment Replacement Program budget enhancement and an overview on surface water - Requested by Paul A. Hofmann, City Manager.

C. Adjourn.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 08/18/15 06:00 PM
Department: City Manager's Office
Category: Budget
Department Head: Diane K White
DOC ID: 1510

**SCHEDULED
ACTION ITEM (ID # 1510)**

Item Title:

Discussion and presentation regarding the FY2016 proposed budget for the City of Bellaire, Texas, with a focus on the proposed Vehicle and Equipment Replacement Program budget enhancement and an overview on surface water - Requested by Paul A. Hofmann, City Manager.

Background/Summary:

Presentations will be given by Public Works Director, Brant Gary on the City's FY2016 Proposed Vehicle and Equipment Replacement and an Overview will be given on the City's purchase of water from the City of Houston.

During the FY2016 Proposed Budget the concept of a fully funded vehicle and equipment replacement program was presented to City Council as a budget enhancement. Mr. Gary will go over the detail behind this program.

The purchase of water from the City of Houston is the largest expenditure in the Enterprise Fund. A detailed analysis has been done related to supply and demand of the City's monthly allotment of surface water from the City of Houston. This has created a positive impact to the City's Enterprise Fund budget this process and impact will be presented.

The FY2016 Budget Calendar calls for a second budget workshop on August 24, 2015 at 6:00pm, if necessary, that is scheduled to cover any additional clarifications and/or questions from the public or City Council.

Previous Council Action Summary:

City Council received the FY2016 Proposed Budget presentation and a copy the FY2016 Proposed Budget on July 20, 2015, On July 20, 2015 City Council called a public hearing for the FY2016 Proposed Budget to take place on August 17, 2015 and a Public Hearing was held on August 17, 2015 on the FY2016 Proposed Budget.

Fiscal Impact:

N/A

Recommendation:

Ask questions and provide feedback.

ATTACHMENTS:

- Overview of FY2016 Proposed Vehicle and Replacement Program (PDF)
- Overview of FY2016 Proposed Surface Water Program (PDF)



OVERVIEW OF THE PROPOSED VEHICLE AND EQUIPMENT REPLACEMENT PROGRAM

PRESENTED BY: BRANT GARY

VEHICLES & EQUIPMENT REPLACEMENT PROGRAM – MAIN COMPONENTS

- Why?
 - Basis for Staff Budgetary Recommendations
 - Backlog
 - Maintenance Costs
 - Standards
 - Stable Budget Forecasting
- Internal Policy
 - Guides Funding Approach
 - Provides Structured INTERNAL Decision Making
- Vehicle & Equipment Types
 - By Department
 - Categories
 - Life Cycles
 - Replacement Costs
- Replacement Schedule/Forecast
 - Budget Forecast Based on Estimated Life
 - Annual Budget Development Follows Decision Making Process

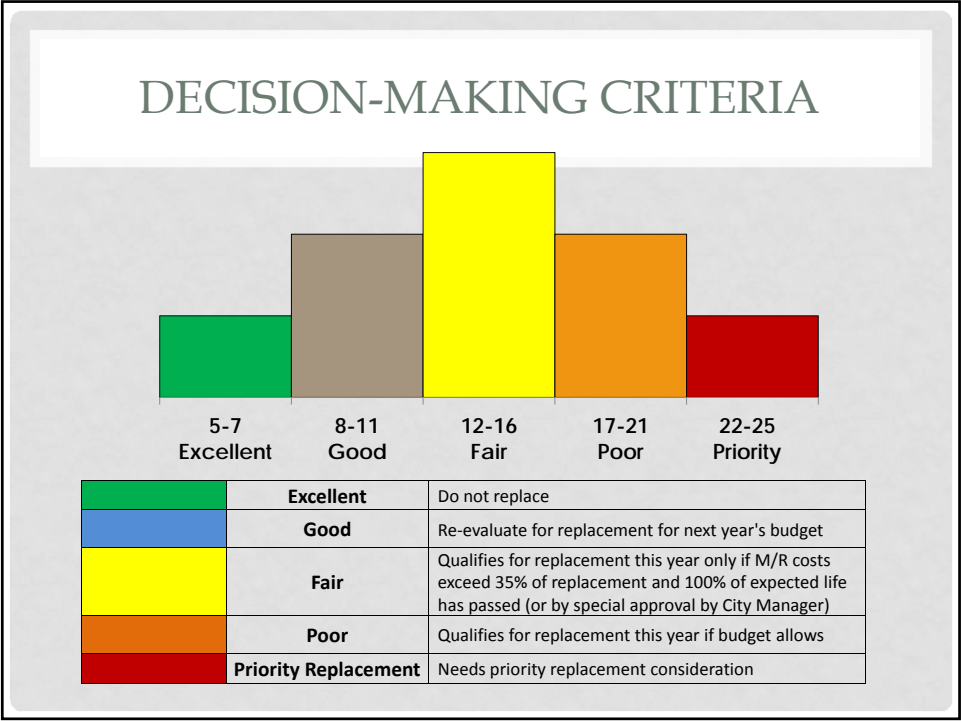
CITY OF BELLAIRE CATEGORIES

Dept.	Vehicle Type	Replacement cost	Expected Life Cycle
Dev Svcs	DS Pickup Trucks	\$25,000	8 years
Fire	FD Ambulance	\$500,000	30 years
Fire	FD Command Vehicle	\$55,000	15 years
Fire	FD Fire Pumper	\$850,000	30 years
Fire	FD Fire Marshall Vehicle	\$55,000	15 years
Fire	FD Rescue Apparatus	\$175,000	15 years
Police	PD Animal Control Truck	\$50,000	10 years
Police	PD Assigned Vehicles-Type I	\$45,000	7 years
Police	PD Assigned Vehicles-Type II	\$55,000	7 years
Police	PD Motorcycle*	\$10,000	1 year lease
Police	PD Patrol Cars	\$55,000	3 years
PR&F	PRF Pickup Trucks	\$25,000	10 years
PR&F	PRF Transport Vehicle	\$45,000	10 years
PW	PW Asphalt Patching Trailer	\$50,000	10 years
PW	PW Backhoe	\$80,000	10 years
PW	PW Dump Trucks	\$160,000	10 years
PW	PW Garbage Trucks	\$265,000	9 years
PW	PW Jet Truck	\$180,000	7 years
PW	PW Limb Loaders	\$180,000	10 years
PW	PW Mini-Excavator	\$40,000	8 years
PW	PW Pickup Trucks	\$25,000	8 years
PW	PW Portable Air Compressor	\$25,000	10 years
PW	PW Skid-Steer Loader	\$50,000	8 years
PW	PW Street Sweeper	\$140,000	10 years

*Annual Contribution assumes lease payment and equipment allocation

LIFE CYCLE STANDARDS

City of Bellaire Vehicle Type	City of Bellaire	Best Practices Reference						OTHER??? "CITY OF" Guidelines	NFPA Ex.-City of Leander- Fire Dept. (front/backup)	MFR
		GSA	TXDOT	APWA Ex. 1 (Milwaukee)	APWA Ex. 2 (Ames, IA)	APWA Ex. 3 (Largo, FL)	APWA Ex. 4 (Mt. Lebanon)			
DS Pickup Trucks	8	6	8	11	12	9	10		-	
FD Ambulance	30	7	-	12	5	-	7		-	
FD Command Vehicle (SUV)	15	-	8	10	12	7	25		8/2	
FD Fire Pumper Truck	30	-	-	-	15	10	15		12/5	
FD Fire Marshall Vehicle (SUV)	15	-	8	10	12	9	10		8/2	
FD Rescue Apparatus	15	-	-	-	-	7	20		15/3	
PD Animal Control Truck	10	-	-	-	-	-	3		-	
PD Assigned Vehicles-Type I	7	-	8	8	8	7	-		-	
PD Assigned Vehicles-Type II	7	-	8	8	8	7	-		-	
PD Motorcycle*(lease)	1	5	-	-	-	-	-		-	
PD Patrol Cars	3	-	-	10*	2	5	3		-	
PRF Pickup Trucks	10	6	8	11	7	9	10		-	
PRF Transport Vehicle (Van)	10	-	8	10	5	9	10		-	
PW Asphalt Patching Trailer	10	-	-	10	7	9+	-		-	
PW Backhoe	10	10	-	10	-	9+	15		-	
PW Dump Trucks	10	-	10	12	15	9+	7+		-	
PW Garbage Trucks	9	-	-	-	-	6	-		-	
PW Jet Truck	7	-	-	10	-	9+	-		-	
PW Limb Loaders	10	-	-	-	-	6	-		-	
PW Mini-Excavator	8	10	-	-	-	6	-		-	
PW Pickup Trucks	8	6	8	11	12	9	10		-	
PW Portable Air Compressor	10	-	-	11	15	9	20		-	
PW Skid-Steer Loader	8	10	-	9	15	6	-		-	
PW Street Sweeper	10	-	-	9	3	6	7		-	



DECISION-MAKING CRITERIA

Points	Age: % of Expected Life	Maintenance & Repairs: % of Cost to Replace	Condition: Combination of Issues Categorized by the Following Established Criteria	Usage Type	Reliability: Annual Repairs/ Breakdowns (either/or)
1	Less than 25%	0-15%	No visual damage or rust, good drive train, "like new" performance	Inactive Reserve, Non-Emergency	2/0
2	25-50%	15-35%	Minor imperfections in body and paint surface, (no rips, tears, burns), good drive train, expected performance	Inactive Reserve, Emergency	3/1
3	50-75%	35-60%	Noticeable imperfections in body and paint surface, minor rust, minor damage for add- on equipment, noticeable interior issues (faded, small holes, etc.) and weak or noisy drive train, less than ideal performance	Secondary Use- General Government Services	4/2
4	75-99%	60-80%	Previous accident damage, major paint and body imperfections, rust (holes), bad interior (rips, tears, cracked dash) major damage for add-on equipment and on drive train component bad cracked dash) damage to add-on equipment, more significant drive train issues, poor performance	Primary Use- General Government Services	5/3
5	100% and Beyond	Over 80%	Previous accident damage, poor paint and body condition, rust (holes), bad interior (rips, tears, cracked dash) major damage to add-on equipment, bad drive train component , unacceptable performance	Active - Emergency	6/4

EXAMPLE ANALYSIS

- In presenting an example scenario using this approach, results would be compiled as shown:

Dept.	Unit #	Year	Category	Repl. Cost	Exp. Life	% Age	Age Pts	M&R Costs	% of Repl. Cost	M&R Points	Condition	Usage	Reliability	TOTAL
PW-W-WW	PW-503	2001	PW Jet Truck	180,000	7	100%	5	30,515.83	17%	2	3	4	5	19
PW-W-WW	PW-535	2004	PW P/U Trucks	25,000	8	100%	5	7,006.94	28%	2	3	4	4	18
PW-W-WW	PW-524	2003	PW P/U Trucks	25,000	8	100%	5	6,023.43	24%	2	3	4	5	19
PR&F	514PR	2002	PRF P/U Trucks	25,000	10	100%	5	703.56	3%	1	3	3	1	13
PW-S&D	552	2006	PW Backhoe	80,000	10	100%	5	8,876.81	11%	1	3	4	5	18
PW-S&D	400	1992	PW Dump Truck	160,000	10	100%	5	11,999.30	7%	1	3	4	5	18
PW-S&D	543	2005	PW P/U Trucks	25,000	8	100%	5	1,377.82	6%	1	3	4	1	14
PW-SW	547	2006	PW SW Trucks	265,000	9	100%	5	79,973.48	30%	2	3	4	5	19
PW-SW	483	2000	PW P/U Trucks	25,000	8	100%	5	8,143.09	33%	2	3	4	5	19

- In this scenario, replacement of two pickup trucks would be recommended to be deferred in this scenario.
 - Actual/Initial results will vary initially due to availability of maintenance records

VEHICLE AND EQUIPMENT TYPES: DEVELOPMENT SERVICES

- Development Services has one type of vehicle

Department/ Division	Vehicle Type	Replacement cost	Life Expectancy	Number of Type
Dev Svcs/ Building Inspection	DS Pickup Trucks	\$25,000	8 years	3
Dev Svcs/ Code Enforcement	DS Pickup Trucks	\$25,000	8 years	1


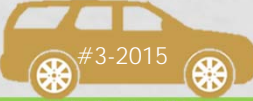
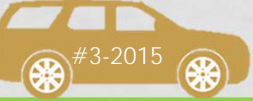
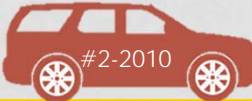
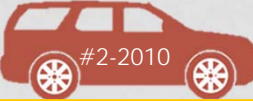




VEHICLE AND EQUIPMENT TYPES:
FIRE DEPARTMENT

- The Fire Department has the following types of vehicles/equipment:

Department/ Division	Vehicle Type	Replacement cost	Life Cycle (years)	Number of Type
Fire/EMS	FD Ambulance	\$500,000	30	2
Fire/Admin & Incident Command	FD SUV	\$55,000	15	2
Fire/ Fire Suppression	FD Pumper Truck	\$850,000	30	2
Fire/ Fire Marshall	FD SUV	\$55,000	15	1
Fire/Rescue	FD Rescue Apparatus	\$175,000	15	1

EXPLANATION OF FD VEHICLE USES: SUV'S
(EXAMPLES WITH EXPECTED REPLACEMENT)

- All 3 SUV's are on a cycle of use and replacement
- First 5 years of use is for primary purpose
 - Incident Command
- Last 10 years is for secondary purpose
 - Admin/Fire Marshall

FY2015	FY2020	FY2025
 #1-2005 Administration	 #3-2015 Administration	 #3-2015 Administration
 #2-2010 Fire Marshall	 #2-2010 Fire Marshall	 #4-2020 Fire Marshall
 #3-2015 Incident Command	 #4-2020 Incident Command	 #5-2025 Incident Command

EXPLANATION OF FD EQUIPMENT USAGE: PUMPER TRUCKS

- Both Pumpers are on a cycle of use and replacement
- First 15 years of use is as Front-Line Pumper
- Last 15 years is as the Secondary Pumper

FY2018*	FY2033
<p>Pumper #2-2018*</p>	<p>Pumper #3-2033</p>
Front Line Pumper	Front Line Pumper
<p>Pumper #1-2003</p>	<p>Pumper #2-2018*</p>
Secondary Pumper	Secondary Pumper

* The replacement for Pumper #2 would be purchased in FY17 in time to be placed in service for FY18.

VEHICLE AND EQUIPMENT TYPES: POLICE DEPARTMENT

- The Police Department has the following types of vehicles/equipment:

Dept.	Vehicle Type	Replacement cost	Life Expectancy	Number of Type
Police/Animal Control	PD Animal Control Truck	\$50,000	10	1
Police/Patrol	PD Patrol Cars	\$55,000	3	8
Police/Assigned	PD Assigned Vehicles-I	\$45,000	7	8
Police/Assigned	PD Assigned Vehicles-II	\$55,000	7	3
Police/Motorcycle Unit	PD Motorcycle*	\$10,100*	1*	2

* The PD Motorcycles represents an annual lease arrangement to provide for the use of the motorcycle and related equipment.

VEHICLE AND EQUIPMENT TYPES: PARKS, RECREATION, & FACILITIES

- The PR&F Department has the following types of vehicles/equipment:

Department/ Division	Vehicle Type	Replacement cost	Life Expectancy	Number of Type
PR&F/ Facilities	PRF Pickup Trucks	\$25,000	10 years	2
PR&F/ Parks	PRF Pickup Trucks	\$25,000	10 years	4
PR&F/ Parks	PRF Transport Vehicle (Van)	\$45,000	10 years	1

VEHICLE AND EQUIPMENT TYPES: PUBLIC WORKS

- The Public Works Department has the following types of vehicles/equipment:

Department/ Division	Vehicle Type	Replacement cost	Life Expectancy	Number of Type
Public Works/ Solid Waste	PW Dump Truck	\$160,000	10	1
Public Works/ Solid Waste	PW Garbage Truck	\$265,000	9	5*
Public Works/ Solid Waste	PW Limb Loader	\$180,000	10	2*
Public Works/ Solid Waste	PW Pickup Truck	\$25,000	8	2
Public Works/ Solid Waste	PW Street Sweeper	\$140,000	10	1
Public Works/ Streets	PW Asphalt Patcher	\$55,000	8	1

VEHICLE AND EQUIPMENT TYPES: PUBLIC WORKS

Department/ Division	Vehicle Type	Replacement cost	Life Expectancy	Number of Type
Public Works/ Streets	PW Backhoe	\$80,000	10	1
Public Works/ Streets	PW Dump Truck	\$160,000	10	2
Public Works/ Streets	PW Pickup Truck	\$25,000	8	6
Public Works/ Streets	PW Air Compressor	\$25,000	10	1
Public Works/ Wastewater	PW Air Compressor	\$25,000	10	1
Public Works/ Wastewater	PW Backhoe	\$80,000	10	1
Public Works/ Wastewater	PW Jet Truck	\$180,000	7	2

VEHICLE AND EQUIPMENT TYPES: PUBLIC WORKS

Department/ Division	Vehicle Type	Replacement cost	Life Expectancy	Number of Type
Public Works/ Wastewater	PW Mini- Excavator	\$40,000	8	2
Public Works/ Wastewater	PW Pickup Truck	\$25,000	8	5
Public Works/ Water	PW Backhoe	\$80,000	10	1
Public Works/ Water	PW Mini- Excavator	\$40,000	8	1
Public Works/ Water	PW Pickup Truck	\$25,000	8	5
Public Works/ Water	PW Skid-Steer Loader	\$50,000	8	1
Public Works/ Water	PW Air Compressor	\$25,000	10	1

REPLACEMENT SCHEDULE/FORECAST

Department	Vehicle/Equipment Category	2016	2017	2018	2019	2020	2021
Dev Svcs	DS Pickup Trucks	1	1	1			1
Police	PD Animal Control Truck			1			
Police	PD Patrol Cars	3	2	3	3	2	3
Police	PD Assigned Vehicles-I	3	3	1			1
Police	PD Assigned Vehicles-II		1	1			
Police	PD Motorcycle*	2	2	2	2	2	2
Fire	FD Ambulance						
Fire	FD Cmd/Adm/FM (SUV)	1					1
Fire	FD Pumper Truck**		1				
Fire	FD Rescue Apparatus						
PR&F	PRF Pickup Trucks	2	2	1		1	
PR&F	PRF Transport Vehicle						
PW	PW Asphalt Patching Trailer						
PW	PW Backhoe	1					
PW	PW Dump Trucks	1	1	1			
PW	PW Garbage Trucks	1					1
PW	PW Jet Truck						
PW	PW Limb Loaders				1		
PW	PW Mini-Excavator						
PW	PW Pickup Trucks	3	2	2			1
PW	PW Portable Air Compressor						
PW	PW Skid-Steer Loader						
PW	PW Street Sweeper						
TOTALS		18	15	13	6	5	10


REPLACEMENT SCHEDULE/FORECAST

General Fund Dept/Div	Annual Contrib.	FY15	Difference	Prop FY16 Bud	FY16 ADD	FY17 ADD	FY18 ADD	FY19 ADD	FY20 ADD	ADD TOTAL
Dev Svcs	\$13,000	0	-\$13,000	\$13,000	\$22,000	\$22,000	\$22,000	\$0	\$0	\$66,000
Fire	\$190,000	48,630	-\$141,370	\$190,000	\$170,000	\$170,000	\$170,000	\$170,000	\$135,000	\$815,000
Police	\$250,000	168,150	-\$81,850	\$250,000	\$100,000	\$100,000	\$100,000	\$100,000	\$85,000	\$485,000
PR&F	\$20,000	23,000	\$3,000	\$20,000	\$33,000	\$33,000	\$30,000	\$30,000	\$0	\$126,000
PW-Streets & Drainage	\$78,000	224,000	\$146,000	\$78,000	\$190,000	\$135,000	\$103,000	\$0	\$0	\$428,000
TOTAL	\$551,000	463,780	-\$87,220	\$551,000	\$515,000	\$460,000	\$425,000	\$300,000	\$220,000	\$1,920,000
GEN FUND				\$551,000	\$325,000	\$325,000	\$335,000	\$300,000	\$220,000	\$1,505,000
STREETS-ADDITIONAL				\$0	\$190,000	\$135,000	\$90,000	\$0	\$0	\$415,000

Ent. Fund Dept/Div	Annual Contrib.	FY15	Difference	Prop FY16 Bud	FY16 ADD	FY17 ADD	FY18 ADD	FY19 ADD	FY20 ADD	ADD TOTAL
PW-SW	\$222,000	\$330,000	\$108,000	\$222,000	\$69,000	\$60,000	\$50,000	\$50,000	\$50,000	\$279,000
PW-W-VVV	\$135,000	0	-\$135,000	\$135,000	\$105,000	\$105,000	\$105,000	\$105,000	\$111,000	\$531,000
TOTAL	\$357,000	\$330,000	-\$27,000	\$357,000	\$174,000	\$165,000	\$155,000	\$155,000	\$161,000	\$810,000

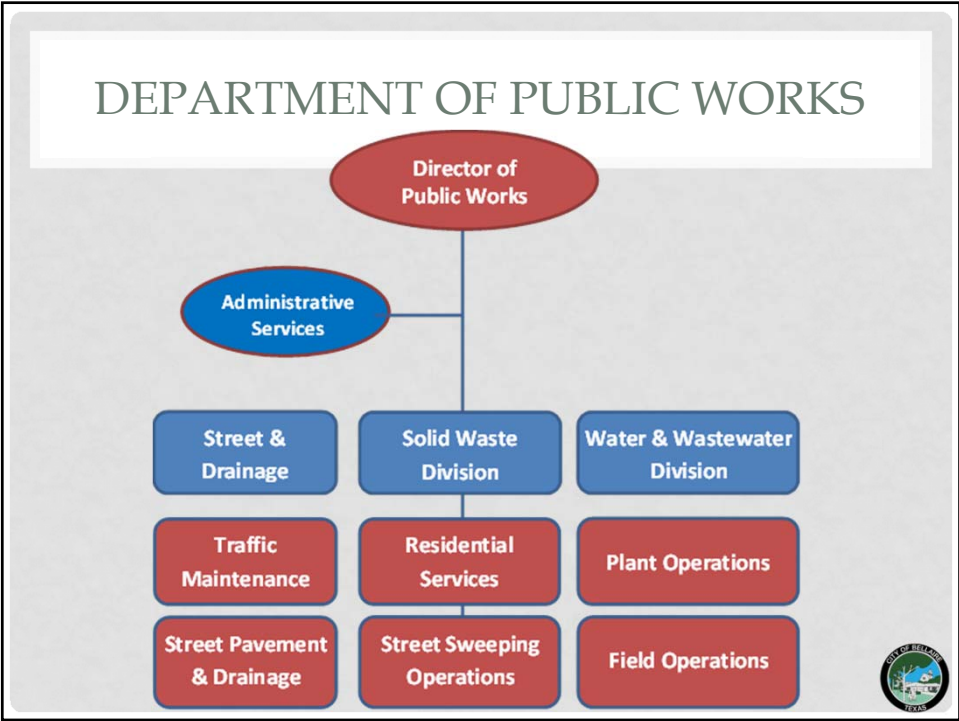
OVERVIEW OF APPROACH

- Designed to address backlog of replacement and to streamline replacement and funding decisions
- Proposed to guide internal decision making & budget recommendations
- Provides Council information regarding decision-making behind budget recommendations
- Does not bind Council to make purchases
- Based on a point system that considers expected useful life, maint. & repairs, condition, usage, and reliability of the equipment
- Anticipates an annual funding amount for each item in the fleet
- Replacement funds accrue over the exp. life of the vehicle
- Funding is separate from the decision to replace
- Choosing not to replace defers the annual contribution for that unit
- Additions to the fleet are presented on a case-by-case basis




SURFACE WATER OVERVIEW

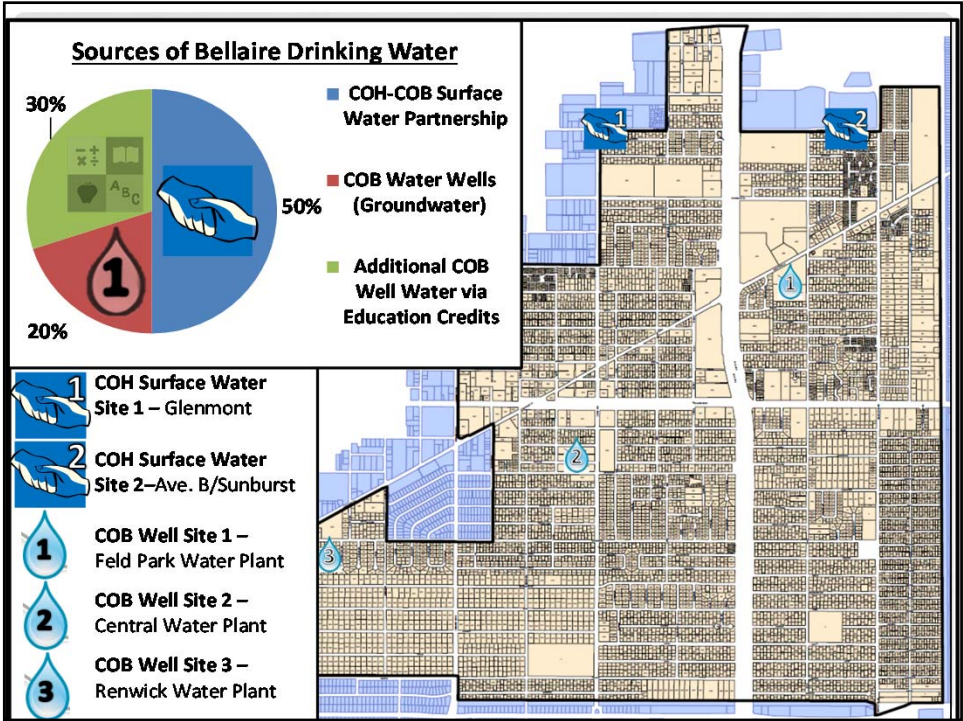
PRESENTED BY: BRANT GARY



SURFACE WATER OVERVIEW

- The Houston-Galveston Area Subsidence District limits groundwater usage to 20% of annual water use
- The City purchases educational credits that allow us to use up to 50% in groundwater annually
- The remaining 50% must come from surface water
- Bellaire has a contract with the City of Houston to meet this requirement
- While we have a minimum monthly allocation, actual usage may increase or decrease based on consumption
- COH surface water rates have continuously increased over the years
- Our current rates are \$2.84 per 1,000 gallons.
- Use above the monthly allocation has a surcharge of \$.75 per 1,000 gallons
- We budget for monthly overages as a contingency



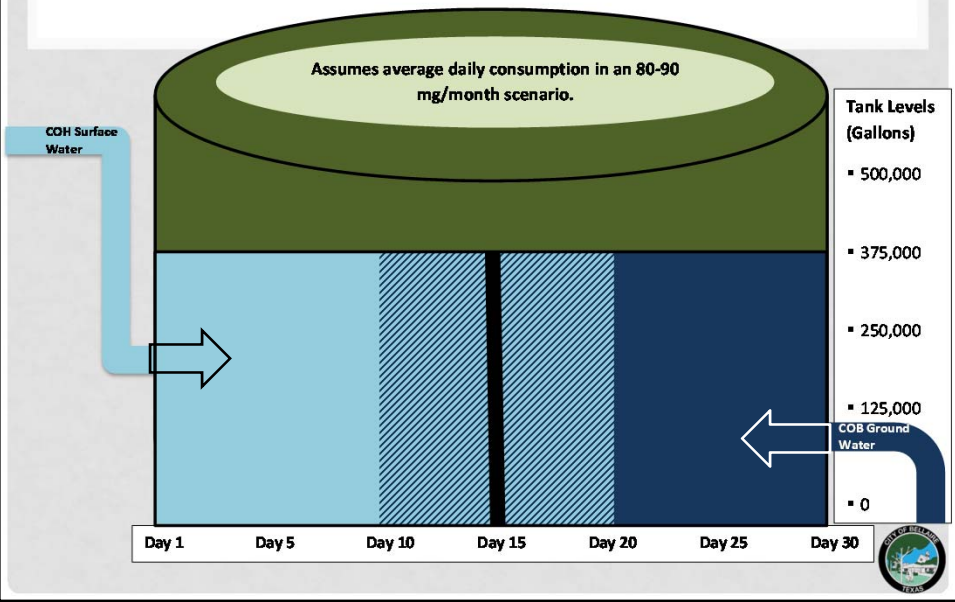


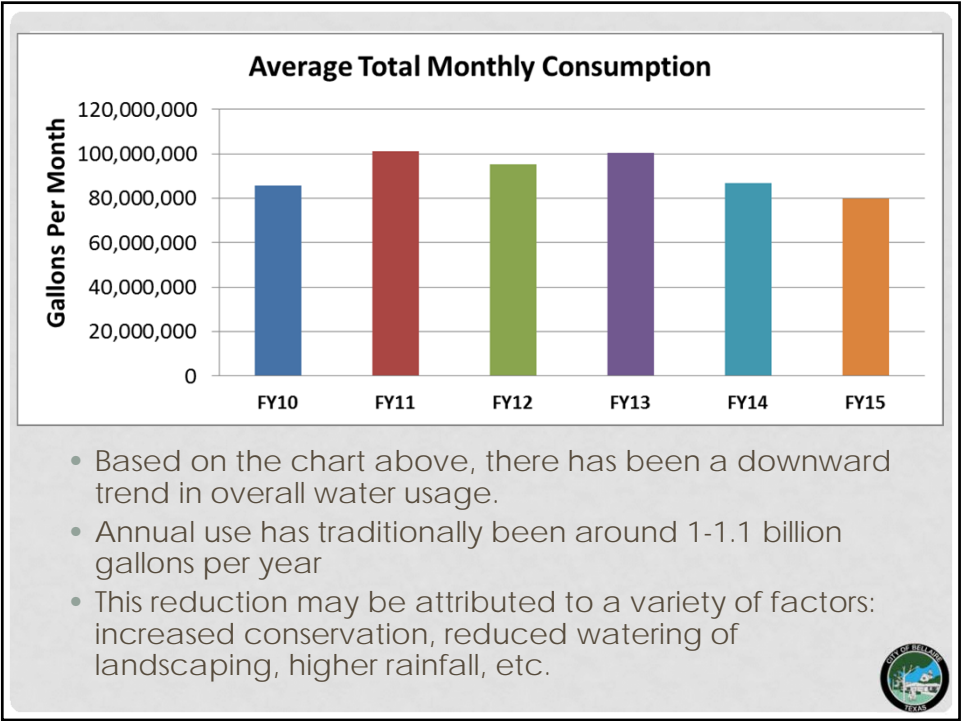
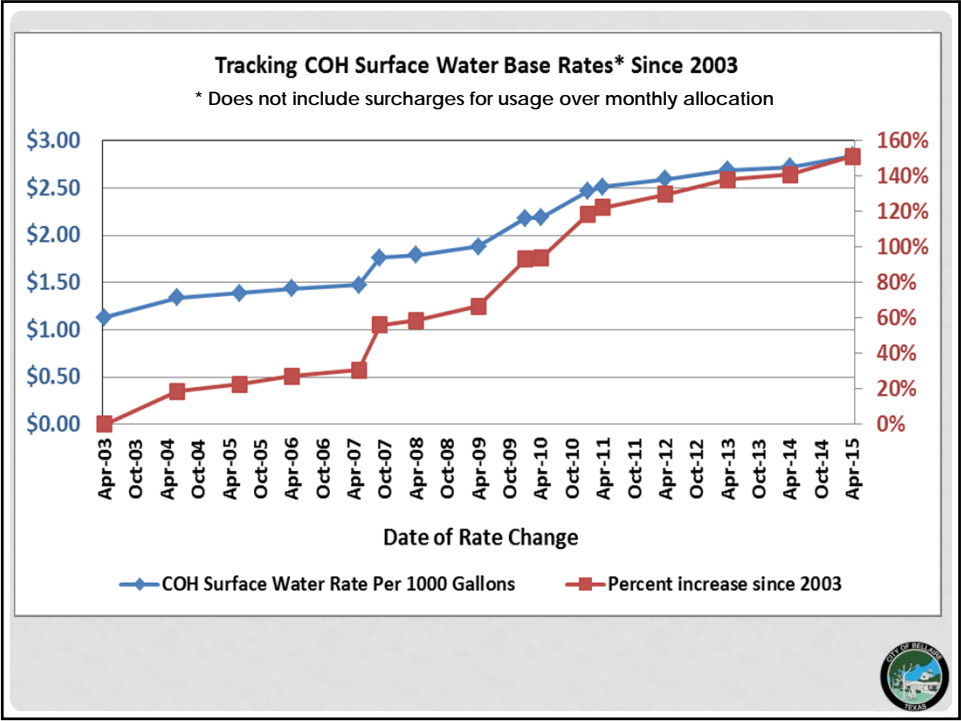
SURFACE WATER OPERATIONS

- Beginning of month, surface water is primary source to keep tank levels consistent
- Valves are opened and closed based on tank levels and estimates from meters
 - Both are affected by demand levels
- As valves are opened and closed based on tank level readings, the exact amount of water used may vary
- This is due to the inexact nature of the timing between tank levels reached and time needed to fully open or close the valves. We allow for a +/-5% variation due to this
- When consumption is average, our allocation should be used within 15 days
 - When consumption is high, our allocation may be used quicker and vice versa
- Managing this requires us to consistently monitor and review meter readings throughout the year



SURFACE WATER SCENARIOS





SURFACE WATER HISTORY

- Our agreement with the City of Houston allows for us to change our allotment once per calendar year.
- Over the years, the City has changed its Surface Water allotment several times:
 - 35,000,000 Gallons per 30-day month
 - 1,166,667 Gallons per day
 - April 1, 2003 to October 14, 2003
 - Initial allotment
 - 50,000,000 Gallons per 30-day month
 - 1,666,667 Gallons per day
 - October 15, 2003 to January 31, 2009
 - Increased due to increased demand
 - 45,000,000 Gallons per 30-day month
 - 1,500,000 Gallons per day
 - February 1, 2009 to present
 - Decreased based on usage



SURFACE WATER – FY16

- FY16 is being proposed as follows:
 - 42,000,000 Gallons per 30-day month
 - 1,400,000 Gallons per day
 - 512,400,000 Gallons per year
 - To begin Oct 1st
 - Results in a budget reduction of approximately \$145,000
 - Improved SCADA controls will allow for more efficient usage
- Budget includes a contingency for overages
 - Contingency allows for an additional 23,500,000 gallons of purchases above the allotment
- Our allocation can be adjusted next calendar year if needed

