

CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

MARCH 7, 2016

Council Chamber	Regular Session	7:00 PM
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7008 S. RICE AVENUE
BELLAIRE, TX 77401



Mayor

Andrew S. Friedberg

Mayor Pro Tem

Roman F. Reed

Council Member

Gus E. Pappas

Council Member

Michael Fife

Council Member

Trisha S. Pollard

Council Member

Pat B. McLaughlan

Council Member

David R. Montague

Mission Statement:

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

REGULAR SESSION - 7:00 PM

A. Call to Order and Announcement of a Quorum - Andrew S. Friedberg, Mayor.

B. Inspirational Reading and/or Invocation - Gus E. Pappas, Council Member.

C. Pledges of Allegiance - Gus E. Pappas, Council Member.

1. U.S. Pledge of Allegiance:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

2. Pledge to the Texas Flag:

Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

D. Personal/Audience Comments.

In order to address the City Council, please complete a sign-up sheet (located at the entrance to the Council Chamber), and submit it to City Clerk Tracy L. Dutton prior to the time for personal/audience comments. Each speaker shall have a time limit of up to five (5) minutes, with no extension, and with notice after four (4) minutes that one (1) minute is left. In the event of pressing business before the City Council or matters requiring its immediate attention or action, the City Council may, prior to the opening of audience comments, set a different maximum time limit for each speaker by a vote of four (4) members of the City Council.

The purpose of this item is to allow the residents of Bellaire and other interested persons an opportunity to address the City Council on agenda issues and on non-agenda issues that are a matter of the jurisdiction of the City Council (i.e., City policy and legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (713) 662-8222 during business hours.

[Note: The Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits the City Council from fully discussing, debating, or considering subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the City Staff for action may be placed on the agenda of a future City Council Session.]

E. Approval of Minutes:

Consideration of and possible action on the approval of the minutes of the Special Session of the City Council of the City of Bellaire, Texas, held on Monday, February 29, 2016 - Submitted by Tracy L. Dutton, City Clerk.

Mayor and Council - Special Session - Feb 29, 2016 6:00 PM

F. Reports:

1. City Manager's Report regarding communication, field and personnel updates, calendar reminders, and notes of appreciation - Submitted by Paul A. Hofmann, City Manager.

2. Presentation of the FY2015 Annual Audit and Comprehensive Financial Report (CAFR) by Belt Harris Pechacek, LLLP, Certified Public Accountants, and consideration of and possible action on the acceptance of the 2015 annual audit and CAFR - Submitted by Diane K. White, Assistant City Manager.
3. Presentation of the Bellaire City Library's Long-Range Plan for Services, 2016-2021, required for accreditation by the Texas State Library, and provide feedback as appropriate - Submitted by Mary Cohrs, Director of Library.

G. New Business:

1. Consent Agenda:

Items set out in the consent agenda are considered routine and are recommended for approval by the passage of a single motion, without discussion or debate, that the consent agenda be adopted. Upon request of any member of City Council, items shall be removed from the consent agenda and considered separately.

- a. Consideration of and possible action on a request from the Public Works Department for City Council approval to purchase one trailer-mounted jet rodder and one VacHunter hydro-excavator from Texas Underground, Inc., for an amount not to exceed \$127,797.00 to replace a jet truck as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.
- b. Consideration of and possible action on a request from the Public Works Department for City Council approval to purchase one Peterbilt 348 dump truck and one Peterbilt 348 garbage truck from Rush Truck Center - Houston for an amount not to exceed \$375,625.00 as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.
- c. Consideration of and possible action on a request from the Public Works Department for City Council approval to purchase one John Deere backhoe from Doggett Heavy Machinery Services, LLC, for an amount not to exceed \$86,400.00 as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.
- d. Consideration of and possible action on a request from the Public Works and Development Services Departments for City Council approval to purchase one Ford F-150 pickup, one F-350 dual rear wheel pickup, and two Ford F-350 single rear wheel pickups from Chastang Ford for an amount not to exceed \$102,600.00 as funded in the FY2016 Budget. - Submitted by Brant Gary, Director of Public Works.
- e. Consideration of and possible action on a request from the Public Works and Parks, Recreation, and Facilities Departments for City Council approval to purchase three Ford F-150 pickups from Sam Pack's Five Star Ford for an amount not to exceed \$75,792.79 as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.
- f. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, verifying and acknowledging the annual review of the City's Investment Policy and Investment Strategies (City of Bellaire Code of Ordinances, Chapter 2, Administration, Article I, In General, Section 2-10, Investment Policy) - Submitted by Diane K. White, Assistant City Manager.

2. Adoption of Ordinance(s)/Resolution(s):

- a. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 31, Utilities, of the Code of Ordinances of the City of Bellaire, Texas, by adding Article IV, Sanitary Protection, for the purpose of establishing rules and regulations regarding sanitation and pollution control of the areas in proximity to the City's public water supply wells - Submitted by Alan P. Petrov, City Attorney.
- b. Consideration of and possible action on the adoption of an ordinance authorizing the Mayor of the City of Bellaire, Texas to execute, for and on behalf of the City of Bellaire, Texas, an Amendment to Ordinance No. 13-058 for the Retail Sales Interlocal Agreement with the Texas General Land Office for the purchase of electricity requirements for the City of Bellaire's public facilities to extend the term of the agreement for an additional 60 months by amending the date through service provided by deleting the date December 31, 2016, and inserting the following in lieu thereof: December 31, 2021, for extended term to commence effective the first meter read after December 31, 2016, at a rate not to exceed \$0.03994/kwh - Submitted by Diane K. White, Assistant City Manager.
- c. Consideration of and possible action on a request from the Public Works Department for City Council approval to award a contract for certain improvements to the City's municipal water works SCADA system to JACH Controls & Automations, LLC, for an amount not to exceed \$75,000.00, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor and City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, for and on behalf of the City of Bellaire, Texas, a Standard Form of Agreement with JACH Controls & Automations, LLC, for said improvements - Submitted by Brant Gary, Director of Public Works.
- d. Consideration of and possible action on a recommendation from the Public Works Department to award Bid No. 16-001 to Waste Management for the acceptance, treatment, processing, handling, storage, and disposal of commingled recycling material waste from the City of Bellaire, Texas, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute, for and on behalf of the City of Bellaire, Texas, a Recycling Services Agreement with Waste Management for said services - Submitted by Brant Gary, Director of Public Works.

3. Items for Individual Consideration:

- a. Consideration of and possible action on a request to direct the City Attorney of the City of Bellaire, Texas, to draft a "safe passage ordinance" for the City of Bellaire for consideration and possible action by the City Council on March 21, 2016, and to direct City Staff to determine the costs of signage to inform and educate residents and other motorists in Bellaire of this ordinance - Submitted by Council Member Trisha S. Pollard.

- b. Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board to authorize the Board to work with the Design By Principle Group to develop preliminary concepts for creating a brand for the City of Bellaire to be funded from the CIP Beautification Project Budget - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.
- c. Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board for additional seasonal banners and fixturing to enhance the current seasonal banner program on Bellaire and Bissonnet corridors - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.
- d. Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board for the addition of double seasonal banners and fixtures in Paseo Park - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.
- e. Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board to acquire five (5) art doors from the Open the Door program, a Texan-French Alliance for the Arts community art project - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.
- f. Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board for the adoption of a Utility Box Beautification Program - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.

H. Community Interest Items from the Mayor and City Council.

It is the intent of this item to provide members of the City Council the opportunity to make a report about items of community interest, which may include expressions of thanks, congratulations, or condolence; information regarding holiday schedules; honorary recognition of City officials, employees, or other citizens or entities; reminders of upcoming events sponsored by the City or another entity that is scheduled to be attended by a City official or City employee; and announcements involving an imminent threat to the public health and safety of people in Bellaire that has arisen after the posting of the agenda.

No action may be taken on a reported item of community interest, and no possible action discussed except a proposal to place the subject on the agenda for a subsequent meeting.

See Texas Government Code, Chapter 551, Open Meetings Act.

I. Adjourn.



CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

FEBRUARY 29, 2016

Council Chamber

Special Session

6:00 PM

7008 S. RICE AVENUE
BELLAIRE, TX 77401

SPECIAL SESSION - 6:00 P.M.

I. SPECIAL MEETING

A. Call to Order and Announcement of a Quorum - Andrew S. Friedberg, Mayor.

Andrew S. Friedberg, Mayor, called the Special Meeting of the City Council of the City of Bellaire, Texas, to order at 6:00 p.m. on Monday, February 29, 2016. The Special Meeting was held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas.

Mayor Friedberg announced that a quorum of all members of City Council was present as set forth in the table below.

Name	Title	Status
Andrew S. Friedberg	Mayor	Present
Roman F. Reed	Mayor Pro Tem	Present
Trisha S. Pollard	Council Member	Present
Gus E. Pappas	Council Member	Present
Pat B. McLaughlan	Council Member	Present
Michael Fife	Council Member	Present
David R. Montague	Council Member	Present

Other officials present were Paul A. Hofmann, City Manager; Alan P. Petrov, City Attorney; and Tracy L. Dutton, City Clerk.

B. Inspirational Reading and/or Invocation - Roman F. Reed, Mayor Pro Tem.

Andrew S. Friedberg, Mayor, noted that the City Council did not necessarily start Special Sessions the same as Regular Sessions with an inspirational reading and/or invocation; however, the item was placed on the evening's agenda and deemed appropriate in light of recent events.

Roman F. Reed, Mayor Pro Tem, provided the inspirational reading for the evening. The reading, set forth below, has been included as part of the record of this meeting.

A week ago Sunday evening, we lost one of our own in a senseless, cold-blooded murderous act.

Peter Mielke was 19 years old, had attended Bellaire High School, and was working to pay for his own education.

Minutes Acceptance: Minutes of Feb 29, 2016 6:00 PM (Approval of Minutes:)

His family deeply loved Peter, and he was admired by his friends and his employer at Reginelli's Pizzeria.

He was a hard worker, a team player. He was trying to make great things happen for himself.

A young man in the prime of his life was abruptly taken from his loved ones and our community. Truly only God knows why it happened.

I look at my colleagues on Council and I say it could have been one of our own kids. So this is very personal to us.

We want to assure the Mielke Family and all Bellaire residents that we are doing all we can, using all resources at our disposal, leaving no stone unturned, to find this murderer and bring him to justice. There is no gutter, no deep rat hole where this coward will be able to hide. We will get him.

I would like to ask all of us to stand for a moment of silence to reflect upon the memory of the life of Peter and to pray for his family.

Thank you.

C. Pledges of Allegiance - Roman F. Reed, Mayor Pro Tem.

Roman F. Reed, Mayor Pro Tem, led the members of City Council and the audience in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

D. Personal/Audience Comments.

Robert Riquelmy:

Mr. Riquelmy tested the ability and willingness of City Council to learn by asking if they recognized the name Travis Allen.

Roberta Murray:

Ms. Murray addressed City Council and asked for their consideration in moving forward with the building of a new City Hall. She cited examples of deterioration and foundation issues that had occurred over the years and expressed concern that good taxpayer monies were being thrown after bad on the City Hall.

Lynn McBee:

Ms. McBee advised that the City Hall was still standing and had the advantage of making the staff accessible to the community. She expressed concern that a new City Hall would not be as accessible. She urged City Council to ensure that the Police/Municipal Court building be completed as expeditiously as possible with existing funds.

In closing, Ms. McBee urged everyone to vote in Tuesday's Primary Election.

E. New Business:

1. Consent Agenda:

Items set out in the consent agenda are considered routine and are recommended for approval by the passage of a single motion, without discussion or debate, that the

consent agenda be adopted. Upon request of any member of City Council, items shall be removed from the consent agenda and considered separately.

Minutes of the City Council of the City of Bellaire, Texas:

Consideration of and possible action on the approval of the minutes of the Regular Sessions of the City Council of the City of Bellaire, Texas, held on Monday, February 1, 2016, and on Monday, February 15, 2016.

Mayor and Council - Regular Session - Feb 1, 2016 6:00 PM

Mayor and Council - Regular Session - Feb 15, 2016 6:00 PM

Motion:

To adopt the Consent Agenda dated February 29, 2016.

RESULT:	UNANIMOUS [7 TO 0]
MOVER:	Roman F. Reed, Mayor Pro Tem
SECOND:	David R. Montague, Council Member
AYES:	Friedberg, Reed, Pollard, Pappas, McLaughlan, Fife, Montague
NAYS:	None

2. Item for Individual Consideration:

Consideration of and possible action on the creation and appointment of a new Ad Hoc Municipal Facilities Committee for the Municipal Facilities Project.

Andrew S. Friedberg, Mayor, provided a brief introduction of the agenda item and called for a motion.

Motion:

To adopt the proposed ordinance subject to filling in the names of new appointees.

{Moved by Michael Fife, Council Member, and seconded by Gus E. Pappas, Council Member}

Discussion ensued among members of the City Council regarding the desirable number of appointees to the committee, the method by which appointments should be made, and a possible expansion of the committee's charge.

Amendment (No. 1) to the Main Motion:

To amend the charge (numbered paragraph 4 in the proposed ordinance) to read as follows: The Ad Hoc Municipal Facilities Committee is hereby charged to provide input and recommendations to the City Council of the City of Bellaire, Texas, regarding the style of architecture, including exterior finishes, for the Police/Municipal Court building and the City Hall/Civic Center building, not later than April 4, 2016, and further recommendations including, but not limited to, the exact location and

orientation of buildings within the approved site plan, and recommendations regarding parking, layout of buildings, and programming, not later than May 15, 2016. The foregoing shall be said Committee's sole charge, but City Council may by future action add to the charge and may extend the Committee's term up to a total period of less than one (1) year.

{Moved by Gus E. Pappas, Council Member, and seconded by Trisha S. Pollard, Council Member}

Following further discussion, Mayor Friedberg called for a vote on the amendment on the floor.

RESULT:	APPROVED [6 TO 1]
MOVER:	Gus E. Pappas, Council Member
SECONDER:	Trisha S. Pollard, Council Member
AYES:	Friedberg, Reed, Pollard, Pappas, Fife, Montague
NAYS:	McLaughlan

Discussion ensued among members of the City Council regarding the number of appointees to the committee and method by which appointees would be selected. Former committee members Dolores Avioli, Todd L. Blitzer, and Christopher Butler were already included as appointees in the proposed ordinance. New appointees were nominated as follows:

Ron Fash (nominated by Council Members David R. Montague and Michael Fife);

Jimmy Griffin (nominated by Council Member Gus E. Pappas and Mayor Pro Tem Roman F. Reed);

Dawn P. Hawley (nominated by Trisha S. Pollard and Mayor Pro Tem Roman F. Reed);

Paul Katz (nominated by Mayor Andrew S. Friedberg and Pat B. McLaughlan, Council Member); and

Michael Shirley (nominated by Pat B. McLaughlan, Council Member).

Amendment (No. 2) to the Main Motion, as Amended:

To change the preamble on the proposed ordinance to reference the appointment of eight (8) members and in lieu of items 3.d. through 3.j., the individuals identified would be named as appointees: Ron Fash, Dawn P. Hawley, Jimmy Griffin, Paul Katz, and Michael Shirley.

RESULT:	UNANIMOUS [7 TO 0]
MOVER:	Gus E. Pappas, Council Member
SECONDER:	Trisha S. Pollard, Council Member
AYES:	Friedberg, Reed, Pollard, Pappas, McLaughlan, Fife, Montague

NAYS:	None
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Hearing no further discussion, **Andrew S. Friedberg, Mayor**, called for a vote on the main motion, as twice amended and restated below.

Main Motion, as Twice Amended:

To adopt the proposed ordinance with two amendments, the first being the provision of a deadline of April 4, 2016, for recommendations regarding style of architecture, including exterior finishes, and May 15, 2016, for the nonexclusive list of additional recommendations to include the exact location and orientation of buildings within the approved site plan, recommendations regarding parking, layout of buildings, and programming, and the second being to update the preamble to reference eight (8) members and to appoint as new members Ron Fash, Dawn P. Hawley, Jimmy Griffin, Paul Katz, and Michael Shirley.

RESULT:	UNANIMOUS [7 TO 0]
MOVER:	Michael Fife, Council Member
SECONDER:	Gus E. Pappas, Council Member
AYES:	Friedberg, Reed, Pollard, Pappas, McLaughlan, Fife, Montague
NAYS:	None

Mayor Friedberg clarified that the ordinance just adopted already included the following continuing members: Dolores Avioli, Todd L. Blitzer, and Christopher Butler.

F. Community Interest Items from the Mayor and City Council.

Community interest items from the Mayor and City Council included support for comments made by Mayor Pro Tem Roman F. Reed during his inspirational reading; support and prayers for the Mielke Family and the Reginelli's Pizzeria family; encouragement for citizens with surveillance camera systems to offer their support to the Bellaire Police Department; expressions of thanks to the City's first responders; expressions of complete and unqualified support of the Bellaire Police Department; expressions of thanks to Chief of Police Byron Holloway for his television presence on behalf of the City; encouragement for the Cultural Arts Board and Citizens For a Beautiful Bellaire to attend the Ad Hoc Municipal Facilities Committee meetings as volunteers; and reminders to vote in the Tuesday Primary Election.

G. Adjourn.

Andrew S. Friedberg, Mayor, announced that the Special Meeting of the City Council of the City of Bellaire, Texas, was adjourned at 7:00 p.m. on Monday, February 29, 2016.

II. CLOSED MEETING

A. Call to Order and Announcement of a Quorum - Andrew S. Friedberg, Mayor.

Andrew S. Friedberg, Mayor, called the Closed Meeting of the City Council of the

City of Bellaire, Texas, to order at 7:00 p.m. on Monday, February 29, 2016. The closed meeting was held in the Council Chamber and Council Conference Room, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas.

Mayor Friedberg announced that a quorum of all members of City Council was present as set forth in the table below.

Name	Title	Status
Andrew S. Friedberg	Mayor	Present
Roman F. Reed	Mayor Pro Tem	Present
Trisha S. Pollard	Council Member	Present
Gus E. Pappas	Council Member	Present
Pat B. McLaughlan	Council Member	Present
Michael Fife	Council Member	Present
David R. Montague	Council Member	Present

Other officials present were Paul A. Hofmann, City Manager; Alan P. Petrov, City Attorney; Tracy L. Dutton, City Clerk; Byron Holloway, Chief of Police; and James Andrews, City Engineer.

City Clerk Dutton did not participate in the closed portions of the meeting. Chief Holloway and City Engineer Andrews participated in certain closed portions of the meeting according to their respective subject matter areas of responsibility.

B. Retire into Closed Meeting:

Retire into closed meeting in the Council Conference Room pursuant to the Texas Government Code, Chapter 551, Open Meetings Act, Section 551.071, Consultation with Attorney; Closed Meeting, regarding pending and/or contemplated litigation and matters within the attorney-client privilege;

Continue pursuant to the Texas Government Code, Chapter 551, Open Meetings Act, Section 551.072, Deliberation Regarding Real Property; Closed Meeting, for the purpose of discussing the acquisition of property for municipal facilities; and

Continue pursuant to the Texas Government Code, Chapter 551, Open Meetings Act, Section 551.076, Deliberation Regarding Security Devices or Security Audits; Closed Meeting, for the purpose of discussing specific occasions for the implementation of security personnel and/or security devices.

Andrew S. Friedberg, Mayor, announced in the open portion of the meeting that the City Council of the City of Bellaire, Texas, was retiring into closed meeting at 7:01 p.m. on Monday, February 29, 2016, in the Council Conference Room, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401. Mayor Friedberg identified Sections 551.071, Consultation with Attorney; 551.072, Deliberation Regarding Real Property; and 551.076, Deliberation Regarding Security Devices or Security Audits, as the sections of the Open Meetings Act pursuant to which the closed meeting would be held.

C. Reconvene in Open Meeting:

Reconvene in open meeting in the Council Chamber and take action, if any, on items discussed in the closed meeting.

Andrew S. Friedberg, Mayor, announced that the City Council of the City of

Bellaire, Texas, was reconvened in open meeting at 10:19 p.m. on Monday, February 29, 2016, in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401.

{It was noted that Pat B. McLaughlan, Council Member, had departed from the closed meeting at 10:17 p.m. on February 29, 2016.}

Mayor Friedberg advised that members of City Council had met in a closed meeting for the following three permitted purposes pursuant to the Texas Government Code, Chapter 551, Open Meetings Act: (1) Section 551.071, Consultation with Attorney; (2) Section 551.072, Deliberation Regarding Real Property; and (3) Section 551.076, Deliberation Regarding Security Devices or Security Audits.

He indicated that no action would be taken by City Council at this time.

D. Adjourn.

Andrew S. Friedberg, Mayor, announced that the Closed Meeting of the City Council of the City of Bellaire, Texas, was adjourned at 10:20 p.m. on Monday, February 29, 2016.

Minutes Acceptance: Minutes of Feb 29, 2016 6:00 PM (Approval of Minutes:)

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Presentation
Department Head: Paul A. Hofmann
DOC ID: 1793

**SCHEDULED
ACTION ITEM (ID # 1793)**

Item Title:

City Manager's Report regarding communication, field and personnel updates, calendar reminders, and notes of appreciation - Submitted by Paul A. Hofmann, City Manager.

Background/Summary:

City Manager's Report regarding communication, field and personnel updates, calendar reminders, and notes of appreciation.

Previous Council Action Summary:

N/A

Fiscal Impact:

N/A

Recommendation:

N/A

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Presentation
Department Head: Diane K White
DOC ID: 1823

**SCHEDULED
ACTION ITEM (ID # 1823)**

Item Title:

Presentation of the FY2015 Annual Audit and Comprehensive Financial Report (CAFR) by Belt Harris Pechacek, LLLP, Certified Public Accountants, and consideration of and possible action on the acceptance of the 2015 annual audit and CAFR - Submitted by Diane K. White, Assistant City Manager.

Background/Summary:

As required by state statute, an independent audit has been completed by the certified public accounting firm of Belt Harris Pechacek, LLP for the fiscal year ended September 30, 2015. Pursuant to Section 103.003 of the Texas Local Government Code, the annual financial statements including the auditors' opinion must be filed with the City Secretary within 180 days after the last day of the fiscal year.

In compliance with Code of Ordinances Article VII Division 3, Section 2-120 g(2) staff and the auditors met with the Audit Finance Board on February 17, 2016 to review the financial statements and Auditors' Opinion. The audited financial statements which include the Auditors' Opinion will be presented to the Mayor and City Council and to the City Clerk for filing. Members of the Audit Finance Board and Nathan Krupke a partner of Belt Harris Pechacek, LLLP will present the report.

The City Clerk will give notice by publication in the official newspaper of the City of Bellaire that the annual audit is on file at City Hall for inspection. The public may also view the document on our web site at bellairetx.gov/CAFR.

Previous Council Action Summary:**Fiscal Impact:****Recommendation:**

Acceptance of the 2015 Comprehensive Annual Financial Report (CAFR)

ATTACHMENTS:

- Final RAD letter (PDF)
- CAFR for City Council March 7, 2016 (PDF)



Required Auditor Disclosure Letter

January 29, 2016

To the Honorable Mayor and
City Council Members of the
City of Bellaire, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information, of the City of Bellaire, Texas (the "City") as of and for the year ended September 30, 2015, and have issued our report thereon dated January 29, 2016. Professional standards require that we provide the City Council (the "governing body") with the following information related to our audit.

I. Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 17, 2015, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with the governing body's oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our engagement letter dated February 17, 2015.

III. Significant Audit Findings

I. Qualitative Aspects of Accounting Practices

- A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. As described in the notes to the financial statements, the City changed accounting policies related to accounting for pension benefits by adopting Governmental Accounting Standards Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

- B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of capital assets as based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Estimates are used in the calculation of the pension liability and the required annual contribution. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

Estimates are used in the calculation of the health care liability for other post employment benefits. The City hires a licensed actuary to perform the calculation. We evaluated the key factors and assumptions used to develop the liability in relation to the financial statements taken as a whole.

- C. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the City's long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

2. Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures.

4. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

5. Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2016.

6. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

7. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

IV. Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

City of Bellaire, Texas
Required Auditor Disclosure Letter
Page 4 of 4

This information is intended solely for the use of the mayor, City Council, and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas

2/19/2016
1:18 PM

Client: **City of Bellaire, Texas**
Engagement: **4.1 - Bellaire 9/30/15**
Period Ending: **9/30/2015**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	'P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Adjusting entry to restate enterprise fund net position for GASB 68.				
500-2110	PAYABLE - NET PENSION - TMRS		164,157.65	
500-2400	Deferred outflow - Pensions		155,989.13	
500-3300	NET ASSETS		918,867.31	
500-2110	PAYABLE - NET PENSION - TMRS			1,239,014.09
Total			1,239,014.09	1,239,014.09
Adjusting Journal Entries JE # 2				
Adjusting entry to record current pension activity in the enterprise fund.				
500-2110	PAYABLE - NET PENSION - TMRS		120,550.53	
500-2400	Deferred outflow - Pensions		66,526.08	
500-2450	Deferred inflow - pensions			129,639.41
500-5-0000-490	NET PENSION OBLIGATION - TMRS			57,437.20
Total			187,076.61	187,076.61
Adjusting Journal Entries JE # 3				
Adjusting entry to fix contribution of assets in the enterprise fund.				
500-5-2060-770	CAPITAL CONTRIBUTION		219,979.80	
500-5-8066-905	MACHINERY & EQUIPMENT			88,279.80
500-5-8066-906	VEHICLES			131,700.00
Total			219,979.80	219,979.80
Adjusting Journal Entries JE # 4				
Adjusting entry for special revenue fund balance.				
200-5-7035-617	RESERVED DONATIONS		1,324.15	
200-3100	UNRESERVED & UNDESIGNATED FB			431.74
200-4812	SEIZED PROPERTIES ARTICLE 59			892.41
Total			1,324.15	1,324.15
Adjusting Journal Entries JE # 5				
Adjusting entry to add the OPEB accrual to the enterprise funds.				
500-5-0000-495	OPEB EXPENSE		4,017.00	
500-2150	OPEB			4,017.00
Total			4,017.00	4,017.00

Attachment: Final RAD letter (1823 : 2015 Annual Audit)

2/19/2016
1:18 PM

Client: **City of Bellaire, Texas**
Engagement: **4.1 - Bellaire 9/30/15**
Period Ending: **9/30/2015**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	'P Ref	Debit	Credit
Adjusting Journal Entries JE # 6				
Adjusting entry to fix property tax receivables and deferred revenue.				
100-1232	TAXES RECEIVABLE - DELINQUENT		5,621.72	
300-1232	TAXES RECEIVABLE - DELINQUENT		64.82	
100-2202	DEFERRED REVENUE - DELQ TAX			5,621.72
300-2202	DEFERRED REVENUE - DELQ TAX			64.82
Total			5,686.54	5,686.54
Adjusting Journal Entries JE # 7				
Adjusting entry for compensated absences activity in the enterprise fund.				
500-2151	COMPENSATED ABSENCES		22,804.00	
500-5-0000-496	Compensated Absences			22,804.00
Total			22,804.00	22,804.00
Adjusting Journal Entries JE # 8				
Adjusting entry to allocate the changes in OPEB, TMRS, and compensated absences in the enterprise fund.				
500-5-0000-490	NET PENSION OBLIGATION - TMRS		57,437.20	
500-5-0000-496	Compensated Absences		22,804.00	
500-5-0000-495	OPEB EXPENSE			4,017.00
500-5-2067-610	OPERATING EXPENDITURES			6,874.30
500-5-8062-610	OPERATING EXPENDITURE			16,045.98
500-5-8064-610	OPERATING EXPENDITURE			8,229.27
500-5-8065-610	OPERATING EXPENDITURE			17,538.88
500-5-8066-610	OPERATING EXPENDITURE			27,535.77
Total			80,241.20	80,241.20
Adjusting Journal Entries JE # 9				
Adjusting entry for allowance for doubtfuls and A/R in the enterprise fund.				
500-1200	ACCOUNTS RECEIVABLE UTILITIES		16,280.34	
500-1210	ALLOWANCE FOR DOUBTFUL ACCTS			16,280.34
Total			16,280.34	16,280.34

Attachment: Final RAD letter (1823 : 2015 Annual Audit)

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

CITY OF BELLAIRE, TEXAS

For the Year Ended
September 30, 2015

Issued By:

**City of Bellaire
Finance Department**

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

TABLE OF CONTENTS

September 30, 2015

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	3
Organizational Chart	8
Certificate of Achievement for Excellence in Financial Reporting	9
Principal Officials	10
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	13
Management's Discussion and Analysis (Required Supplementary Information)	19
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	31
Statement of Activities	32
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	41
Proprietary Funds Financial Statements	
Statement of Net Position – Proprietary Fund	42
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	43
Statement of Cash Flows – Proprietary Fund	45
Notes to Financial Statements	47
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	72
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	75
Schedule of Contributions – Texas Municipal Retirement System	77
Schedule of Funding Progress – Post Employment Healthcare Benefits	79

CITY OF BELLAIRE, TEXAS

TABLE OF CONTENTS (Continued)

September 30, 2015

	<u>Page</u>
<u>SCHEDULES</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	83
<u>STATISTICAL SECTION</u>	
Net Position by Component	86
Changes in Net Position	88
Fund Balances, Governmental Funds	92
Changes in Fund Balances, Governmental Funds	94
Assessed Value and Estimated Actual Value of Taxable Property	96
Property Tax Rates – Direct and Overlapping Governments	98
Principal Property Taxpayers	101
Property Tax Levies and Collections	102
Ratios of Outstanding Debt by Type	104
Ratios of General Bonded Debt Outstanding	106
Direct and Overlapping Governmental Activities Debt	109
Legal Debt Margin Information	110
Demographic and Economic Statistics	112
Principal Employers	113
Full-Time Equivalent Employees by Function	115
Operating Indicators by Function	116
Capital Asset Statistics by Function	118

INTRODUCTORY SECTION



CITY OF

Bellaire

7008 South Rice Avenue • Bellaire, Texas 77401-4495 • (713) 662-8222 • Fax: (713) 662-8212

January 29, 2016

To the Honorable Mayor, Members of the City Council,
City Manager, and Citizens of the
City of Bellaire, Texas:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Bellaire, Texas (the “City”) for the year ended September 30, 2015. This report is published to provide the citizens, City Council, City staff, bondholders, and other interested parties detailed information concerning the financial condition of the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects and that it is reported in a manner that fairly presents the financial position and results of operations of the City as measured by the financial activity of its various funds and account groups. All disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activities have been included.

THE REPORT

In compliance with the Governmental Accounting Standards Board (GASB) Statement No. 34, this report includes a Management’s Discussion and Analysis (MD&A) which provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A is located immediately following the Independent Auditors’ Report. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

CITY PROFILE

Location

The City, founded in 1908 and incorporated under the laws of the State of Texas in 1918, is located in southwest Harris County. The City is entirely surrounded by the cities of Southside Place, West University Place, and Houston. The City encompasses about 3.6 square miles and has an estimated population of 16,855 as of the 2010 census.

Form of Government

Since 1949, the City has operated under a “Home Rule Charter” which provides for a Council-Manager form of government. The City Council is comprised of a Mayor and six council members. The Mayor is elected for a regular term of two years and is limited to four consecutive terms in that position. Council members, all of whom are elected at-large, are elected for a regular term of four years. No council member may serve more than two consecutive terms in that position. The Mayor and three council members are elected at each regular election. The City Council appoints a City Manager to be responsible for the daily management of the City.

The Reporting Entity and Services Provided

The basic financial statements of the City include police, fire and emergency medical services, parks and recreation, library services, street maintenance and repair, public improvements, water, sewer and solid waste systems, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

Economic Condition

As an enclave of Houston, the economy of the City is directly linked to the Greater Houston region. While a number of large employers, as well as retail and service type businesses, are located within the City, Bellaire is primarily a residential community. Many of the residents work minutes away in Houston's largest business areas, including the Houston Medical Center, regarded as one of the finest health care facilities in the world. Two major airports, Hobby and George Bush Intercontinental, are easily accessible to Bellaire residents and business travelers.

Houston's economy is based on petrochemicals, shipping, refining, chemicals, space exploration, manufacturing, education, medical, and tourism. Over the last fifteen months, Houston has seen job losses and an economic slowdown due to the drop in oil prices. However, due to a petrochemical construction boom, health care, and a strong nationwide economy that supports the metropolitan area, Houston's economy will still grow but at a much slower pace than in previous years. Houston is the seat of Harris County, the most populous county in the State of Texas and the third most populous county in the nation. Houston's phenomenal growth has brought about rapid development throughout the region, but the necessary infrastructure to support such growth in the outlying areas has lagged behind. As a result, many residents of the region have sought to reduce their commute time on Houston's heavily congested transportation corridors by moving closer to the workplace. In addition to Bellaire being a safe city with high quality schools, Bellaire has become increasingly desirable due to its convenient location to Houston's downtown, uptown, and midtown business districts.

The City is a mature zoned community that is almost fully developed residentially with a network of businesses to support its citizens. While there is little undeveloped commercial property, the commercial infrastructure is not nearly as developed or modernized as the residential sector. The City continues to focus on better utilization and growth of the central commercial district and commercial corridors within the City based on its comprehensive plan adopted in 2009 and updated in September 2015. Large mature oak trees cascade over most of the City's streets giving a "small town" feel to the area. Local government control through City Council gives Bellaire residents more influence over key government services such as police and fire protection.

Major Initiatives

In November 2005, voters overwhelmingly approved two separate bond referenda totaling \$50 million to be spent over a ten-year period on infrastructure and facility improvements. With an additional obligation of \$5 million in pay-as-you-go funding, the City's "Rebuild Bellaire" capital improvement program totals \$55 million. The program provides for \$43.5 million in funding for major street and drainage improvements throughout the City and \$11.5 million for facilities replacement and renovation. The City issued the remaining \$7.1 million in 2015 for infrastructure improvements. The remaining authority of \$1.56 million for facilities is projected to be issued in 2017.

In November 2013, voters approved three bond referenda totaling \$16.5 million. \$11 million was approved for improvements to City Hall, Civic Center, Police Station, and Municipal Court facilities. An

additional \$5 million was approved for capital improvements to Evelyn's Park and an additional \$0.5 million was approved for ground and facilities improvements to the Nature Discovery Center in Russ Pitman Park. The City issued \$5.5 million in 2014 for construction of Evelyn's Park and improvements to the Nature Discovery Center in Russ Pitman Park. Bonds for the new municipal complex are projected to be issued in 2017.

Bellaire High School and Condit Elementary School were included in the Houston Independent School District's 2012 \$1.89 billion bond program approved by the voters November 6, 2012. Condit Elementary is in the construction phase and scheduled to open in 2016. A new building for Bellaire High School is planned that will incorporate the recently completed science classroom and laboratory wing. Planning and design started mid-2013 with construction planned to be completed by the beginning of 2020.

Evelyn's Park Conservancy Board was formed in 2011 in compliance with the 2010 memorandum of understanding between the City and the Jerry and Maury Rubenstein Foundation. The Board will direct the planning, fundraising, and development of a park on land donated by the Foundation to the City. The vision for Evelyn's Park developed through input from Bellaire residents includes a tranquil and beautifully landscaped park plan with walking trails, a children's garden and play area, a small lake and stream, a modest food amenity, and event lawn. Evelyn's Park Ground Breaking Celebration took place June 18, 2015. Phase One of Evelyn's Park will include the Live Oak Entry Plaza, a great lawn, event lawn, several gardens, walking trails, a catering kitchen, and a café.

The City Council approved a release of right of way and easement to facilitate the replacement of the current HEB grocery with a store that will triple the size of the current grocery.

Construction of residential homes began in a new residential subdivision, Alder Circle, which will add an estimated \$6.5 million to the tax rolls with an estimated completion date of 2017.

Long-Term Financial Planning

The City approved a decrease of \$0.0063 in the total tax rate facilitated by a 12.84 percent increase in the total taxable value for tax year 2014. The decrease was split with a decrease of \$0.0031 from the General rate and a decrease of \$0.0032 from the Debt Service rate. Tax rates for the past and current fiscal years were apportioned as follows:

Fund	2013	Change	2014	Change	2015
General	\$ 0.2554	\$ 0.0009	\$ 0.2563	\$ (0.0031)	\$ 0.2532
Debt Service	0.1445	(0.0009)	0.1436	(0.0032)	0.1404
Total Tax Rate	\$ 0.3999	\$ -	\$ 0.3999	\$ (0.0063)	\$ 0.3936

The tax rate for tax year 2015, fiscal year 2016, was again reduced by \$0.0131 to \$0.3805 mainly due to increased property values.

Payments for bond principal and interest, which include associated fees, total \$6,578,526 in 2015. The enterprise fund annually transfers \$950,000 to cover debt service requirements on bond proceeds used for enterprise infrastructure.

The City continues to pursue service enhancements through improvements in operational efficiency and efforts to generate cost savings.

Financial Information

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues recorded when available and measurable and expenditures recorded when the goods or services are received and the liabilities incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis.

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is completed to allow for the preparation of financial statements, in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management.

We believe the City's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented, or would be detected within a timely period, by employees in the normal course of performing their assigned functions.

Additionally, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the general, debt service, and enterprise funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the total approved budget for each department. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by an independent certified public accountant. The independent auditors' report prepared by Belt Harris Pechacek, LLP is included in the financial section of this report.

Audit Finance Board

The City Council has formally established an audit finance board (the "Board") to enhance the audit process by providing a direct link between the auditors and the City Council. The Board reviews the audit prior to submission to the City Council and assists the auditors and City staff with the presentation of the audit.

Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended September 30, 2014. This was the sixteen consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

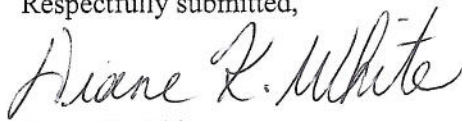
Acknowledgements

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the finance department and the cooperation of all other City departments. We would like to express our appreciation to all members of the finance department and all other City staff who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor, City Council, Audit Finance Board, and the City Manager for their continued interest and support in planning and conducting the financial operations of the City in a responsible and professional manner.

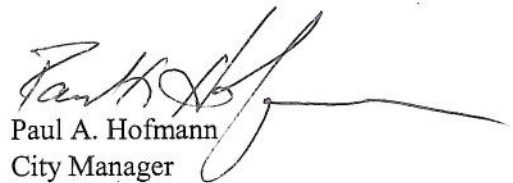
Requests for Information

This financial report is designed to provide a general overview of the City's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant City Manager, City of Bellaire, 7008 South Rice Avenue, Bellaire, Texas 77401-4495.

Respectfully submitted,



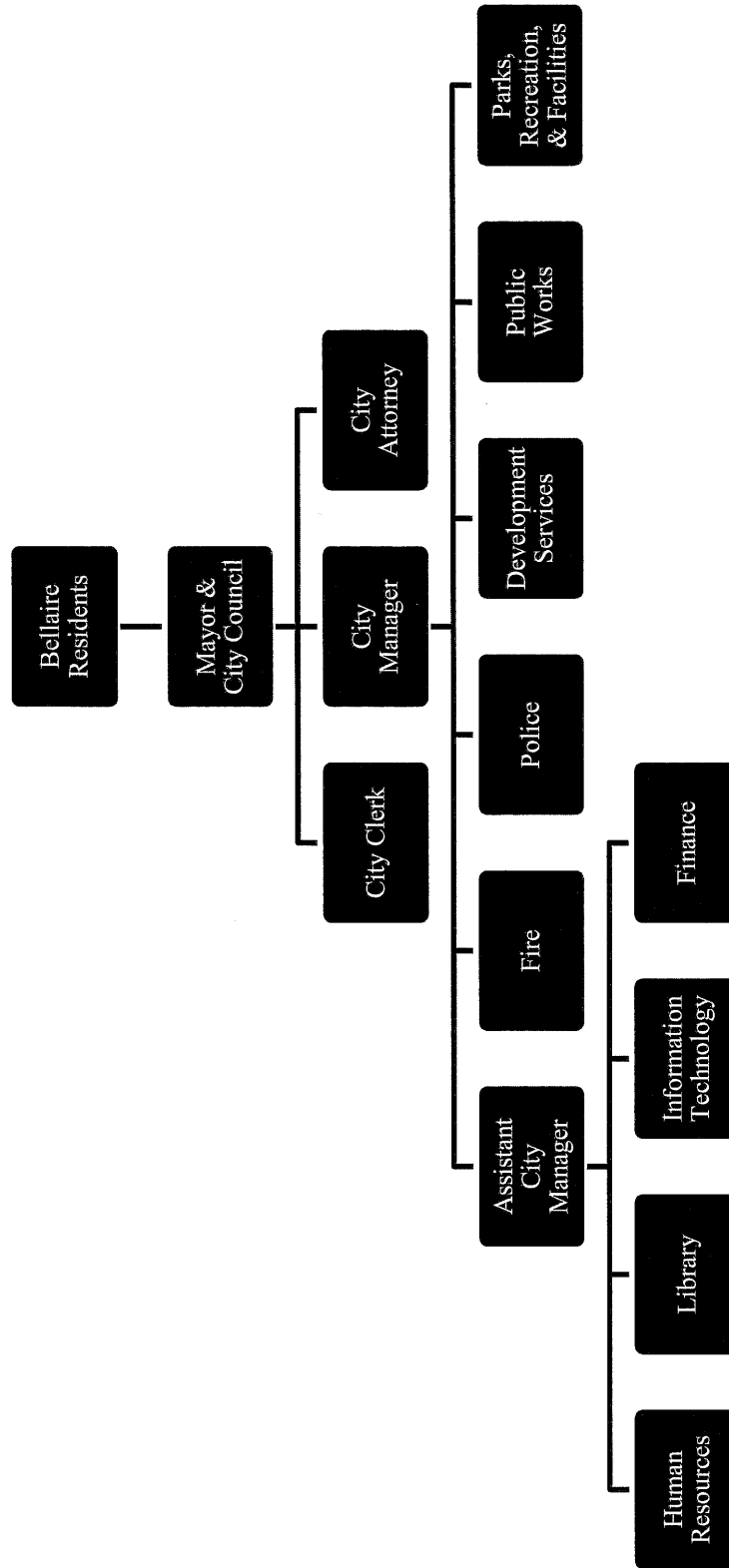
Diane K. White
Assistant City Manager


Paul A. Hofmann
City Manager



FY 2016

City of Bellaire Organizational Chart



CITY OF BELLAIRE, TEXAS
*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bellaire
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2015

City Officials	Elective Position	Term Expires
Dr. Phil Nauert	Mayor	01/16
Roman F. Reed	Council Member - Position No. 1	01/18
Jim Avioli, Sr.	Council Member - Position No. 2	01/16
Gus E. Pappas	Council Member - Position No. 3	01/18
Pat McLaughlan	Council Member - Position No. 4	01/16
Andrew Friedberg	Council Member - Position No. 5	01/18
Mandy Nathan	Council Member - Position No. 6	01/16
Key Staff	Position	
Paul A. Hofmann	City Manager	
Linda Symank	Chief Financial Officer	
Diane White	Assistant City Manager	
Tracy L. Dutton	City Clerk	
Brant Gary	Director of Public Works	
Byron Holloway	Police Chief	
Darryl Anderson	Fire Chief	
Karl Miller	Director of Parks and Recreation and Facilities	
Mary Cohrs	Library Director	
John McDonald	Director of Development Services	
Yolanda Williams	Director of Human Resources	
Larry Parks	Director of Communications and Technology Services	

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Bellaire, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Bellaire, Texas (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Partners

Robert Belt, CPA
Stephanie E. Harris, CPA
Nathan Krupke, CPA

Houston

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713.263.1123

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All Offices

www.texasauditors.com
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713.263.1550 fax

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

In 2015, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, (*Accounting and Financial Reporting for Pensions*), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
January 29, 2016

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

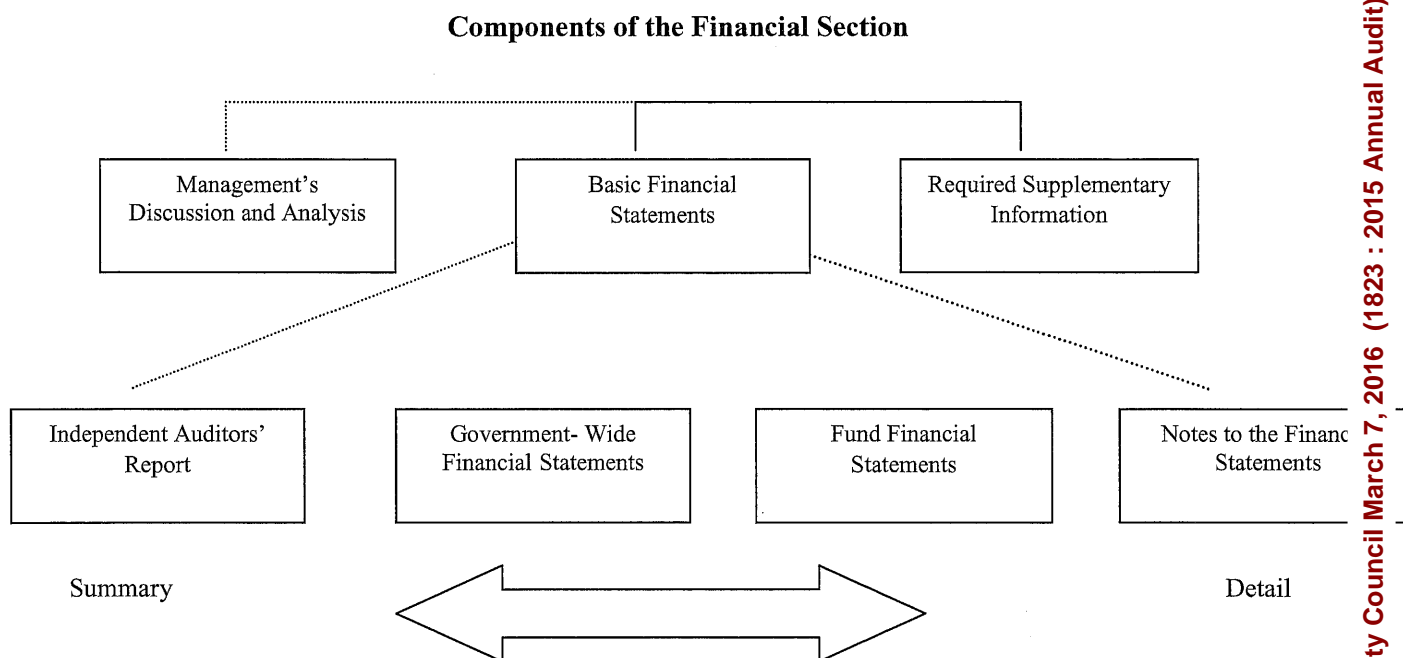
CITY OF BELLAIRE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2015

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Bellaire, Texas (the "City") for the year ending September 30, 2015. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than the modified accrual method that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including police, fire, public works, development services, and general administration. These services are principally supported by taxes and intergovernmental revenues.
2. *Business-Type Activities* – The City's water, sewer, and solid waste system operations are reported here as the City charges fees to customers to recover all or a significant portion of the costs to provide these services.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital improvement fund, capital bond fund, and metro fund, which are considered to be major funds for reporting purposes. The equipment replacement fund is considered a nonmajor fund but is presented as a major fund for reporting purposes.

The City adopts an annual appropriated budget for its general and debt service funds. Budgetary comparison schedules have been provided for each of these funds to demonstrate compliance with these budgets.

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City's enterprise fund accounts for the operations of the City's water, sewer, and solid waste operations. The proprietary fund financial statements provide information for the water and sewer operations, as well as solid waste services. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress for the City's other post employment healthcare benefit. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$63,152,579 as of September 30, 2015 for the primary government. This compares with the prior year's restated balance of \$60,311,217. The largest portion of the City's net position, 113 percent, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2015			
	Governmental Activities	Business-Type Activities	Reconciliation	Total Primary Government
Current and other assets	\$ 38,754,690	\$ 3,042,898	\$ -	\$ 41,797,588
Capital assets, net	71,469,889	45,007,913	-	116,477,802
Total Assets	110,224,579	48,050,811	-	158,275,390
Deferred charge on refunding	1,944,294	-	-	1,944,294
Deferred outflow - pensions	1,906,659	222,515	-	2,129,174
Total Deferred Outflows of Resources	3,850,953	222,515	-	4,073,468
Long-term liabilities	93,979,529	1,196,883	-	95,176,412
Other liabilities	2,453,621	325,770	-	2,779,391
Total Liabilities	96,433,150	1,522,653	-	97,955,803
Deferred inflow - pensions	1,110,837	129,639	-	1,240,476
Total Deferred Inflows of Resources	1,110,837	129,639	-	1,240,476
Net Position (Deficit):				
Net investment in capital assets	22,459,271	45,007,913	(8,492,407)	58,974,777
Restricted	5,232,714	-	-	5,232,714
Unrestricted	(11,160,440)	1,613,121	8,492,407	(1,054,912)
Total Net Position	\$ 16,531,545	\$ 46,621,034	\$ -	\$ 63,152,579
	2014			
	Governmental Activities	Business-Type Activities	Reconciliation	Total Primary Government
Current and other assets	\$ 33,590,347	\$ 3,772,248	\$ -	\$ 37,362,595
Capital assets, net	67,857,823	46,450,275	-	114,308,098
Total Assets	101,448,170	50,222,523	-	151,670,693
Deferred charge on refunding	2,056,104	-	-	2,056,104
Deferred outflow - pensions	1,336,619	155,989	-	1,492,608
Total Deferred Outflows of Resources	3,392,723	155,989	-	3,548,712
Long-term liabilities	90,982,100	1,336,220	-	92,318,320
Other liabilities	2,233,660	356,208	-	2,589,868
Total Liabilities	93,215,760	1,692,428	-	94,908,188
Net Position (Deficit):				
Net investment in capital assets	19,904,368	46,450,275	(9,322,704)	57,031,939
Restricted	4,833,458	-	-	4,833,458
Unrestricted	(13,112,693)	2,235,809	9,322,704	(1,554,180)
Total Net Position, Restated	\$ 11,625,133	\$ 48,686,084	\$ -	\$ 60,311,217

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

The City's governmental activities net position increased from \$11,625,133 to \$16,531,545. This increase is primarily due to an increase in capital assets. The net position of business-type activities decreased from \$48,686,084 to \$46,621,034. The decrease can be attributed to depreciation of capital assets and a reduction in current assets. Total long-term liabilities increased from \$92,318,320 to \$95,176,412 primarily due to additional debt being issued during the year.

The City has historically issued and repaid debt in its governmental activities for which the proceeds were used to purchase capital assets for the business-type activities. With one activity carrying the capital asset and another carrying the debt, the result is an unusual net position presentation. The City has included a reconciliation column in the Statement of Net Position adjusting the net investment in capital assets. Outstanding debt associated with governmental activities in the amount of \$8,492,407 is being used to finance capital assets reported in business-type activities. Accordingly, this amount has been added back to unrestricted net position and deducted from net investment in capital assets in total for the primary government.

There was a decrease in the beginning net position of \$7,740,247 for governmental activities and \$918,867 for business-type activities due to implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. More detailed information about this restatement is presented in note III.F to the financial statements.

In the current fiscal year, GASB Statement No. 68 and No. 71 require the City to recognize a net pension liability and deferred outflows/inflows of resources as discussed in note IV.C. to the financial statements. The change in net pension liability decreased by \$1,032,957 for governmental activities and \$120,550 for business-type activities. The net change in deferred outflows/inflows decreased the net position by \$540,797 for governmental activities and \$63,113 for business-type activities.

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Statement of Activities

The following table provides a summary of the City's changes in net position:

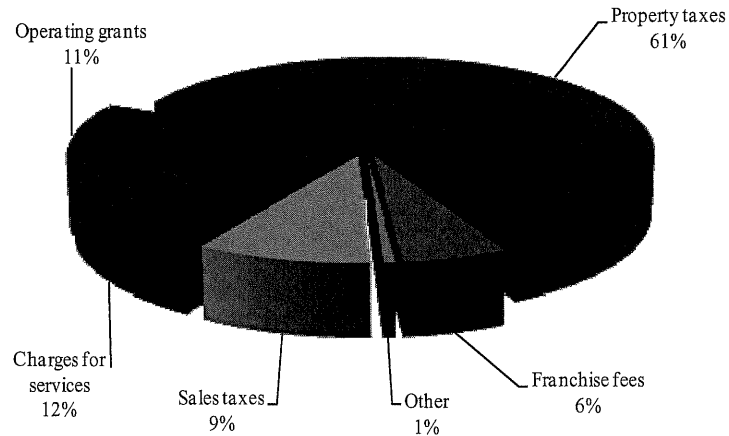
	For the Year Ended September 30, 2015			For the Year Ended September 30, 2014			
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Prim Govern	
Revenues							
Program revenues:							
Charges for services	\$ 3,152,272	\$ 6,878,309	\$ 10,030,581	\$ 3,259,965	\$ 7,136,124	\$ 10,396,089	9
Operating grants and contributions	2,827,088	63,000	2,890,088	864,874	-	864,874	4
General revenues:							
Property taxes	15,671,184	-	15,671,184	14,356,415	-	14,356,415	5
Other taxes	3,851,014	-	3,851,014	3,784,784	-	3,784,784	4
Other	184,572	173,793	358,365	101,833	102,589	204,422	2
Total Revenues	25,686,130	7,115,102	32,801,232	22,367,871	7,238,713	29,606,584	4
Expenses							
General government	4,186,635	-	4,186,635	4,650,382	-	4,650,382	2
Public safety	7,642,560	-	7,642,560	7,688,067	-	7,688,067	7
Public works	3,495,508	-	3,495,508	3,010,890	-	3,010,890	0
Culture and recreation	4,129,555	-	4,129,555	3,466,560	-	3,466,560	0
Water system	-	4,222,422	4,222,422	-	4,099,061	4,099,061	1
Sewer system	-	2,140,266	2,140,266	-	2,551,872	2,551,872	2
Solid waste	-	1,340,844	1,340,844	-	1,422,924	1,422,924	4
Interest on long-term debt	2,802,080	-	2,802,080	2,600,345	-	2,600,345	5
Total Expenses	22,256,338	7,703,532	29,959,870	21,416,244	8,073,857	29,490,101	1
Net Position Before Transfers	3,429,792	(588,430)	2,841,362	951,627	(835,144)	106,483	3
Transfers in (out)	1,476,620	(1,476,620)	-	1,601,327	(1,601,327)	-	-
Change in Net Position	4,906,412	(2,065,050)	2,841,362	2,552,954	(2,436,471)	116,483	3
Beginning net position as restated	11,625,133	48,686,084	60,311,217	9,072,179	51,122,555	60,194,734	4
Ending Net Position	\$ 16,531,545	\$ 46,621,034	\$ 63,152,579	\$ 11,625,133	\$ 48,686,084	\$ 60,311,217	7

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

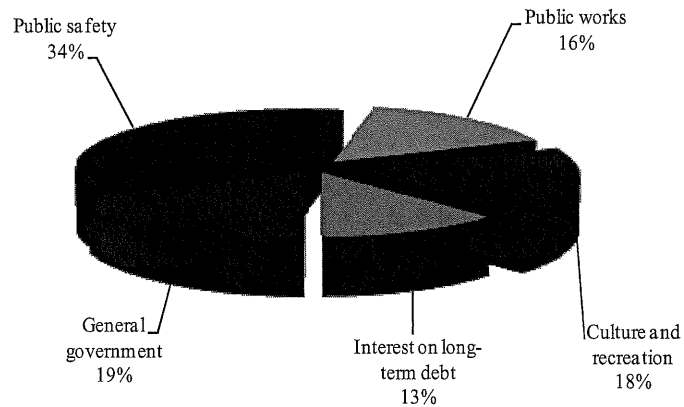
CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

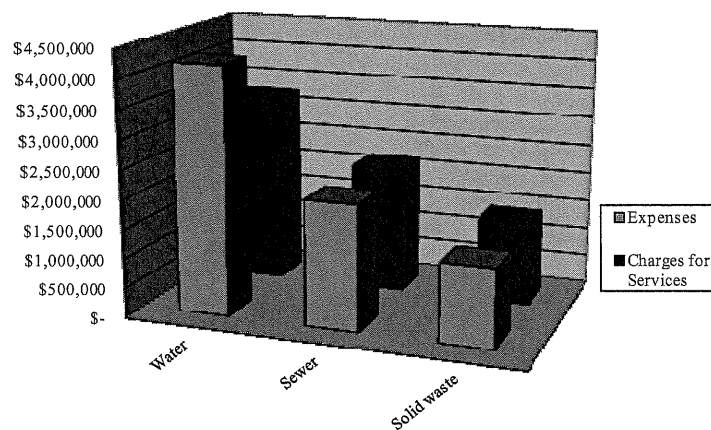
Governmental Activities - Revenues



Governmental Activities - Expenses



Business-Type Activities - Revenues and Expenses



CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

For the year ended September 30, 2015, revenues from governmental activities before transfers totaled \$25,686,130, an increase of 14.83 percent from the previous year. The increase in revenue is primarily due to higher property tax revenue from higher assessed property values and a donation from Evelyn's Park Conservancy in the current year. For the year ended September 30, 2015, expenses from governmental activities before transfers totaled \$22,256,338, which was an increase of 3.92 percent from the previous year.

Business-type activities reported a decrease in net positions before transfers of \$588,430 with program expenses of \$7,703,532 and revenues of \$7,115,102. This decrease is primarily attributed to overhead costs. The total net position after non-operating, capital contributions, and transfers decreased by \$2,065,050 which was primarily due to a transfer to the general fund. For the year ended September 30, 2015, revenues for water, sewer, and solid waste decreased \$123,611, which was a small decrease of 1.71 percent from the previous year. For the year ended September 30, 2015, expenses for water, sewer, and solid waste decreased \$370,325, which was a small decrease of 4.59 percent from previous year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$36,432,591. Of this, \$5,596,804 is unassigned and available for day-to-day operations of the City, \$4,599,903 is committed for City facilities and equipment, \$25,386,181 is restricted for various capital projects, \$514,125 is restricted for debt service, \$328,335 is restricted by legal statutes, and \$7,243 is nonspendable.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the City reported an ending general fund balance of \$5,604,047. The general fund's unassigned fund balance is \$5,596,804. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total general fund expenditures. Total fund balance represents 34 percent of total general fund expenditures.

Debt service payments totaled \$6,578,526 for the year. The debt service fund balance had a decrease of \$48,407, with a \$514,125 ending fund balance.

The City's capital improvement fund spent \$1,062,394 on projects and received a transfer in of just over \$1 million, resulting in an ending fund balance of \$5,668,626. The City's capital bond fund spent \$4,455,417 and \$164,458 on capital projects and bond issuance costs, respectively, and issued debt for \$7,710,000 with a premium of \$364,458, which resulted in an increase in fund balance of \$3,463,355 for future capital projects and street, drainage, and park improvements. The City's METRO fund reported a fund balance of \$2,901,556 which was a decrease of \$1,031,634. This decrease is a result of the City spending more on street projects than the money paid by METRO. The City's equipment replacement fund reported a fund balance of \$419,975 after expending \$33,570 on equipment. The City's equipment replacement fund reported a decrease of \$158,570 after a transfer to the City's enterprise funds. These fund balances will be used for Council-approved improvements and projects.

The City's enterprise fund operating expenses exceeded operating revenues by \$680,706. The capital improvement fund contributed \$708,380 in capital assets and the enterprise fund transferred \$2,310,000 to

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

the governmental funds to help finance previously issued debt and provide funds for future capital improvements. Ending net position is \$46,621,034.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were more than original and amended budgeted revenues by \$342,540 during the year primarily due to higher than expected sales tax and revenue from charges for services. General fund expenditures were under the final budget by \$290,847. The general fund net change in fund balance was \$980,795, \$624,387 more than budgeted, with an ending fund balance of \$5,604,047.

CAPITAL ASSETS

At the end of the year, the City's governmental activities had invested \$71,469,889 in a variety of capital assets and infrastructure, net of accumulated depreciation.

More detailed information on City's capital asset activity is presented in note III.C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$81,365,000, all of which is general obligation debt. The City issued general obligation bonds, series 2015 for \$7,710,000 during the fiscal year for street and drainage improvements.

More detailed information about the City's long-term liabilities is presented in note III.D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

General fund revenues for fiscal year 2016 are projected to increase 8.3 percent over the prior fiscal year.

Higher appraised values and new property added to the tax roll gave the City a 12.47 percent increase in taxable values over last year. The tax rate for fiscal year 2016 was reduced from \$0.3936 to \$0.3805.

Salary and benefits represent 64.0 percent of the general fund's fiscal year 2016 budget. The general fund has 151.5 full-time equivalents approved for fiscal year 2016.

The enterprise fund's revenues are projected to increase 8.6 percent over fiscal year 2015 actual revenues. Revenues were under projections for fiscal year 2015 due to rains and less usage. The sanitation rate was increased \$3.34 per month for fiscal year 2016 and is projected to increase revenues by \$242,840. The transfer to the general fund was increased to \$624,000 from \$500,000 based on an analysis of the cost of services provided by the general fund to the enterprise fund.

Salary and benefits represent 20.8 percent of the enterprise fund's fiscal year 2016 budget. The budget provides funding for 32 full-time equivalent positions.

Other economic factors and reports that are periodically reviewed for the purpose of accurately ascertaining the economic health of the City include the City's five-year long range forecast, regional and national forecasts, unemployment estimates, sales tax and franchise fee revenue trends, number and price of houses for sale, and collections on accounts receivable. The City also uses various interest rate indicators such as federal funds, prime rates, and mortgage rates for evaluating performance of the City's investments, monitoring debt service rates, and an indicator of new home starts. The fiscal year 2016

CITY OF BELLAIRE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

budget provides a strong financial plan, while ensuring a superior level of municipal services to the citizens of the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Assistant City Manager, City of Bellaire, 7008 South Rice Avenue, Bellaire, TX, 77401.

BASIC FINANCIAL STATEMENTS

CITY OF BELLAIRE, TEXAS

STATEMENT OF NET POSITION

September 30, 2015

	Primary Government			
	Governmental Activities	Business-Type Activities	Reconciliation	Total
Assets				
Cash and cash equivalents	\$ 35,100,938	\$ 1,067,859	\$ -	\$ 36,168,797
Investments	2,774,787	232,013	-	3,006,800
Receivables (net of allowance)	864,834	1,106,755	-	1,971,589
Accrued interest	6,888	-	-	6,888
Prepaid items	7,243	636,271	-	643,514
Nondepreciable capital assets	6,123,149	276,648	-	6,399,797
Depreciable capital assets, net	65,346,740	44,731,265	-	110,078,005
Total Assets	110,224,579	48,050,811	-	158,275,390
Deferred Outflows of Resources				
Deferred charge on refunding	1,944,294	-	-	1,944,294
Deferred outflow - pension	1,906,659	222,515	-	2,129,174
Total Deferred Outflows of Resources	3,850,953	222,515	-	4,073,468
Liabilities				
Accounts payable and accrued liabilities	2,104,110	229,280	-	2,333,390
Customer deposits	-	96,490	-	96,490
Accrued interest payable	349,511	-	-	349,511
Long-term liabilities due within one year	4,458,088	47,039	-	4,505,127
Long-term liabilities due in more than one year	89,521,441	1,149,844	-	90,671,285
Total Liabilities	96,433,150	1,522,653	-	97,955,803
Deferred Inflows of Resources				
Deferred inflows - pension	1,110,837	129,639	-	1,240,476
Net Position				
Net investment in capital assets	22,459,271	45,007,913	(8,492,407)	58,974,777
Restricted:				
Special revenue				
Communications from public education government fees	202,028	-	-	202,028
Police and fire department vehicles and equipment	22,554	-	-	22,554
Library supplies and equipment	8,888	-	-	8,888
Municipal court technology	87,726	-	-	87,726
Parks and recreation equipment	7,139	-	-	7,139
Debt service	514,125	-	-	514,125
Capital projects				
Metropolitan streets or METRO	2,901,556	-	-	2,901,556
Evelyn's park improvement	1,488,698	-	-	1,488,698
Unrestricted net position	(11,160,440)	1,613,121	8,492,407	(1,054,912)
Total Net Position	\$ 16,531,545	\$ 46,621,034	\$ -	\$ 63,152,579

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	4,186,635	\$ 1,623,777	\$ -
Public safety	7,642,560	484,435	4,069
Public works	3,495,508	-	983,633
Culture and recreation	4,129,555	1,044,060	1,839,386
Interest and issuance costs on long-term debt	2,802,080	-	-
Total Governmental Activities	<u>22,256,338</u>	<u>3,152,272</u>	<u>2,827,088</u>
Business-Type Activities			
Water	4,222,422	3,263,193	63,000
Sewer	2,140,266	2,184,372	-
Solid waste	1,340,844	1,430,744	-
Total Business-Type Activities	<u>7,703,532</u>	<u>6,878,309</u>	<u>63,000</u>
Total Primary Government	<u>\$ 29,959,870</u>	<u>\$ 10,030,581</u>	<u>\$ 2,890,088</u>
General Revenues:			
Property taxes			
Sales taxes			
Franchise fees			
Investment income			
Miscellaneous			
Transfers			
Total General Revenues and Transfers			
Change in Net Position			
Beginning net position as restated			
Ending Net Position			

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (2,562,858)	\$ -	\$ (2,562,858)
(7,154,056)	-	(7,154,056)
(2,511,875)	-	(2,511,875)
(1,246,109)	-	(1,246,109)
(2,802,080)	-	(2,802,080)
<u>(16,276,978)</u>	<u>-</u>	<u>(16,276,978)</u>
-	(896,229)	(896,229)
-	44,106	44,106
-	89,900	89,900
<u>-</u>	<u>(762,223)</u>	<u>(762,223)</u>
<u>(16,276,978)</u>	<u>(762,223)</u>	<u>(17,039,201)</u>
15,671,184	-	15,671,184
2,391,335	-	2,391,335
1,459,679	-	1,459,679
51,596	3,982	55,578
132,976	169,811	302,787
1,476,620	(1,476,620)	-
<u>21,183,390</u>	<u>(1,302,827)</u>	<u>19,880,563</u>
4,906,412	(2,065,050)	2,841,362
11,625,133	48,686,084	60,311,217
<u>\$ 16,531,545</u>	<u>\$ 46,621,034</u>	<u>\$ 63,152,579</u>

CITY OF BELLAIRE, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2015

	General	Debt Service	Capital Improvement	Capital Bond
<u>Assets</u>				
Cash and cash equivalents	\$ 2,900,593	\$ 421,853	\$ 5,806,140	\$ 21,909,869
Investments	2,683,096	91,691	-	-
Receivables, net	789,793	56,994	-	-
Accrued interest	6,307	581	-	-
Prepaid items	7,243	-	-	-
Total Assets	\$ 6,387,032	\$ 571,119	\$ 5,806,140	\$ 21,909,869
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 621,990	\$ -	\$ 137,514	\$ 913,942
Total Liabilities	621,990	-	137,514	913,942
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - other	54,735	-	-	-
Unavailable revenue - property taxes	106,260	56,994	-	-
Total Deferred Inflow of Resources	160,995	56,994	-	-
<u>Fund Balances</u>				
Nonspendable	7,243	-	-	-
Restricted:				
Public, educational, and governmental programming fees	-	-	-	-
Police and fire department vehicles and equipment	-	-	-	-
Library supplies and equipment	-	-	-	-
Municipal court technology	-	-	-	-
Parks and recreation equipment	-	-	-	-
Debt service	-	514,125	-	-
Metropolitan streets or METRO	-	-	-	-
Drainage and city facilities	-	-	-	20,995,927
Evelyn's Park improvement	-	-	1,488,698	-
Committed:				
City facilities and equipment	-	-	4,179,928	-
Unassigned	5,596,804	-	-	-
Total Fund Balances	5,604,047	514,125	5,668,626	20,995,927
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,387,032	\$ 571,119	\$ 5,806,140	\$ 21,909,869

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

<u>Metro</u>	<u>Equipment Replacement</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>
\$ 3,331,105	\$ 419,975	\$ 311,403	\$ 35,100,938
-	-	-	2,774,787
-	-	18,047	864,834
-	-	-	6,888
-	-	-	7,243
<u>\$ 3,331,105</u>	<u>\$ 419,975</u>	<u>\$ 329,450</u>	<u>\$ 38,754,690</u>
\$ 429,549	\$ -	\$ 1,115	\$ 2,104,110
<u>429,549</u>	<u>-</u>	<u>1,115</u>	<u>2,104,110</u>
-	-	-	54,735
-	-	-	163,254
<u>-</u>	<u>-</u>	<u>-</u>	<u>217,989</u>
-	-	-	7,243
-	-	202,028	202,028
-	-	22,554	22,554
-	-	8,888	8,888
-	-	87,726	87,726
-	-	7,139	7,139
-	-	-	514,125
2,901,556	-	-	2,901,556
-	-	-	20,995,927
-	-	-	1,488,698
-	419,975	-	4,599,903
-	-	-	5,596,804
<u>2,901,556</u>	<u>419,975</u>	<u>328,335</u>	<u>36,432,591</u>
<u>\$ 3,331,105</u>	<u>\$ 419,975</u>	<u>\$ 329,450</u>	<u>\$ 38,754,690</u>

CITY OF BELLAIRE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended September 30, 2015

Total fund balances for governmental funds		\$ 36,432,591
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets - non-depreciable	6,123,149	
Capital assets - net depreciable	<u>65,346,740</u>	
		71,469,889
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		217,989
Deferred outflows and deferred inflows related to the net pension liability are not reported in the governmental funds.		
Deferred outflows	1,906,659	
Deferred inflows	<u>(1,110,837)</u>	
		795,822
Some liabilities are not reported as liabilities in the governmental funds.		
Accrued interest payable	(349,511)	
Deferred charge on refunding	1,944,294	
Non-current liabilities due in one year	(4,458,088)	
Non-current liabilities due in more than one year	<u>(89,521,441)</u>	
		<u>(92,384,746)</u>
Net Position of Governmental Activities		\$ 16,531,545

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2015

	General	Debt Service	Capital Improvement	Capital Bond
Revenues				
Property taxes	\$ 10,120,107	\$ 5,576,528	\$ -	\$ -
Sales taxes	2,391,335	-	-	-
Franchise fees	1,393,224	-	-	-
Licenses and permits	1,007,468	-	-	-
Fines and forfeitures	677,856	-	-	-
Charges for services	1,424,243	-	-	-
Investment income	37,373	3,591	-	8,772
Intergovernmental revenue	99,511	-	-	-
Other	64,838	-	1,839,386	-
Total Revenues	17,215,955	5,580,119	1,839,386	8,772
Expenditures				
Current:				
General government	4,105,290	-	-	-
Public safety	7,680,331	-	-	-
Public works	1,100,198	-	-	-
Culture and recreation	3,700,341	-	-	-
Capital projects	-	-	1,062,394	4,455,417
Debt service:				
Principal	-	3,955,000	-	-
Interest and fiscal charges	-	2,623,526	-	-
Bond issuance costs	-	-	-	164,458
Total Expenditures	16,586,160	6,578,526	1,062,394	4,619,875
Excess (Deficiency) of Revenues Over (Under) Expenditures	629,795	(998,407)	776,992	(4,611,103)
Other Financing Sources (Uses)				
Bonds issued	-	-	-	7,710,000
Bond premium	-	-	-	364,458
Transfers in	500,000	950,000	1,010,000	-
Transfers (out)	(150,000)	-	-	-
Sale of capital assets	1,000	-	-	-
Total Other Financing Sources (Uses)	351,000	950,000	1,010,000	8,074,458
Net Change in Fund Balances	980,795	(48,407)	1,786,992	3,463,355
Beginning fund balances	4,623,252	562,532	3,881,634	17,532,572
Ending Fund Balances	\$ 5,604,047	\$ 514,125	\$ 5,668,626	\$ 20,995,927

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

<u>Metro</u>	<u>Equipment Replacement</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 15,696,635
-	-	-	2,391,335
-	-	66,455	1,459,679
-	-	-	1,007,468
-	-	38,005	715,861
-	-	-	1,424,243
1,860	-	-	51,596
884,122	-	-	983,633
-	-	71,207	1,975,431
<u>885,982</u>	<u>-</u>	<u>175,667</u>	<u>25,705,881</u>
-	-	62,328	4,167,618
-	-	59,241	7,739,572
-	-	-	1,100,198
-	-	63,499	3,763,840
1,917,616	33,570	-	7,468,997
-	-	-	3,955,000
-	-	-	2,623,526
-	-	-	164,458
<u>1,917,616</u>	<u>33,570</u>	<u>185,068</u>	<u>30,983,209</u>
<u>(1,031,634)</u>	<u>(33,570)</u>	<u>(9,401)</u>	<u>(5,277,328)</u>
-	-	-	7,710,000
-	-	-	364,458
-	-	-	2,460,000
-	(125,000)	-	(275,000)
-	-	-	1,000
<u>-</u>	<u>(125,000)</u>	<u>-</u>	<u>10,260,458</u>
(1,031,634)	(158,570)	(9,401)	4,983,130
3,933,190	578,545	337,736	31,449,461
<u>\$ 2,901,556</u>	<u>\$ 419,975</u>	<u>\$ 328,335</u>	<u>\$ 36,432,591</u>

CITY OF BELLAIRE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

Net changes in fund balances - governmental funds \$ 4,983,130

Adjustments for the Statement of Activities:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital asset activity during the year is as follows:

Capital outlay for capital assets	6,857,445
Depreciation	(3,245,379)

Revenues that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	(20,751)
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Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Principal payments	3,955,000
Bonds issued	(7,710,000)
Changes in premium on bonds	(248,747)
Changes in amortization of debt items	(111,810)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in OPEB, pension activity and compensated absences.

Accrued interest	(17,997)
OPEB obligation	(16,463)
Pension obligation	1,032,957
Deferred outflow - pension	570,040
Deferred inflow - pension	(1,110,837)
Compensated absences	(10,176)

Change in Net Position of Governmental Activities	\$ 4,906,412
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See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2015

	<u>Business-Type Activities Enterprise</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 1,067,859
Investments	232,013
Receivables (net of allowance)	1,106,755
Prepaid items	636,271
Total Current Assets	<u>3,042,898</u>
Noncurrent assets:	
Capital assets:	
Land	256,148
Construction in progress	20,500
Buildings and improvements	12,039,531
Infrastructure	81,421,597
Vehicles and equipment	5,079,142
Less: accumulated depreciation	<u>(53,809,005)</u>
Total Capital Assets, (Net)	<u>45,007,913</u>
Total Noncurrent Assets	<u>45,007,913</u>
Total Assets	<u>48,050,811</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflow - pension	<u>222,515</u>
Total Deferred Outflows of Resources	<u>222,515</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	229,280
Customer deposits	96,490
Long-term liabilities due in less than one year	<u>47,039</u>
Total Current Liabilities	<u>372,809</u>
Noncurrent liabilities:	
Long-term liabilities due in more than one year	<u>1,149,844</u>
Total Noncurrent Liabilities	<u>1,149,844</u>
Total Liabilities	<u>1,522,653</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflow - pension	<u>129,639</u>
Total Deferred Inflows of Resources	<u>129,639</u>
<u>Net position:</u>	
Investment in capital assets	45,007,913
Unrestricted	1,613,121
Total Net Position	<u>\$ 46,621,034</u>

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND

For the Year Ended September 30, 2015

	Business-Type Activities Enterprise
<u>Operating Revenues</u>	
Water services	\$ 3,263,193
Sewer services	2,184,372
Solid waste services	1,430,744
Miscellaneous	144,517
Total Operating Revenues	7,022,826
<u>Operating Expenses</u>	
Water production	450,903
Water distribution	508,291
Wastewater collection	304,666
Wastewater treatment	835,956
Solid waste	1,197,899
Surface water conversion	1,707,622
Utility billing and meter reading	327,473
Depreciation	2,370,722
Total Operating Expenses	7,703,532
Operating (Loss)	(680,706)
<u>Non-Operating Revenues</u>	
Gain on investments	3,982
Gain on sale of capital assets	25,294
Intergovernmental revenue	63,000
Total Non-Operating Revenues	92,276
(Loss) Before Contributions and Transfers	(588,430)
Capital contribution	708,380
Transfers in	125,000
Transfers (out)	(2,310,000)
Change in Net Position	(2,065,050)
Beginning net position as restated	48,686,084
Ending Net Position	\$ 46,621,034

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended September 30, 2015

	Business-Type Activities Enterprise
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 6,905,577
Payments to suppliers	(4,191,159)
Payments to employees	(1,283,343)
Net Cash Provided by Operating Activities	1,431,075
<u>Cash Flows from Noncapital Financing Activities</u>	
Intergovernmental revenue	63,000
Transfers in from other funds	125,000
Transfers (out) to other funds	(2,310,000)
Net Cash (Used) by Noncapital Financing Activities	(2,122,000)
<u>Cash Flows from Investing Activities</u>	
Gain on investments	1,095,140
Purchase of capital assets	(219,980)
Gain on sale of capital assets	25,294
Net Cash (Used) by Investing Activities	900,454
Net (Decrease) in Cash and Cash Equivalents	209,529
Beginning cash and cash equivalents before reclassification	858,330
Ending Cash and Cash Equivalents	\$ 1,067,859
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating (loss)	\$ (680,706)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	2,370,722
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(117,249)
Prepaid expenses	(35,030)
Increase (Decrease) in:	
Accounts payable	(31,078)
Customer deposits	640
Pension activity from TMRS	(57,437)
OPEB and compensated absences obligation	(18,787)
Net Cash Provided by Operating Activities	\$ 1,431,075
Noncash investing, capital, and financing activities:	
Contributions of capital assets from governmental funds	\$ 708,380

See Notes to Financial Statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Bellaire, Texas (the “City”) was incorporated under the laws of the State of Texas on June 24, 1918. The City operates under a “Home Rule Charter” which provides for a “Council-Manager” form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police, fire, and emergency medical services; highways and streets; sanitation; water and sewer services; recreation; public improvements; planning and zoning; and general administration.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

B. Government Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the City as a whole. These statements include all activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and culture and recreation. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue fund is considered nonmajor for reporting purposes.

The *capital projects funds* are used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for capital improvement projects. The capital projects funds include the capital improvement fund, which accounts for those projects funded by tax revenue; the capital bond fund, which includes those projects funded with bond proceeds; the metro fund; and the equipment replacement fund, which includes those projects funded with revenue from other governmental sources. The capital improvement fund, the bond fund, and the metro fund are considered major funds for reporting purposes. The equipment replacement fund is considered a nonmajor fund but is presented as a major fund for reporting purposes.

The City reports the following enterprise funds:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection and wastewater treatment, as well as solid waste services. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The enterprise fund is considered a major fund for reporting purposes.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at amortized cost. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturities of three months or less when purchased to be cash equivalents.

Cash balances from all funds are combined and invested in money market accounts, investment pools, and U.S. Government securities. Earnings from these investments are allocated to each fund based on month end equity balances in the investment pool.

2. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit
- Mutual funds of specific type
- Statewide investment pools

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are also recognized as expenditures when utilized.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of a significant portion of the capital assets in the infrastructure category has been estimated based on management's estimated historical cost.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effect of capitalization materially impacts the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Infrastructure	10 to 40 years
Building and improvements	5 to 40 years
Vehicles and equipment	4 to 10 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between projected and actual investment earnings of the pension plans assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred inflows of resources are recognized for the difference between expected and actual economic experience on the pension plan liability. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, paving assessments, and ambulance fees. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated may be paid to employees upon termination of employment or during employment in accordance with the City's personnel policy. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

8. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Other Post Employment Benefits

The City allows retirees to continue participation in the City's health care plan through an opt-in provision. Employees separating employment with the City who have had at least five years of service with the City and who are eligible for Texas Municipal Retirement System retirement benefits at the date of separation may purchase retiree health insurance through the City. Other terminating employees may be eligible for continued medical coverage under applicable federal laws.

12. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during September of each year, are due upon receipt of the City's tax bill, and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The penalties and interest accumulate on the unpaid accounts until July 1, at which time the delinquent accounts are turned over to the tax attorney for legal action. A penalty of six percent and interest of one percent are added to delinquent taxes on February 1. The penalty amount increases to a maximum of 12 percent on July 1 of each year, with interest continuing to increase at one percent per month until the account is paid. An additional penalty of 15 percent is added in July for attorney costs. There are no discounts allowed on taxes.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles for the general and debt service funds. The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of control as defined by the charter is the department in the approved general fund budget. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year. Supplemental budget appropriations were made for the year ended September 30, 2015.

Budgets are not legally adopted for the capital projects and the special revenue funds. The budget for the capital project funds are based on current capital projects. The budget for the special revenue fund is based on available resources from donations, municipal court fees, and grant revenue all of which is restricted by a third party.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2015, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Risk
U.S. agencies			
Federal Home Loan Mortgage Corp.	\$ 2,004,736	2.48	AAA
Federal Home Loan Bank	1,002,064	2.33	AA+
External investment pools			
TexPool	29,722,945	0.09	AAAm
TexSTAR	2,318,339	0.11	AAAm
Total Fair Value	\$ 35,048,084		
Portfolio weighted average maturity		0.29	

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. State law and the City's investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2015, the City's investments in TexPool and TexSTAR were rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2015, fair values of pledged securities and FDIC insurance exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safe keep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

& Poor's rated TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexSTAR

The Texas Short Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by a contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

B. Receivables

The following comprise receivable balances at year end:

	General	Debt Service	Nonmajor Special Revenue	Enterprise
Property taxes	\$ 106,260	\$ 56,994	\$ -	\$ -
Other taxes	519,322	-	18,047	-
Accounts	179,926	-	-	1,071,932
Assessments	-	-	-	2,791
Due from other governments	96,120	-	-	63,000
Other	-	-	-	1,469
Less allowance	(111,835)	-	-	(32,436)
Total	\$ 789,793	\$ 56,994	\$ 18,047	\$ 1,106,756

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

C. Capital Assets

A summary of changes in capital assets at year end is as follows:

	Primary Government			
	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land and intangibles	\$ 5,668,439	\$ -	\$ -	\$ 5,668,439
Construction in progress	1,993,338	6,539,296	(8,077,924)	454,710
Total capital assets not being depreciated	7,661,777	6,539,296	(8,077,924)	6,123,149
Other capital assets:				
Infrastructure	92,175,431	7,837,836	(34,000)	99,979,267
Buildings and improvements	15,498,458	94,528	-	15,592,986
Vehicles and equipment	5,056,467	463,709	(17,335)	5,502,841
Total other capital assets	112,730,356	8,396,073	(51,335)	121,075,094
Less accumulated depreciation for:				
Infrastructure	(39,522,515)	(2,446,125)	34,000	(41,934,640)
Buildings and improvements	(9,494,083)	(472,440)	-	(9,966,523)
Vehicles and equipment	(3,517,712)	(326,814)	17,335	(3,827,191)
Total accumulated depreciation	(52,534,310)	(3,245,379)	51,335	(55,728,354)
Other capital assets, net	60,196,046	5,150,694	-	65,346,740
Governmental Activities Capital Assets, Net	\$ 67,857,823	\$ 11,689,990	\$ (8,077,924)	71,469,889
			Plus unspent proceeds	21,917,681
			Plus deferred charge on refunding	1,944,294
			Less associated debt	(72,872,593)
			Net investment in capital assets	\$ 22,459,271

Depreciation was charged to governmental functions as follows:

General government	\$ 90,362
Public safety	393,334
Public works	2,278,210
Culture and recreation	483,473
Total Governmental Activities Depreciation Expense	\$ 3,245,379

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Construction in progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2015 are as follows:

Project Description	Authorized Contract	Total in Progress	Remaining Commitment
Drainage Phase 5	\$ 7,462,025	\$ -	\$ 7,462,025
Municipal Rehab Project	20,884	-	20,884
New City Hall/Police/Court	879,801	108,763	771,038
Drainage Mulberry Park	1,700	-	1,700
Park Improvement	86,245	32,988	53,257
Evelyn's Park Improvement	6,463,415	312,959	6,150,456
Street Striping	74,354	-	74,354
Street Condition Management Program	1,069,930	-	1,069,930
Sidewalk Projects	242,913	-	242,913
Totals	\$ 16,301,267	\$ 454,710	\$ 15,846,557

The following is a summary of changes in capital assets for business-type activities at fiscal year end:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 256,148	\$ -	\$ -	\$ 256,148
Construction in progress	2,390,768	747,506	(3,117,774)	20,500
Total capital assets not being depreciated	2,646,916	747,506	(3,117,774)	276,640
Other capital assets:				
Infrastructure	81,421,597	-	-	81,421,597
Buildings and improvements	8,960,883	3,078,648	-	12,039,531
Vehicles and equipment	5,010,308	219,980	(151,146)	5,079,142
Total other capital assets	95,392,788	3,298,628	(151,146)	98,540,270
Less accumulated depreciation for:				
Infrastructure	(43,210,518)	(1,925,971)	-	(45,136,489)
Buildings and improvements	(6,624,076)	(260,953)	-	(6,885,029)
Vehicles and equipment	(1,754,835)	(183,798)	151,146	(1,787,487)
Total accumulated depreciation	(51,589,429)	(2,370,722)	151,146	(53,809,005)
Other capital assets, net	43,803,359	927,906	-	44,731,265
Business-Type Activities Capital Assets, Net	\$ 46,450,275	\$ 1,675,412	\$ (3,117,774)	\$ 45,007,913

Depreciation was charged to business-type functions as follows:

Water system	\$ 1,228,133
Sewer system	999,644
Solid waste disposal	142,945
Total Business-Type Activities Depreciation Expense	\$ 2,370,722

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Construction in progress and remaining commitments under related construction contracts for enterprise fund construction projects at September 30, 2015 are as follows:

Project Description	Authorized Contract	Total in Progress	Remaining Commitment
City Wide Scada System	\$ 31,950	\$ 20,500	\$ 11,450
WWT Electrical	2,216	-	2,216
Total	\$ 34,166	\$ 20,500	\$ 13,666

D. Long-Term Liabilities

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities of compensated absences, net pension obligation, and other post employment benefit obligations are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2015. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation bonds	\$ 77,610,000	\$ 7,710,000	\$ (3,955,000)	\$ 81,365,000	\$ 4,055,000
Other liabilities:					
Net OPEB obligation	207,645	16,463	-	224,108	
Net pension liability	10,616,701	-	(1,032,957)	9,583,744	
Premiums	2,110,054	364,458	(115,711)	2,358,801	
Compensated absences	437,700	404,106	(393,930)	447,876	403,930
Total Governmental Activities	\$ 90,982,100	\$ 8,495,027	\$ (5,497,598)	\$ 93,979,529	\$ 4,458,930
Long-term liabilities due in more than one year				\$ 89,521,441	
Business-Type Activities					
Other liabilities:					
Compensated absences	\$ 75,069	\$ 44,758	\$ (67,562)	\$ 52,265	\$ 47,703
Net OPEB obligation	22,137	4,017	-	26,154	
Net pension liability	1,239,014	-	(120,550)	1,118,464	
Total Business-Type Activities	\$ 1,336,220	\$ 48,775	\$ (188,112)	\$ 1,196,883	\$ 47,703
Long-term liabilities due in more than one year				\$ 1,149,844	
Debt associated with governmental capital assets				\$ 72,872,593	
Debt associated with business-type capital assets				8,492,407	
Total debt associated with capital assets				\$ 81,365,000	*

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Long-term debt at year end was comprised of the following issues:

Description	Interest Rates	Balance
General Obligation Bonds		
Series 2009	3.00-4.80%	\$ 6,025,000
Series 2009-A	2.00-4.20%	4,985,000
Series 2010	2.00-4.00%	13,660,000
Series 2010-A	3.25-4.25%	5,395,000
Series 2011	2.00-4.00%	6,100,000
Series 2011-A Ref	2.00-4.00%	5,710,000
Series 2011-B Ref	2.00-4.00%	7,515,000
Series 2012 Ref	1.00-3.00%	9,125,000
Series 2013	3.00-4.25%	5,295,000
Series 2014	3.00-5.00%	9,845,000
Series 2015	2.50-4.00%	7,710,000
Total Long-Term Debt		\$ 81,365,000

The annual requirements to amortize general obligation bonds outstanding are as follows:

Year Ending Sept. 30	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 4,055,000	\$ 2,768,026	\$ 6,823,026
2017	4,340,000	2,673,428	7,013,428
2018	4,060,000	2,548,498	6,608,498
2019	3,885,000	2,424,210	6,309,210
2020	4,035,000	2,293,466	6,328,466
2021-2025	22,460,000	9,232,507	31,692,507
2026-2030	21,200,000	5,055,260	26,255,260
2031-2035	11,790,000	2,156,600	13,946,600
2036-2039	5,540,000	434,316	5,974,316
Total	\$ 81,365,000	\$ 29,586,311	\$ 110,951,311

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds is from taxes levied on all taxable property local within the City. The City is not obligated in any manner for special assessment debt.

On November 8, 2005, the voters of the City approved a \$50 million bond proposition with bonds to be issued over a ten-year period. On September 15, 2015, the City issued \$7.710 million in general obligation bonds, including \$5 million representing the seventh installment of bonds authorized by the voters in 2005. Proceeds will be used for street and drainage improvements.

On November 5, 2013, the voters of the City approved a \$16.5 million bond proposition. Voters approved \$11 million for improvements to municipal buildings and facilities, \$5 million for improvements at Evelyn's Park, and \$0.5 million for improvements to Nature Discovery Center buildings and grounds at Russ Pittman Park.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, it could result in a substantial liability to the City. The City engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

E. Interfund Transactions

Transfers between funds during the year were as follow:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Individual major governmental funds:		
General	\$ 500,000	\$ 150,000
Debt service	950,000	-
Capital improvement	1,010,000	-
Equipment replacement	-	125,000
Total Governmental Funds	<u>2,460,000</u>	<u>275,000</u>
 Enterprise Funds:		
Individual major enterprise funds:		
Water and sewer	125,000	2,310,000
Total Enterprise Funds	<u>125,000</u>	<u>2,310,000</u>
 Total Transfers	<u>\$ 2,585,000</u>	<u>\$ 2,585,000</u>

The general fund transferred funds to the equipment replacement fund and to the pay-as-you-go capital improvement fund to fund the purchase of equipment and capital improvement projects. The enterprise fund transferred funds to the debt service fund to pay a portion of the principal and interest on general obligation debt used to finance capital improvements used in the enterprise activities. The enterprise fund transferred funds to the general fund to cover administrative costs performed for the enterprise fund by the general fund.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

F. Restatement of Net Position

The City implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, the City has restated beginning net position to account for a net pension liability as of the measurement date, December 31, 2013. In addition, the City has restated beginning net position to record a deferred outflow for contributions made to the pension plan between the initial measurement date and the end of the prior fiscal year September 30, 2014.

The beginning net position was restated as follows:

	Governmental Activities	Business-Type Activities and Enterprise Fund
Prior year ending net position/fund balance as reported	\$ 19,365,380	49,604,951
Restatement - net pension liability	(10,616,701)	(1,239,014)
Restatement - deferred outflows	1,336,619	155,989
Restatement - net pension obligation	1,539,835	164,158
Beginning net position/fund balance	<u>\$ 11,625,133</u>	<u>\$ 48,686,084</u>

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with several other entities in the Texas Municipal League's Intergovernmental Risk Pool (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three fiscal years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>2015</u>	<u>2014</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/hrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	112
Inactive employees entitled to but not yet receiving benefits	80
Active employees	144
Total	336

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 22.31 percent and 22.29 percent in calendar years 2014 and 2015, respectively. The City's contributions paid were at the phase-in rate during 2014 and at the annual required contribution rate in 2015. The City's contributions to TMRS for the fiscal year ended September 30, 2015 were \$2,007,691, which was less than the required contribution since the City paid the phase in rate provided by TMRS.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is seven percent. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the TPL was seven percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,503,890	\$ -	\$ (1,503,890)
Interest	4,804,124	-	(4,804,124)
Difference between expected and actual experience	(1,614,204)	-	1,614,204
Contributions - employer	-	1,962,762	1,962,762
Contributions - employee	-	615,837	615,837
Net investment income	-	3,306,075	3,306,075
Benefit payments, including refunds of employee contributions	(3,543,818)	(3,543,818)	-
Administrative expense	-	(34,518)	(34,518)
Other changes	-	(2,838)	(2,838)
Net changes	1,149,992	2,303,500	1,153,508
Balance at December 31, 2013	69,650,305	57,794,590	(11,855,715)
Balance at December 31, 2014	\$ 70,800,297	\$ 60,098,090	\$ (10,702,207)

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of seven percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's Net Pension Liability	\$ 20,083,971	\$ 10,702,207	\$ 2,956,640

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$1,458,093.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,240,476
Difference between projected and actual investment earnings	591,637	-
Contributions subsequent to the measurement date	1,537,537	-
Total	\$ 2,129,174	\$ 1,240,476

\$1,537,537 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense
2016	\$ (225,819)
2017	(225,819)
2018	(225,819)
2019	28,618
Total	\$ (648,839)

D. Other Post Employment Benefits

1. City of Bellaire Retiree Health Care Plan

Plan Description

In order to recognize and reward long-term employees, as well as to provide an incentive for those remaining in the City's employment, the City administers a single-employer defined benefit other post employment benefits (OPEB) plan that will allow the retiree to pay their premium for continuation of the medical and dental insurance coverage. Retiree's pay 100% of the premium, offering a lower rate by participating in the City's plan as opposed to individual purchased insurance; the plan is known as the City Retiree Health Care Plan (the "Plan").

In order to be eligible for this benefit, the retiree must separate from service with at least five years of service with the City and be a current recipient of retirement benefits from TMRS. The health care benefit of the Plan is available to the spouse and any dependent(s) if they were on the Plan at the beginning of the Plan year in which the employee retires. Furthermore, a dependent is eligible for coverage if they have not reached age 25. Eligibility for coverage for the spouse ends when Medicare coverage begins.

Funding Policy

The City has elected to subsidize premiums for the Plan and funding is provided on a pay-as-you-go basis.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Annual OPEB Cost

The City's OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to cover normal costs each year and to amortize any annual unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The City's annual OPEB cost for the fiscal year ending September 30, 2015 is as follows:

Annual Required Contribution (ARL)	\$ 65,700
Interest on OPEB Obligation	10,340
Adjustment to ARC	(9,580)
End of Year Annual OPEB Cost	66,460
Net Estimated Employer Contributions	(45,980)
Increase in Net OPEB Obligation	20,480
Beginning of Year Net OPEB Obligation	229,782
End of Year Net OPEB Obligation	<u>\$ 250,262</u>

A separately audited GAAP-basis post employment benefit plan report is not available. The City's annual OPEB cost, the percentage of annual OPEB cost contributed on the Plan, and the net OPEB obligation for 2013 and the two preceding years are as follows:

Fiscal Year	Annual OPEB Cost (ARC)	Annual OPEB Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	
				Beginning	Ending
2013	\$ 65,057	\$ 32,595	50.10%	\$ 168,263	\$ 200,725
2014	\$ 64,450	\$ 35,393	54.90%	\$ 200,725	\$ 229,782
2015	\$ 66,460	\$ 45,980	69.18%	\$ 229,782	\$ 250,262

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$691,207, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$691,207. The annual covered payroll used for the December 31, 2013 actuarial valuation was \$8,603,608 and the UAAL as a percentage of covered payroll was 8.0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

The projected unit credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions,

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The following is a summary of the actuarial assumptions:

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected unit credit cost method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.50% after 12 years

2. TMRS Supplemental Death Benefit Fund

Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period proceeding the month of death); retired employees are insured for \$7,500; this coverage is an OPEB. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund. For the year ended September 30, 2015, the City offered the supplemental death benefit to both active and retired employees.

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

CITY OF BELLAIRE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

The City's contributions for the retiree portion to the TMRS SDBF for the years ended September 2015, 2014, and 2013 were \$5,403, \$4,382, and \$4,276 respectively. The City's contribution rates for the retiree portion for the past three years are shown below:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Req. Contrib. (Rate)	0.06%	0.06%	0.05%
Actual Contribution Made	0.06%	0.06%	0.05%
Percentage of ARC Contrib.	100.00%	100.00%	100.00%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELLAIRE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND
For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 10,249,092	\$ 10,249,092	\$ 10,120,107	\$ (128,985)
Sales taxes	2,100,000	2,205,000	2,391,335	186,335
Franchise fees	1,351,800	1,351,800	1,393,224	41,424
Licenses and permits	1,057,373	1,057,373	1,007,468	(49,905)
Fines and forfeitures	740,000	740,000	677,856	(62,144)
Charges for services	1,214,850	1,214,850	1,424,243	209,393
Investment income	20,000	20,000	37,373	17,373
Intergovernmental	3,500	3,500	99,511	96,011
Other revenue	31,800	31,800	64,838	33,038
Total Revenues	16,768,415	16,873,415	17,215,955	342,540
<u>Expenditures</u>				
Current				
General government:				
Administration and finance	3,118,167	3,154,448	3,136,027	18,421
Legal	100,000	125,000	124,278	722
Community development	855,758	849,108	844,985	4,123
Total General Government	4,073,925	4,128,556	4,105,290	23,266
Public safety:				
Police	5,170,394	5,143,887	5,103,539	40,348
Fire	2,570,821	2,599,452	2,576,792	22,660
Total Public Safety	7,741,215	7,743,339	7,680,331	63,008
Public works:	1,247,500	1,165,470	1,100,198	65,272

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)
GENERAL FUND

For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Positive (Negative)</u>
Culture and recreation:				
Library	\$ 648,323	\$ 661,438	\$ 654,337	\$ 7,101
Parks and recreation	<u>3,205,875</u>	<u>3,178,204</u>	<u>3,046,004</u>	<u>132,200</u>
Total Culture and Recreation	<u>3,854,198</u>	<u>3,839,642</u>	<u>3,700,341</u>	<u>139,301</u>
Total Expenditures	<u>16,916,838</u>	<u>16,877,007</u>	<u>16,586,160</u>	<u>290,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(148,423)</u>	<u>(3,592)</u>	<u>629,795</u>	<u>633,387</u>
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	500,000	-
Transfers (out)	-	(150,000)	(150,000)	-
Sale of capital assets	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>(9,000)</u>
Total Other Financing Sources (Uses)	<u>510,000</u>	<u>360,000</u>	<u>351,000</u>	<u>(9,000)</u>
Net Change in Fund Balance	<u>\$ 361,577</u>	<u>\$ 356,408</u>	<u>980,795</u>	<u>\$ 624,387</u>
Beginning fund balance			<u>4,623,252</u>	
Ending Fund Balance			<u>\$ 5,604,047</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2015

	Measurement Year 2014*
Total Pension Liability	
Service cost	\$ 1,503,890
Interest (on the total pension liability)	4,804,124
Difference between expected and actual experience	(1,614,204)
Benefit payments, including refunds of employee contributions	(3,543,818)
Net Change in Total Pension Liability	1,149,992
Beginning total pension liability	69,650,305
Ending Total Pension Liability	<u><u>\$ 70,800,297</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 1,962,762
Contributions - employee	615,837
Net investment income	3,306,075
Benefit payments, including refunds of employee contributions	(3,543,818)
Administrative expense	(34,518)
Other	(2,838)
Net Change in Plan Fiduciary Net Position	2,303,500
Beginning plan fiduciary net position	57,794,590
Ending Plan Fiduciary Net Position	<u><u>\$ 60,098,090</u></u>
Net Pension Liability	<u><u>\$ 10,702,207</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.88%
Covered Employee Payroll	\$ 8,797,669
Net Pension Liability as a Percentage of Covered Employee Payroll	121.65%

*Only one year of information is currently available. The City will build this schedule over the next nine-year period.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
September 30, 2015

	<u>Fiscal Year</u> <u>2015*</u>
Actuarially determined contribution	\$ 2,021,178
Contributions in relation to the actuarially determined contribution	<u>2,007,691</u>
Contribution deficiency (excess)	<u>\$ 13,487</u>
Covered employee payroll	\$ 9,005,248
Contributions as a percentage of covered employee payroll	22.29%

*Only one year of information is currently available. The City will build this schedule over the next nine-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	3.0%
Salary increases	3.50% to 12.0% including inflation
Investment rate of return	7.0%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

3. Other Information:

There were no benefit changes during the year.

CITY OF BELLAIRE, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS
For the Year Ended September 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/08	\$ -	\$ 530,101	\$ 530,101	0.0%	\$ 8,421,545	0.068
12/31/10	\$ -	\$ 606,586	\$ 606,586	0.0%	\$ 8,573,923	0.071
12/31/13	\$ -	\$ 691,207	\$ 691,207	0.0%	\$ 8,603,608	0.080

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

SCHEDULES

CITY OF BELLAIRE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2015

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 5,635,448	\$ 5,576,528	\$ (58,920)
Investment income	3,000	3,591	591
Total Revenues	5,638,448	5,580,119	(58,329)
<u>Expenditures</u>			
Debt Service:			
Principal	3,960,036	3,955,000	5,036
Interest and fiscal charges	2,628,412	2,623,526	4,886
Total Expenditures	6,588,448	6,578,526	9,922
 (Deficiency) of Revenues (Under) Expenditures	 (950,000)	 (998,407)	 (48,407)
<u>Other Financing Sources (Uses)</u>			
Transfers in	950,000	950,000	-
Total Other Financing Sources	950,000	950,000	-
 Net Change in Fund Balance	 \$ -	 (48,407)	 \$ (48,407)
 Beginning fund balance		 562,532	
 Ending Fund Balance		 \$ 514,125	

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Contents

Financial Trends (Page 86)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Page 96)

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity (Page 104)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Page 112)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Page 115)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF BELLAIRE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 13,774,019	\$ 14,988,313	\$ 17,192,431	\$ 20,142,375
Restricted	1,230,354	1,502,410	1,320,445	6,030,817
Unrestricted	(18,815,716)	(15,976,691)	(16,788,928)	(18,317,743)
Total governmental activities net position	<u>\$ (3,811,343)</u>	<u>\$ 514,032</u>	<u>\$ 1,723,948</u>	<u>\$ 7,855,449</u>
Business-type activities				
Net investment in capital assets	\$ 28,230,533	\$ 27,649,362	\$ 27,214,828	\$ 48,235,925
Unrestricted	26,714,236	26,750,066	26,841,244	6,546,670
Total business-type activities net position	<u>\$ 54,944,769</u>	<u>\$ 54,399,428</u>	<u>\$ 54,056,072</u>	<u>\$ 54,782,595</u>
Primary government				
Net investment in capital assets	\$ 42,004,552	\$ 42,637,675	\$ 44,407,259	\$ 44,884,711
Restricted	1,230,354	1,502,410	1,320,445	6,030,817
Unrestricted	7,898,520	10,773,375	10,052,316	11,722,516
Total primary government net position	<u>\$ 51,133,426</u>	<u>\$ 54,913,460</u>	<u>\$ 55,780,020</u>	<u>\$ 62,638,044</u>

* Net position was restated starting fiscal year end 2014 for GASB 68.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 20,142,375	\$ 12,017,357	\$ 15,390,597	\$ 18,182,933	\$ 19,904,368	\$ 22,459,271
5,774,390	6,242,189	4,380,414	4,864,690	4,833,458	5,232,714
(15,571,685)	(3,491,035)	(3,786,554)	(6,235,197)	(13,112,693)	(11,160,440)
<u>\$ 10,345,080</u>	<u>\$ 14,768,511</u>	<u>\$ 15,984,457</u>	<u>\$ 16,812,426</u>	<u>\$ 11,625,133</u>	<u>\$ 16,531,545</u>
\$ 47,928,473	\$ 46,796,314	\$ 47,305,409	\$ 46,170,650	\$ 46,450,275	\$ 45,007,913
4,621,733	3,827,399	5,231,898	5,870,772	2,235,809	1,613,121
<u>\$ 52,550,206</u>	<u>\$ 50,623,713</u>	<u>\$ 52,537,307</u>	<u>\$ 52,041,422</u>	<u>\$ 48,686,084</u>	<u>\$ 46,621,034</u>
\$ 44,577,259	\$ 46,354,009	\$ 51,430,068	\$ 54,219,309	\$ 57,031,939	\$ 58,974,777
5,774,390	6,242,189	4,380,414	4,864,690	4,833,458	5,232,714
12,543,637	12,796,026	12,711,282	9,769,849	(1,554,180)	(1,054,912)
<u>\$ 62,895,286</u>	<u>\$ 65,392,224</u>	<u>\$ 68,521,764</u>	<u>\$ 68,853,848</u>	<u>\$ 60,311,217</u>	<u>\$ 63,152,579</u>

CITY OF BELLAIRE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities				
General government	\$ 2,998,315	\$ 3,962,970	\$ 4,266,030	\$ 4,256,797
Public safety	6,082,421	6,725,362	7,264,380	7,518,726
Public works	2,794,298	2,402,687	3,188,126	2,507,596
Culture and recreation	2,642,934	2,305,374	2,616,748	2,616,119
Interest on long-term debt	2,316,396	2,890,737	2,780,294	2,449,684
Total governmental activities expenses	16,834,364	18,287,130	20,115,578	19,348,922
Business-type activities				
Water	2,791,520	2,978,425	3,800,826	4,313,110
Sewer	1,846,556	2,635,638	2,593,515	2,494,960
Solid waste	1,877,648	1,202,965	1,347,097	1,400,760
Total business-type activities expenses	6,515,724	6,817,028	7,741,438	8,208,830
Total primary government expenses	\$ 23,350,088	\$ 25,104,158	\$ 27,857,016	\$ 27,557,752
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 746,754	\$ 640,307	\$ 804,642	\$ 473,699
Public safety	919,960	971,266	1,252,020	1,150,259
Culture and recreation	1,281,879	1,184,398	1,155,874	845,041
Operating grants and contributions	871,709	1,982,373	1,305,291	1,031,926
Capital grants and contributions	-	-	-	7,278,443
Total governmental activities				
program revenues	3,820,302	4,778,344	4,517,827	10,779,368
Business-type activities				
Charges for services				
Water	2,388,257	2,670,344	3,281,193	3,563,310
Sewer	1,780,942	2,000,688	2,149,613	2,212,164
Solid waste	1,265,080	1,420,222	1,429,631	1,445,379
Operating grants and contributions	-	-	568,265	7,278,443
Total business-type activities				
program revenues	5,434,279	6,091,254	7,428,702	14,499,296
Total primary government				
program revenues	\$ 9,254,581	\$ 10,869,598	\$ 11,946,529	\$ 25,278,664
Net (Expense)/Revenue				
Governmental activities	\$ (13,014,062)	\$ (13,508,786)	\$ (15,597,751)	\$ (8,569,554)
Business-type activities	(1,081,445)	(725,774)	(312,736)	6,290,466
Total primary government net expense	\$ (14,095,507)	\$ (14,234,560)	\$ (15,910,487)	\$ (2,279,088)

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 4,533,506	\$ 5,175,769	\$ 4,208,790	\$ 4,666,521	\$ 4,650,382	\$ 4,186,635
7,475,162	7,120,797	7,411,656	7,408,510	7,688,067	7,642,560
3,615,172	3,632,379	3,047,245	3,195,605	1,732,778	3,495,508
3,112,650	2,793,350	3,007,000	3,129,411	4,744,672	4,129,555
2,684,722	2,741,626	2,748,024	2,401,586	2,600,345	2,802,080
<u>21,421,212</u>	<u>21,463,921</u>	<u>20,422,715</u>	<u>20,801,633</u>	<u>21,416,244</u>	<u>22,256,338</u>
3,123,730	4,849,850	3,665,318	3,591,660	4,099,061	4,222,422
2,426,615	2,149,214	2,085,949	2,208,464	2,551,872	2,140,266
1,409,533	1,386,037	1,321,797	1,347,342	1,422,924	1,340,844
6,959,878	8,385,101	7,073,064	7,147,466	8,073,857	7,703,532
<u>\$ 28,381,090</u>	<u>\$ 29,849,022</u>	<u>\$ 27,495,779</u>	<u>\$ 27,949,099</u>	<u>\$ 29,490,101</u>	<u>\$ 29,959,870</u>
\$ 730,258	\$ 1,678,644	\$ 1,706,544	\$ 1,742,547	\$ 1,870,963	\$ 1,623,777
1,129,500	413,414	444,703	414,322	445,708	484,435
735,064	914,892	946,739	951,689	943,294	1,044,060
955,326	4,926,010	2,964,856	891,362	864,874	2,827,088
-	-	-	-	-	-
<u>3,550,148</u>	<u>7,932,960</u>	<u>6,062,842</u>	<u>3,999,920</u>	<u>4,124,839</u>	<u>5,979,360</u>
3,070,758	4,163,534	3,913,934	4,065,706	3,399,947	3,263,193
2,102,466	2,222,214	2,458,792	2,433,842	2,306,693	2,184,372
1,440,818	1,447,792	1,450,003	1,436,194	1,429,484	1,430,744
34466	5,210	3,644	-	-	63,000
<u>6,648,508</u>	<u>7,838,750</u>	<u>7,826,373</u>	<u>7,935,742</u>	<u>7,136,124</u>	<u>6,941,309</u>
<u>\$ 10,198,656</u>	<u>\$ 15,771,710</u>	<u>\$ 13,889,215</u>	<u>\$ 11,935,662</u>	<u>\$ 11,260,963</u>	<u>\$ 12,920,669</u>
\$ (17,871,064)	\$ (13,530,961)	\$ (14,359,873)	\$ (16,801,713)	\$ (17,291,405)	\$ (16,276,978)
(311,370)	(546,351)	753,309	788,276	(937,733)	(762,223)
<u>\$ (18,182,434)</u>	<u>\$ (14,077,312)</u>	<u>\$ (13,606,564)</u>	<u>\$ (16,013,437)</u>	<u>\$ (18,229,138)</u>	<u>\$ (17,039,201)</u>

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and				
Other Changes in Net Position				
Governmental activities				
Property taxes	\$ 11,111,716	\$ 11,558,741	\$ 11,708,770	\$ 12,102,311
Sales taxes	2,254,030	2,168,633	2,266,254	2,269,080
Franchise fees	1,185,730	1,276,569	1,314,420	1,336,587
Investment income	1,533,462	1,568,691	891,011	243,367
Miscellaneous	230,628	169,722	388,022	649,507
Gain on sale of capital assets	-	-	-	-
Transfers	11,238	76,872	239,190	(46,353)
Total governmental activities	16,326,804	16,819,228	16,807,667	16,554,499
Business-type activities				
Investment earnings	129,905	158,358	118,767	68,955
Other revenues	134,962	95,212	89,803	216,316
Gain on sale of capital assets	-	-	-	-
Transfers	(11,238)	(76,872)	(239,190)	46,353
Total business-type activities	253,629	176,698	(30,620)	331,624
Total primary government	\$ 16,580,433	\$ 16,995,926	\$ 16,777,047	\$ 16,886,123
Change in Net Position				
Governmental activities	\$ 3,312,742	\$ 3,310,442	\$ 1,209,916	\$ 7,984,945
Business-type activities	(827,816)	(549,076)	(343,356)	6,622,090
Total primary government	\$ 2,484,926	\$ 2,761,366	\$ 866,560	\$ 14,607,035

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 12,453,577	\$ 12,917,306	\$ 12,954,402	\$ 13,449,313	\$ 14,356,415	\$ 15,671,184
2,242,145	2,053,538	2,156,893	2,590,958	2,310,083	2,391,335
1,370,522	1,325,746	1,398,657	1,441,398	1,474,701	1,459,679
105,393	82,226	53,804	29,757	29,293	51,596
2,134,344	76,530	46,728	252,622	59,242	132,976
-	-	-	-	13,298	-
2,054,714	1,499,046	(1,034,665)	1,317,913	1,601,327	1,476,620
<u>20,360,695</u>	<u>17,954,392</u>	<u>15,575,819</u>	<u>19,081,961</u>	<u>19,844,359</u>	<u>21,183,390</u>
39,267	21,806	(10,686)	6,075	5,914	3,982
94,428	97,098	114,556	92,712	86,560	144,517
-	-	21,750	2,115	10,115	25,294
(2,054,714)	(1,499,046)	1,034,665	(1,317,913)	(1,601,327)	(1,476,620)
(1,921,019)	(1,380,142)	1,160,285	(1,217,011)	(1,498,738)	(1,302,827)
<u>\$ 18,439,676</u>	<u>\$ 16,574,250</u>	<u>\$ 16,736,104</u>	<u>\$ 17,864,950</u>	<u>\$ 18,345,621</u>	<u>\$ 19,880,563</u>
\$ 2,489,631	\$ 4,423,431	\$ 1,215,946	\$ 2,280,248	\$ 2,552,954	\$ 4,906,412
(2,232,389)	(1,926,493)	1,913,594	(428,735)	(2,436,471)	(2,065,050)
<u>\$ 257,242</u>	<u>\$ 2,496,938</u>	<u>\$ 3,129,540</u>	<u>\$ 1,851,513</u>	<u>\$ 116,483</u>	<u>\$ 2,841,362</u>

CITY OF BELLAIRE, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Years
 (modified accrual basis of accounting)

		Fiscal Year			
		2006	2007	2008	2009
General Fund					
Nonspendable	\$	-	\$ -	\$ -	\$ -
Restricted		370,362	370,362	113,780	107,263
Assigned		-	-	-	-
Unassigned		10,785,641	10,785,641	4,590,995	3,753,460
Total general fund	\$	11,156,003	11,156,003	4,704,775	3,860,723
All Other Governmental Funds					
Restricted	\$	1,230,354	\$ 1,502,410	\$ 1,320,445	\$ 6,049,456
Committed		16,781,015	12,042,168	11,989,533	13,916,578
Unassigned		644,598	1,530,811	1,855,831	-
Total all other governmental funds	\$	18,655,967	15,075,389	15,165,809	19,966,034

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ 97,987	\$ 92,942	\$ 1,107	\$ 1,269	\$ 7,243
102,163	201,200	181,314	-	-	-
-	21,988	22,595	-	-	-
3,631,618	4,141,757	3,529,097	4,211,936	4,621,983	5,596,804
<u>\$ 3,733,781</u>	<u>\$ 4,462,932</u>	<u>\$ 3,825,948</u>	<u>\$ 4,213,043</u>	<u>\$ 4,623,252</u>	<u>\$ 5,604,047</u>
\$ 5,783,733	\$ 17,926,249	\$ 13,858,353	\$ 17,373,785	\$ 22,366,030	\$ 26,228,641
14,469,240	5,147,115	5,056,709	4,451,200	4,460,179	4,599,903
-	-	-	-	-	-
<u>\$ 20,252,973</u>	<u>\$ 23,073,364</u>	<u>\$ 18,915,062</u>	<u>\$ 21,824,985</u>	<u>\$ 26,826,209</u>	<u>\$ 30,828,544</u>

CITY OF BELLAIRE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

		Fiscal Year			
		2006	2007	2008	2009
Revenues					
Taxes	\$	14,532,148	\$ 15,024,557	\$ 15,323,114	\$ 15,692,225
Permits, licenses, and fees		746,754	640,307	804,642	473,699
Fines and forfeitures		1,281,879	1,184,398	1,155,874	845,041
Charges for services		899,960	971,266	1,252,020	1,150,259
Intergovernmental		871,709	1,982,373	1,305,291	8,310,369
Investment income		1,533,462	1,568,691	891,011	243,367
Other revenues		193,218	169,722	379,631	679,258
Total Revenues		20,059,130	21,541,314	21,111,583	27,394,218
Expenditures					
General government		2,993,471	3,755,714	5,188,969	4,043,408
Public safety		5,929,689	6,362,213	6,979,965	7,299,264
Public works		896,171	1,178,271	1,176,934	1,097,403
Culture and recreation		2,496,903	2,088,696	2,331,453	2,396,656
Capital outlay		8,775,054	13,982,917	8,027,812	11,669,794
Debt service					
Principal		2,689,896	2,090,000	2,140,000	2,115,000
Interest		2,775,180	2,618,970	2,842,892	2,789,399
Refunding bond issuance costs		-	-	-	-
Payment to bond escrow agent		-	-	-	-
Total Expenditures		26,556,364	32,076,781	28,688,025	31,410,924
(Deficiency) of Revenues (Under) Expenditures		(6,497,234)	(10,535,467)	(7,576,442)	(4,016,706)
Other Financing Sources (Uses)					
Transfers in		3,367,623	7,432,718	4,025,421	2,487,533
Transfers out		(2,417,623)	(6,482,718)	(3,075,421)	(1,537,533)
Issuance of debt		14,500,000	18,195,000	5,000,000	18,195,000
Payment to bond escrow agent		-	-	-	(11,328,829)
Premium on debt issued		6,193	-	1,105	139,375
Sale of capital assets		37,410	14,933	8,391	14,333
Total Other Financing Sources		15,493,603	19,159,933	5,959,496	7,969,879
Net Change in Fund Balances	\$	8,996,369	\$ 8,624,466	\$ (1,616,946)	\$ 3,953,173
Debt service as a percentage					
of noncapital expenditures		27.86%	25.92%	24.12%	23.83%

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 16,095,298	\$ 16,284,334	\$ 16,524,526	\$ 17,501,331	\$ 18,155,641	\$ 19,547,649
730,258	844,802	1,007,125	1,142,927	1,183,493	1,007,468
735,064	862,810	758,614	719,150	803,218	715,861
1,129,500	1,299,338	1,332,247	1,246,481	1,230,436	1,424,243
955,326	854,072	2,964,856	891,362	808,455	983,633
105,393	82,226	53,804	29,787	29,293	51,596
187,656	395,145	46,728	252,622	115,661	1,975,431
19,938,495	20,622,727	22,687,900	21,783,660	22,326,197	25,705,881
4,119,403	4,058,470	4,051,141	4,272,157	4,568,131	4,167,618
6,973,262	7,000,186	7,029,280	6,960,344	7,046,063	7,739,572
1,039,404	930,165	901,608	1,038,170	1,048,380	1,100,198
2,466,966	2,444,683	2,498,057	2,586,501	2,723,263	3,763,840
8,434,018	4,931,251	8,631,091	6,015,152	10,339,645	7,468,997
2,450,000	3,075,000	3,465,000	3,500,000	3,690,000	3,955,000
3,063,954	2,694,934	2,381,610	2,256,878	2,341,311	2,623,526
-	-	613,258	131,304	215,249	164,458
-	-	15,943,348	-	-	-
28,547,007	25,134,689	45,514,393	26,760,506	31,972,042	30,983,209
(8,608,512)	(4,511,962)	(22,826,493)	(4,976,846)	(9,645,845)	(5,277,328)
4,770,629	3,229,000	2,584,697	3,144,600	5,224,485	2,460,000
(2,715,915)	(1,729,954)	(1,134,697)	(950,000)	(1,027,485)	(275,000)
22,930,000	6,500,000	24,915,000	6,000,000	10,425,000	7,710,000
(17,214,283)	(21,343)	(9,548,460)	-	-	-
529,253	70,949	1,206,254	162,712	291,398	364,458
468,825	12,852	8,413	21,174	39,258	1,000
8,768,509	8,061,504	18,031,207	8,378,486	14,952,656	10,260,458
\$ 159,997	\$ 3,549,542	\$ (4,795,286)	\$ 3,401,640	\$ 5,306,811	\$ 4,983,130
27.06%	27.38%	56.52%	26.47%	26.47%	27.27%

CITY OF BELLAIRE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Real Property	\$ 2,190,335,104	\$ 2,449,469,760	\$ 2,768,166,389	\$ 3,056,644,555
Personal Property	156,442,429	164,853,672	179,056,143	153,004,450
Total Taxable Assessed Value (1)	<u>\$ 2,346,777,533</u>	<u>\$ 2,614,323,432</u>	<u>\$ 2,947,222,532</u>	<u>\$ 3,209,649,005</u>
Total Direct Tax Rate	\$ 0.47000	\$ 0.44000	\$ 0.40000	\$ 0.37750

Source: Harris County Certified / Uncertified Tax Roll.

(1) Property is assessed at actual value, therefore, the assessed values are equal to actual value.

Tax rates are per \$100 of assessed value.

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 3,173,006,018	\$ 3,091,605,353	\$ 3,113,840,746	\$ 3,233,587,984	\$ 3,490,155,153	\$ 3,905,688,782
139,274,844	138,836,286	126,312,156	134,275,543	139,263,254	117,174,780
<u>\$ 3,312,280,862</u>	<u>\$ 3,230,441,639</u>	<u>\$ 3,240,152,902</u>	<u>\$ 3,367,863,527</u>	<u>\$ 3,629,418,407</u>	<u>\$ 4,022,863,562</u>
\$ 0.37590	\$ 0.39990	\$ 0.39990	\$ 0.39990	\$ 0.39990	\$ 0.39360

CITY OF BELLAIRE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
City of Bellaire by fund:				
General	\$ 0.30500	\$ 0.29000	\$ 0.27500	\$ 0.26500
Debt service	0.16500	0.15000	0.12500	0.11250
Total Direct Rates	\$ 0.47000	\$ 0.44000	\$ 0.40000	\$ 0.37750
Houston Independent School District	\$ 1.62000	\$ 1.47570	\$ 1.15670	\$ 1.15670
Harris County	0.39986	0.40239	0.39239	0.38923
Harris County Flood Control District	0.03322	0.03241	0.03106	0.03086
Port of Houston Authority	0.01474	0.01302	0.01437	0.01773
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Dept. of Education	0.00629	0.00629	0.00585	0.00584
Houston Community College	0.09577	0.09518	0.09243	0.09243
Total Direct and Overlapping Rates	\$ 2.83204	\$ 2.65715	\$ 2.28496	\$ 2.26245

Source: Harris County Appraisal District

Note: Overlapping rates are those of local and county governments that apply within the City of Bellaire.

Tax rates per \$100 of assessed valuation

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 0.26390	\$ 0.26390	\$ 0.24750	\$ 0.25540	\$ 0.25630	\$ 0.25320
0.11200	0.13600	0.15240	0.14450	0.14360	0.14040
<u>\$ 0.37590</u>	<u>\$ 0.39990</u>	<u>\$ 0.39990</u>	<u>\$ 0.39990</u>	<u>\$ 0.39990</u>	<u>\$ 0.39360</u>
\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.18670	\$ 1.19670	\$ 1.19670
0.39224	0.38805	0.39117	0.40021	0.41455	0.41731
0.02922	0.02930	0.02809	0.02809	0.02827	0.02736
0.01636	0.02054	0.01856	0.01952	0.01716	0.01531
0.19216	0.19216	0.19216	0.18216	0.17000	0.17000
0.00605	0.00658	0.00658	0.00662	0.00636	0.00599
0.09222	0.09222	0.09722	0.09717	0.09717	0.10689
<u><u>\$ 2.26085</u></u>	<u><u>\$ 2.28545</u></u>	<u><u>\$ 2.29038</u></u>	<u><u>\$ 2.32037</u></u>	<u><u>\$ 2.33011</u></u>	<u><u>\$ 2.33316</u></u>

CITY OF BELLAIRE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Chevron Chemical	\$ 79,604,253	1	1.98%	\$ 67,463,875	1	2.87%
Pin Oak North Parcel	49,900,289	2	1.24%	-		-
KBS SOR 6565 6575 West Loop	40,675,000	3	1.01%	-	n/a	-
BRI 1833 6330 LLC	39,319,862	4	0.98%	-	n/a	-
Centerpoint Energy Inc.	29,510,049	5	0.73%	31,701,244	3	1.35%
SBC	28,734,297	6	0.71%	37,209,451	2	1.59%
CHP Houston Tx MOB Owner LLC	25,165,006	7	0.63%	-	n/a	n/a
CHP Houston TX Hospital Land	24,940,369	8	0.62%	-	n/a	-
Pine Oak South Parcell LL LLC	19,941,588	9	0.50%	-	n/a	-
5909/5959 West Loop, L.P.	12,650,000	10	0.31%	-	n/a	-
FRM West Loop Assoc #6	-		-	30,308,810	4	1.29%
6330 WLS, LTD	-		-	16,500,000	5	0.70%
Texas SC One Corp	-		-	15,266,900	6	0.65%
Bellaire Atrium I & II LP	-		-	8,907,110	7	0.38%
SPTMRT Properties Trust	-		-	6,544,680	8	0.28%
Teas Nursery Co Inc.	-		-	6,009,942	9	0.26%
Center America Capital	-		-	5,480,020	10	0.23%
Subtotal	<u>350,440,713</u>		<u>8.71%</u>	<u>225,392,032</u>		<u>9.60%</u>
Other Taxpayers	<u>3,672,422,849</u>		<u>91.29%</u>	<u>2,121,385,501</u>		<u>90.40%</u>
Total	<u><u>\$ 4,022,863,562</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 2,346,777,533</u></u>		<u><u>100.00%</u></u>

Source: Harris County Tax Assessor-Collector's records

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Total adjusted tax levy	\$ 11,029,855	\$ 11,503,023	\$ 11,610,889	\$ 12,011,140
Current tax collected*	\$ 10,916,110	\$ 11,397,100	\$ 11,530,140	\$ 11,927,983
Percentage of adjusted tax levy	98.97%	99.08%	99.30%	99.31%
Net collections and refunds in subsequent years**	\$ 105,546	\$ 92,278	\$ 68,316	\$ 72,253
Total tax collections to date	<u>\$ 11,021,656</u>	<u>\$ 11,489,378</u>	<u>\$ 11,598,456</u>	<u>\$ 12,000,236</u>
Total collections as a percentage of adjusted tax levy	99.93%	99.88%	99.89%	99.91%

Source: Harris County Tax Assessor-Collector

* Collected within the year of the levy.

** Collected or refunded in subsequent years of the levy.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 12,385,668	\$ 12,820,648	\$ 12,909,927	\$ 13,382,086	\$ 14,364,926	\$ 15,743,170
\$ 12,319,214	\$ 12,750,093	\$ 12,857,279	\$ 13,338,111	\$ 14,319,678	\$ 15,695,886
99.46%	99.45%	99.59%	99.67%	99.69%	99.70%
\$ 54,742	\$ 54,733	\$ 35,910	\$ (1,273)	\$ -	\$ (58,762)
<u>\$ 12,373,956</u>	<u>\$ 12,804,826</u>	<u>\$ 12,893,189</u>	<u>\$ 13,336,838</u>	<u>\$ 14,319,678</u>	<u>\$ 15,637,124</u>
99.91%	99.88%	99.87%	99.66%	99.69%	99.33%

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Primary Government				
Governmental Activities:				
General obligation bonds (2)	\$ 57,925,000	\$ 55,835,000	\$ 58,695,000	\$ 64,010,000
Total Primary Government	<u>\$ 57,925,000</u>	<u>\$ 55,835,000</u>	<u>\$ 58,695,000</u>	<u>\$ 64,010,000</u>
 Personal Income (1)	-	-	-	-
 Debt as a Percentage of Personal Income	-	-	-	-
 Population	15,642	15,642	15,642	15,642
 Debt Per Capita	\$ 3,703	\$ 3,570	\$ 3,752	\$ 4,092

(1) Personal income data is not available.

(2) Presented net of original issuance discounts and premiums.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 68,115,000	\$ 71,540,000	\$ 68,375,000	\$ 70,875,000	\$ 77,610,000	\$ 81,365,000
\$ 68,115,000	\$ 71,540,000	\$ 68,375,000	\$ 70,875,000	\$ 77,610,000	\$ 81,365,000
-	-	-	-	-	-
-	-	-	-	-	-
15,642	15,642	16,855	16,855	16,855	16,855
\$ 4,355	\$ 4,574	\$ 4,057	\$ 4,205	\$ 4,605	\$ 4,827

CITY OF BELLAIRE, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Net Taxable Assessed Value				
All property	\$ 2,346,777,533	\$ 2,614,323,432	\$ 2,947,222,532	\$ 3,209,649,005
Net Bonded Debt				
General obligation bonds (1)	\$ 57,867,470	\$ 55,168,387	\$ 58,695,000	\$ 64,010,000
Less debt service funds	1,230,354	1,502,410	1,320,445	1,125,195
Net Bonded Debt	<u><u>\$ 56,637,116</u></u>	<u><u>\$ 53,665,977</u></u>	<u><u>\$ 57,374,555</u></u>	<u><u>\$ 62,884,805</u></u>
Percentage of Estimated Actual				
Taxable Value of Property	2.41%	2.05%	1.95%	1.96%
Population	15,642	15,642	15,642	15,642
Net Bonded Debt Per Capita	\$ 3,621	\$ 3,431	\$ 3,668	\$ 4,020

(1) Presented net of original issuance discounts and premiums.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 3,312,280,862	\$ 3,206,212,748	\$ 3,240,152,902	\$ 3,367,863,527	\$ 3,629,418,407	\$ 4,022,863,562
\$ 68,115,000	\$ 71,540,000	\$ 68,375,000	\$ 70,875,000	\$ 77,610,000	\$ 81,365,000
638,825	400,621	469,433	504,450	562,532	514,125
<u>\$ 67,476,175</u>	<u>\$ 71,139,379</u>	<u>\$ 67,905,567</u>	<u>\$ 70,370,550</u>	<u>\$ 77,047,468</u>	<u>\$ 80,850,875</u>
2.04%	2.22%	2.10%	2.09%	2.12%	2.01%
15,642	15,642	16,855	16,855	16,855	16,855
\$ 4,314	\$ 4,548	\$ 4,029	\$ 4,175	\$ 4,571	\$ 4,797

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2015

	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Houston Independent School District	\$ 2,537,045,691	2.88%	\$ 73,066,916
Harris County (3)	2,678,076,350	1.15%	30,797,878
Port of Houston Authority	690,219,397	1.15%	7,937,523
Houston Community College District	641,795,000	2.69%	17,264,286
Harris County Flood Control District	87,400,000	1.15%	1,005,100
Harris County Department of Education	<u>7,210,000</u>	1.15%	<u>82,915</u>
Subtotal, overlapping debt	6,641,746,438		130,154,618
City direct debt (4)	<u>81,365,000</u>	100%	<u>81,365,000</u>
Total direct and overlapping debt	<u><u>\$ 6,723,111,438</u></u>		<u><u>\$ 211,519,618</u></u>

Source: Harris County Appraisal District

(1) Debt outstanding as of September 30, 2015.

(2) Estimated Percentage Applicable obtained from Municipal Advisory Council of Texas.

(3) Excludes Unlimited Tax and Revenue Toll Road Tax Bonds. The County's policy and practice has been to provide payment of debt service on the outstanding Toll Road Tax Bonds from toll revenues and certain other funds are to date, no tax has been collected to provide for such debt service.

(4) Presented net of original issuance discounts and premiums.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Debt limit	\$ 117,338,877	\$ 130,716,172	\$ 147,361,127	\$ 160,482,450
Total net debt applicable to limit	56,694,646	54,332,590	57,374,555	62,884,805
Legal debt margin	<u>\$ 60,644,231</u>	<u>\$ 76,383,582</u>	<u>\$ 89,986,572</u>	<u>\$ 97,597,645</u>
Total net debt applicable to the limit as a percentage of debt limit	48.32%	41.57%	38.93%	39.18%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 4,022,863,562
Debt limit (5% of assessed value)	201,143,178
Debt applicable to limit:	
General obligation bonds	81,365,000
Less: amount set aside for repayment of general obligation debt	(514,125)
Total net debt applicable to limit	<u>80,850,875</u>
Legal debt margin	<u>\$ 120,292,303</u>

Note: The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than 5 percent of the assessed valuation.

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 165,614,043	\$ 161,522,082	\$ 162,007,645	\$ 168,393,176	\$ 181,470,920	\$ 201,143,178
67,476,175	71,139,379	67,905,567	70,370,550	77,105,550	80,850,875
<u>\$ 98,137,868</u>	<u>\$ 90,382,703</u>	<u>\$ 94,102,078</u>	<u>\$ 98,022,626</u>	<u>\$ 104,365,370</u>	<u>\$ 120,292,303</u>
40.74%	44.04%	41.92%	41.79%	42.49%	40.20%

CITY OF BELLAIRE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

Year Ended Sep 30	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2006	15,642	N/A	N/A	N/A	6,302	5.0%
2007	15,642	N/A	N/A	N/A	6,078	4.3%
2008	15,642	N/A	N/A	N/A	5,988	4.4%
2009	15,642	N/A	N/A	N/A	6,106	6.3%
2010	15,642	N/A	N/A	N/A	7,341	*8.6%
2011	16,855	N/A	N/A	N/A	7,470	*8.6%
2012	16,855	N/A	N/A	N/A	7,570	*6.3%
2013	16,855	N/A	N/A	N/A	7,518	6.2%
2014	16,855	N/A	N/A	N/A	7,667	5.6%
2015	16,855	N/A	N/A	N/A	8,002	4.3%

* Houston MSA, Unemployment calculated only for cities with a population of 25,000 or more.

Data sources:

- (1) City of Bellaire Community Development
- (2) Data to compute not available
- (3) Data to compute not available
- (4) Data to compute not available
- (5) Houston Independent School District and private schools
- (6) Bureau of Labor Statistics - Houston Seasonally Adjusted

CITY OF BELLAIRE, TEXAS

PRINCIPAL EMPLOYERS

Current Year (1)

Employer

Philips Petroleum Co.
 Worley Parsons Ltd
 Bellaire High School
 Chevron Oronite Co. LLC
 Chevron Pipeline Co.
 First Street Hospital
 Gardens of Bellaire
 PFM, LLC
 Pin Oak Middle School
 Randall's Food Market

(1) The requirement is the ten largest employers, the number of employees for each of the ten largest employers, and each employer's percentage of total employment. However, this data for the current year, along with ten years ago, is not available.

CITY OF BELLAIRE, TEXAS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Facilities	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
Finance	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0
Community development	10.5	10.5	10.5	10.5	8.0	8.0	8.0	10.0	11.0	9.0
Fire department	25.0	25.0	25.0	25.0	25.0	24.0	24.0	24.0	24.0	24.0
Police department	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	59.0
Library	8.0	8.0	8.0	8.0	8.0	7.0	7.0	8.0	8.0	7.0
Public works	11.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	9.0
Parks and recreation	13.0	11.0	11.0	11.0	10.0	10.0	13.5	13.5	13.5	2.0
General Fund Total	142.0	142.0	142.0	142.0	137.5	135.5	139.0	142.0	144.0	151.0
Enterprise Fund:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water	7.0	7.0	7.0	7.0	4.0	4.0	6.0	6.0	6.0	6.0
Sewer	11.0	11.0	11.0	11.0	9.0	9.0	11.0	11.0	11.0	11.0
Solid waste	10.5	13.0	13.0	11.0	10.0	10.0	11.0	11.0	11.0	11.0
Enterprise Fund Total	30.5	33.0	33.0	31.0	25.0	25.0	30.0	30.0	30.0	30.0
Total City Positions	172.5	175.0	175.0	173.0	162.5	160.5	169.0	172.0	174.0	181.0

Source: City of Bellaire adopted budget

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

CITY OF BELLAIRE, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Function / Program				
Police				
Arrests	2,470	2,222	1,641	1,630
Accident reports	731	740	647	716
Citations	9,022	8,090	8,636	4,707
Offense reports	2,012	1,450	1,388	1,149
Calls for service	39,279	35,946	38,994	30,618
Fire				
Emergency responses	1,880	2,053	2,042	1,915
Fire incidents	36	11	58	47
Average response time	3:00	3:55	3:47	3:45
Water				
New accounts	1,032	944	802	671
Source:				
Surface water	58%	58%	57%	50%
Well water	42%	42%	43%	50%
Average daily consumption (millions of gallons)	3.060	2.730	2.944	3.170
Number of million gallons of surface water pumped	600.460	612.550	612.640	575.799
Number of million gallons of well water pumped	518.260	476.361	460.038	566.334
Total consumption (millions of gallons)	1,118.720	1,078.911	1,072.678	1,142.433
Peak daily consumption (millions of gallons)	3.632	6.643	6.563	6.228
Sewer				
Average daily sewage treatment (millions of gallons)	1.301	1.347	1.222	1.445
Total consumption (millions of gallons)	474.865	491.650	446.356	527.352
Peak daily consumption (millions of gallons)	2.862	5.122	6.599	3.965

Source: Various City departments

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year					
2010	2011	2012	2013	2014	2015
1,080	1,147	1,114	908	1,042	1,026
614	663	636	556	628	786
5,078	6,854	4,974	4,796	4,443	3,953
989	1,011	627	841	1,110	1,021
29,903	33,815	33,133	28,713	31,570	29,793
1,782	1,962	1,948	1,905	2,057	2,019
52	45	40	49	39	29
1:40	4:11	4:06	4:05	4:06	4:13
747	763	701	769	668	639
52%	58%	56%	47%	58%	48%
48%	42%	44%	53%	42%	52%
3.022	3.577	3.434	3.227	2.777	2.842
561.480	755.293	767.591	549.190	586.787	502.745
519.013	547.500	485.734	628.581	426.920	534.453
1,080.493	1,302.793	1,253.250	1,177.771	1,101.371	1,037.198
5.504	7.210	5.862	6.214	7.809	8.654
1.760	1.620	1.624	1.440	1.572	1.451
642.400	591.475	592.760	525.907	568.334	529.434
6.600	5.600	5.800	3.800	2.200	4.600

CITY OF BELLAIRE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Years

Function / Program	Fiscal Year			
	2006	2007	2008	2009
Police				
Stations	1	1	1	1
Patrol units	8	8	8	8
Fire stations	1	1	1	1
Other public works				
Streets (miles - centerlines)	67	67	67	67
Streetlights	918	918	918	918
Parks and recreation				
Parks	12	12	12	12
Parks acreage in City limits	31.4	31.4	31.4	31.4
Aquatics facilities	2	2	2	2
Baseball / softball diamonds	3	3	3	3
Tennis courts	7	7	7	7
Recreation center	1	1	1	1
Houston Independent School District licensed fields	4	4	4	4
Houston Independent School District acreage	15	15	15	15
Water				
Water mains (miles)	73	73	73	73
Fire hydrants	760	760	760	760
Storage capacity (millions of gallons)	4.23	4.23	4.23	4.23
Sewer				
Sanitary sewers (miles)	72	70	70	70
Storm sewers (miles)	40	49	49	49
Open ditch / creek / canal drainage (miles)	1.32	1.32	1.32	1.32
Treatment capacity (millions of gallons)	4.5	4.5	4.5	4.5

Source: Various City departments

Attachment: CAFR for City Council March 7, 2016 (1823 : 2015 Annual Audit)

Fiscal Year						
2010	2011	2012	2013	2014	2015	
1	1	1	1	1	1	1
8	8	8	8	8	8	8
1	1	1	1	1	1	1
67	67	67	67	67	67	67
925	925	925	925	1,017	1,061	
12	12	12	12	14	15	
31.4	31.4	36.4	36.4	46.4	51.0	
2	2	2	2	2	2	
3	3	3	3	3	3	
7	7	7	7	7	7	
1	1	1	1	1	1	
4	4	4	4	4	4	
15	15	15	15	15	15	
73	73	73	73	73	73	
760	760	760	760	760	760	
4.23	4.23	3.23	3.23	3.23	3.23	
70	70	70	70	70	70	
49	49	49	49	49	49	
1.32	1.32	1.32	1.32	1.32	1.32	
4.5	4.5	4.5	4.5	4.5	4.5	

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Library
Category: Discussion
Department Head: Mary Cohrs
DOC ID: 1707

**SCHEDULED
ACTION ITEM (ID # 1707)**

Item Title:

Presentation of the Bellaire City Library's Long-Range Plan for Services, 2016-2021, required for accreditation by the Texas State Library, and provide feedback as appropriate - Submitted by Mary Cohrs, Director of Library.

Background/Summary:

As part of the accreditation requirement for the Texas State Library's annual report due in April of each year, the library must have a long-range plan in place approved by council. The plan must be reviewed and updated at least every five-years and must include a collection development element and a technology element. This 2016-2021 long-range plan of service compares and builds on the previous plan approved by City Council in 2010 and helps chart the future of library service of the Bellaire City Library by examining the role and purpose of the Bellaire City Library in the community. Beginning in August 2015 the initial survey instrument from 2010 was updated and survey copies made available at the library to library users through September to provide a snapshot of library service satisfaction.

Libraries that are accredited are eligible for certain services from the Texas State Library. Accredited libraries can participate in the TexShare databases consortium (63 databases currently available 24 hours a day to registered library users) with only a small participation fee from the member library. The TexShare card program is a reciprocal borrowing program designed to allow registered library users to directly borrow materials from other participating institutions allowing for more research opportunities. Accredited libraries are also eligible to participate in the statewide Inter-Library Loan program and apply for reimbursement of some of the costs. Libraries that meet accreditation are eligible to apply for E-Rate which provides discounts up to 90% on telecommunication costs. Only accredited libraries can apply for any of the State Library's competitive grants.

Previous Council Action Summary:

City Council approved the *Library's Long-Range Plan for Services, 2010-2015* on August 2, 2010.

For accreditation in 2015 the Texas State Library required that long-range plans for service include a technology element. Since the five-year plan was expiring that year an appendix to the original plan was allowed to be submitted. The *Appendix for Technology Element* was approved by City Council on April 4, 2015 and became part of the *Bellaire City Library's Long Range Plan for Services, 2010-2015*.

Fiscal Impact:

N/A

Recommendation:

N/A

Action Item (ID # 1707)

Meeting of March 7, 2016

ATTACHMENTS:

- Long range plan 2016-2021 (DOC)
- Bellaire City Library Survey for Long Range Plan compliation 2015 (DOC)

City of Bellaire – Library

Long Range Plan of Services 2016-2021



Attachment: Long range plan 2016-2021 (1707 : Presentation of the Library's Long-Range Plan)

Table of Contents

Introduction.....	3
Service Philosophy.....	3
Community Overview.....	3
Key Socioeconomic Trends and Factors.....	4
Library Profile.....	5
History.....	6
Automation and Service.....	8
Planning Process.....	8
Service Responses.....	8
Long Range Goals and Objectives	10
Summary.....	12
Appendix A.....	13
Accreditation Requirements	
Accreditation Benefits	
Appendix B.....	15
Comparison Charts	
Appendix C.....	17
Computer Information	

City of Bellaire - Library

Long-Range Plan 2016 – 2021

Introduction

The informational, educational, recreational and technological needs of the Bellaire City Library residents are becoming more sophisticated and expectations are higher than ever. This translates into an increased demand for the library to deliver the most accurate and up-to-date resources in a variety of formats by a well-trained, service-oriented and knowledgeable staff. This long-range plan compares and builds on the previous plan approved by City Council in August 2010 and helps chart the future of library service of the Bellaire City Library by examining the role and purpose of the library. As an accredited member of the Texas State Library and Archives Commission since 1972 (the first year the state library began accrediting libraries), the Bellaire City Library is required to create a five-year long-range plan adopted by City Council (see Appendix A for accreditation requirements and benefits).

Service Philosophy

The Bellaire City Library serves the community as a center of reliable information, providing assistance to those gathering materials and facts within the library and referring individuals and organizations to other resources when necessary.

Community Overview

An excerpt from an article, written by Jeffrey D. Dunn, from the *Handbook of Texas*¹ describes the history of Bellaire as such:

“BELLAIRE, TEXAS. Bellaire, on Interstate Loop 610, is surrounded by Houston, West University Place, and Southside Place in southwest Harris County. William Wright Baldwin, acting as president of the South End Land Company, founded Bellaire and Westmoreland Farms after purchasing the 9,449-acre Rice Ranch in 1908. Baldwin was a native of Iowa and nationally known as vice president of the Burlington Railroad. The development was six miles from Houston on the eastern edge of the Rice Ranch, so named for former owner William Marsh Rice. Promotional advertising in 1909 explained that Bellaire was named for the area's Gulf breezes, but Baldwin may have named it for Bellaire, Ohio, a town served by his railroad. By 1910 Baldwin had invested over \$150,000 in capital improvements to turn the treeless prairie into an attractive location for residences and small truck farms. From the site to Main Street in Houston he constructed Bellaire Boulevard. He also incorporated the Westmoreland Railroad Company to build an electric streetcar line down the center of the boulevard. The streetcar, known as the "Toonerville Trolley," operated from December 12, 1910, until bus service replaced it on September 26, 1927.

The South End Land Company advertised nationwide to attract Midwestern farmers and others who were eager to escape harsh winters. Bellaire was promoted as an exclusive

¹ *Handbook of Texas Online*, s.v. <https://tshaonline.org/handbook/online/articles/heb05>

residential neighborhood and agricultural trading center with the conveniences of city living and reliable access to Houston. On June 24, 1918, with a population of about 200, Bellaire obtained a general-law city charter. The population reached 1,124 by 1940. Houston's expansion after World War II transformed Bellaire into a popular suburb, but geographical growth was halted when Houston annexed the surrounding land on December 31, 1948. In April 1949 Bellaire adopted a home-rule charter with a council-manager government.”

The City of Bellaire’s *Comprehensive Plan* (adopted September 21, 2015) describes the 3.6 square miles within the City limits of Bellaire today:

“Bellaire’s location seven miles southwest of downtown Houston makes it an “enclave” city, completely surrounded by Houston with West University Place to the east. Bellaire has been nicknamed “The City of Homes” because of its primary design as a residential community. Nearby activity centers, including the Texas Medical Center, Rice University, the Galleria and Uptown Houston, Greenway Plaza, and Houston’s Central Business District, offer professional employment opportunities for Bellaire residents. Access to these jobs, exceptional educational offerings, and the ongoing transition to larger single-family homes in Bellaire greatly appeals to adults with younger children, as well as “empty nesters.”

The City of Bellaire is a relatively affluent community. It is largely a “bedroom” community in terms of many residents commuting outside of the City to work. Since its incorporation in 1918, Bellaire has experienced both population growth and decline, especially after introduction of the Loop 610 corridor removed a significant number of housing units. Housing, public services, employment, and economic opportunities must be assessed to accommodate current and future Bellaire residents.”²

Key Socioeconomic Trends and Factors

From 1930 to 1960, Bellaire grew dramatically from fewer than 400 to almost 20,000 residents. This trend averaged to over a 36 percent increase in population annually. During the 1940s in particular, the City was growing by almost 100 percent per year. After 1960, the City began losing residents and Bellaire’s population fell from 19,872 to 13,842 in 1990. This loss was partly due to the removal of housing for the construction of Loop 610 and the office and commercial developments that followed along some of the new freeway frontage. An aging population with fewer children also contributed to a reduced population count. Harris County’s population growth rate also slowed from the 1970s onward as the sheer size of the countywide population grew so large, surpassing three million during the 1990s. Compared to the pre-1960 average annual growth rate of 5.1 percent, the rate per year from 1960 to 2000 was just over three percent. Census 2010 data shows that Harris County nearly matched its 1990s growth rate (just over 20 percent) during the 2000s while Bellaire’s population increased by 7.8 percent from 2000 to 2010 compared to 13 percent during the 1990s. The most recent U.S. Census Bureau estimate of population in Bellaire is 17,849, which was as of July 2013. The Texas State Data Center had a more conservative estimate of 17,186 at January 2013.³

² Comprehensive Plan, Introduction, p 1.1 <http://www.bellairtex.gov/DocumentCenter/View/17655>

³ Comprehensive Plan, Introduction, p 1.7 <http://www.bellairtex.gov/DocumentCenter/View/17655>

According to the 2010 U. S. Census Bellaire had 6,942 housing units with the median value of single-family owner-occupied homes at \$646,500. In the population 25 years and over (with the median age of 41.2) 97.9% are high school graduates and 77.5% have a Bachelor's degree or higher. The proximity of the City of Bellaire to the Medical Center and downtown City of Houston has created a desirable location to those with families in the medical, legal and business professions. The median family income in 2010 was \$156,053 and 80% residents were White with 14.1% Asian, 9.5% Hispanic, and 1.6% African American.

Surrounding areas of Bellaire city limits include the City of West University Place, Southside Place (zip code 77005) and the City of Houston zip codes 77036, 77096, 77081, 77025, and 77074. The demographic information from these communities and areas are significant because it demonstrates the wide variety of library service challenges of non-resident users who attend area schools. To the east are the City of West University and Southside Place, upscale communities with populations of 25,528- predominately whites who are well educated (84.6% have a bachelor's degree or higher) with a median family income in 2010 of \$163,802. To the west is the Houston zip code 77081, population 47,860. According to the 2010 census the majority is Hispanic of which 81.5% speak a language other than English at home, 61.3% are high school graduates, with a median family income of \$27,191. Immediately to the south is Houston zip code 77096, population 32,628 of 62.7% white (50.9% have a bachelor's degree or higher) with a median family income in 2010 of \$59,556. Despite the population challenges of the area Bellaire residents remain the highest priority in service.

Houston Independent School District (HISD) operates three elementary schools (Condit, Horn and Mandarin Chinese School), one middle school (Pin Oak) and one high school (Bellaire) located in the city limits of Bellaire. Due to HISD's magnet program, students who reside in Bellaire may be attending schools outside of the city limits. Library staff contends with a variety assignments throughout the school year in an effort to serve these residents with their school assignments. In addition to HISD, there are several private schools within the city limits.

Library Profile

The Bellaire City Library is a department of the City of Bellaire with the Library Director (professional librarian with a MLS degree) under the direct supervision of the Assistant City Manager. The Assistant City Manager reports directly to City Manager who reports to the Mayor and six Council Members. There are two other professional librarians, Reference Librarian and Youth Services Librarian, with the remaining staff consisting of three Library Assistants, one Library Support Technician (computers), and one part-time Library Assistant.

History- Celebrating 65 years in 2016

In 1951 the Bellaire Women's Civic Club formed a library committee for the purpose of starting a public library in Bellaire. After 8,500 hours and \$350, the Bellaire City Library was formally opened on May 3, 1951. The Bellaire City Council adopted Ordinance No. 389 on June 13, 1951 establishing a public library in Bellaire and creating a Library Board. The City Council approved a budget of \$500 for the first year. The library was open three days a week and was located in one small room in the Community Building. There were 2,800 books for the 200 cardholders, 140 of which were children.



A new building of 5,808 sq. ft. was built and dedicated May 9, 1962 at the present location. It was 15 times the size of the original library room. By 1974, a two-story addition had been completed, expanding the space to 10,868 square feet of usable space (11,504 total gross square feet). In 1991 a renovation of the building was completed to improve lighting, remove asbestos, replace the carpet and address some ADA requirements. After the building was assessed in the 2004 report, "Facilities Assessment and Architectural Programming: Study of the City of Bellaire Buildings" the voters approved a bond issue in November 2005 that included renovation of the library. Preparations for renovations begin in 2010 that addressed additional ADA and other code requirements throughout the building. Work began in earnest in January 2011 with the replacement and repair of the interior walls of the 1974 addition, a new circulation desk that was ADA compliant, existing bathrooms were built to be ADA compliant, compliant hand railings on the stairwells were installed and a new, more efficient HVAC system was installed. There was no change to the footprint of the building and the library remained open for service during the entire process.

Automation and Service

In 1995, the library became a member of the Houston Area Library Automated Network (HALAN) and library automation in the Bellaire City Library dawned for residents. A retrospective conversion process of the collection was implemented to barcode the material for circulation. On March 1, 1996 two on-line public access catalogs were installed and a year later the circulation system was enabled. Today the entire system is web-based utilizing fiber optics for the 22 public computers and three circulation terminals. Wi-Fi is available 24/7 and card holders have access to more than 65 databases with full-text articles from journals, newspapers, magazines, and many other sources. Entire books can be read or listened to electronically and are available to residents from any Internet connection with just their library card. In 2013 HALAN migrated to a new Integrated Library System (ILS), SirsiDynix Symphony.

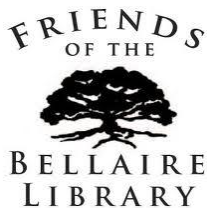
The library's public internet provider is HALAN while the staff computers are on the City of Bellaire's network. Under contract, HALAN hosts the servers for circulation and cataloging and provides the IT support needed to operate the public side of library services.

In FY15 annual circulation of materials topped 194,670 with 5,310 current registered borrowers. A door counter was implemented in April 2007 with a count of 109,687 being recorded from April to September 30, 2007. By the end of FY15 there were 112,559 annual visitors. Approximately 32,000 people use the public computers annually with 9,474 attending story times, 8,352 attending other programs and 2,509 attending meetings. For a comparison with state usage in 2014 please see the charts in Appendix B.

The library offers 3-4 weekly story times for children, as well as numerous monthly and annual programs for school age children, teens and adults. There are three study carrels available as well as a conference room and a meeting area. The library provides Interlibrary Loan services, TexShare Cards and TexShare databases as well as proctoring services. There is also an active volunteer program for students.

When a new Library Director was appointed in 1995 it was discovered in a review of files that appointments to the Library Board had lapsed over the years with the last appointment being made in 1972. On February 18, 2002, Bellaire City Council addressed the disposition of the Library Board (whether to appoint members to a Library Board or to amend the Code of Ordinances, Chapter 19 to dissolve the Library Board). A motion was made and carried to amend the Code of Ordinances, Chapter 19, to remove the Library Board from the City's Code. On July 12, 2012, the Bellaire City Council considered the possibility of creating a Library Advisory Board and voted against establishing one.

The Friends of the Bellaire Library has provided support to the library since their inception in October 1951. Their purpose is "to actively support and encourage the continuous improvement and enhancement of the Bellaire City Library." Through fundraising efforts of used book sales and other activities, the Friends have been able to supplement the library's budget for materials, furniture and equipment over the years and continue in this role. The Friends of the Bellaire has been granted 501(c) 3 non-profit status and is tax-exempt.



Planning Process

In the summer of 2010 a survey was distributed to library users, the board of the Friends of the Bellaire Library, attendees at a B.L.I.F.E. program, library staff and listening to patrons. Ideas and suggestions were elicited for making the library a more essential part of their lives. Beginning in August 2015 the initial survey instrument was updated and hardcopies made available at the library to library users through September to provide a snapshot of library service satisfaction.

Highlights from the 2015 snapshot:

- One of the Bellaire City Library's most apparent strength is its helpful and knowledgeable staff, 92% indicated very satisfied in 2015 and 82% in 2010.
- There is continued interest in quiet places to study (individual rooms with doors).
- Continued perception that the library's collection of new material needs to be improved.
- The desire for a coffee bar increased from 10% of respondents to 18% in 2015.
- Ownership of devices for digital media increased which results in increased interest in borrowing or using electronic materials. In 2010 only 10% owned an e-reader or tablet with 40% owning a device in 2015.
- When asked the best ways to learn about library news and events the largest response, 74%, selected handouts at the library followed by library staff, 44%. An increase in desire for social media and online information was also noted.
- When asked about the three most important services the library offers the responses favored books, programming and Internet/resources.
- When asked what three services could be reduced or eliminated the responses were overwhelmingly "none".

Service Responses

The Bellaire City Library seeks to initiate and provide services and programming to support city service responses. A service response is what the Library considers base level services and a priority in planning and funding. In the long range planning process these base services are combined with survey responses to provide a plan for future service consideration.

- Managing the resources of the library through staff training and collection development.
Lifelong Learning; Basic Literacy; Current Topics and Titles
- Assembling, preserving, organizing and circulating collections, books and related educational, historical and recreational materials.
General Information; Local History
- Providing public access with appropriate training through technology with computers and basic office machinery.
Current Topics, Gathering place
- Welcoming the community as a center of meeting or studying, providing assistance to those needing information.
Gathering Place
- Maintain accreditation with the Texas State Library System by meeting basic, comprehensive or enhanced criteria as set forth in the Texas Public Library Standards.

As fast as the library is changing it is important for the Bellaire City Library to maintain a focus on “why” – what the institution is about. “The “why” for public libraries has always been access: to information, to books in various forms, to research, to information that can entertain and enlighten, to inspiration, to technology to learning opportunities, to civic engagement. Public libraries deliver public access and freedom to learn – they always have. Everything else is just the how.”⁴

⁴ *myLibrary 2020*, The Public Library of Youngstown & Mahoning County, p.2

LONG RANGE GOALS AND OBJECTIVES 2016- 2021

Goal 1: Managing the resources of the library through staff training and collection development

1.1 *Current Topics and Titles*: The library will expand and weed its collection – selecting and weeding materials in response to demographic changes, patron interest and currency of information. This will be done by using standardized collection tools, maintaining collection integrity and currency with an established weeding program. Patron surveys (formal and informal) and circulation statistics will also be used as guides. Staff will annually evaluate allocation of funds for all resource formats and acquire new formats as appropriate.

1.2 *Lifelong Learning and General Information*: The library staff will develop and maintain resources and programs promoting these resources and activities to the community through cost-effective means through traditional paper handouts, city website and increasing the use of social media. Special displays and physical arrangement of the collection will be reviewed periodically.

1.3 *Basic Literacy and Lifelong Learning*: In addition to maintaining the array of traditional library programs already offered by the library (story times, space for book discussion groups, summer reading, etc.) staff will explore ways to deepen the connections to the community by collaborating with other departments and agencies.

1.4 Annually review and update the library's collection development policy.

Goal 2: Assembling, preserving, organizing and circulating collections, books and related educational, historical and recreational materials

2.1 *Current Topics and Titles*: Increase school and library partnerships through collaboration on collection development. Continue consortium-purchasing alliances to maximize budget.

2.2 *Local History*: Strengthen our local history/community collaborations by promoting the continued digitization of historical photographs, work with the Bellaire Historical Society and residents to provide metadata for the existing digital collection and to identify items to be digitized.

2.3 *Current Topics*: Offer assistance by offering on-site training and distributing handouts on how to log into library databases and downloadable resources remotely.

2.4 Revise the library's website to promote new titles and other resources, keeping it up to date and useful.

Goal 3: Providing public access with appropriate training to technology with computers and basic office machinery

3.1 Serve both as a provider of technology/computer training for public and an information clearinghouse by offering computer classes offered by staff or volunteers. Evaluate expanding a circulating collection of technology items. Purchase media and books to support current trends and interests.

3.2 Explore and implement technology improvements that will provide streamlined customer service such as self-check-out and ecommerce.

3.3 Continue to explore and evaluate technological resources - keeping staff and public aware of software and hardware advances. Evaluate uses of existing computer stations and prioritize needs. Explore accommodating new technologies as funding becomes available.

3.4 Conduct an annual review of hardware and software available in the library continuing to update computer technology as funding allows. Please see Appendix C for a list of hardware currently available in the library.

Goal 4: Welcoming the community as a center of meeting or studying, providing assistance to those needing information.

4.1 Identify and prioritize patron and staff wishes for functional changes in use of space. Users have expressed the desire for quiet study and comfortable sitting areas as well as more computers.

4.2 Identify issues that concern community members at different life stages and address them through workshops, lectures and programs that may include changing careers, health issues, college planning and such.

4.3 Expand children's collection to meet the increased needs of readers in the summer.

4.4 Continue to provide charging stations for electronic devices and have the library available during recovery efforts from hurricanes and major weather events. The library will also serve as a cooling station during extreme heat events.

Goal 5: Maintain accreditation with the Texas State Library System by meeting basic, comprehensive or enhanced criteria as set forth in the Texas Public Library Standards.

5.1 Annually review the Texas Public Library Standards.

5.2 Develop an ongoing marketing plan to promote all library programs and services.

5.3 Review hours of operation to insure the greatest availability for users to access the Library.

Summary

- We continue to inspire our community by offering materials in a variety of formats, programming for all ages, technology, continually encouraging patrons to make new discoveries throughout their lives.
- We delight in meeting or exceeding patron expectations by providing friendly, courteous, knowledgeable and prompt service, showing respect and valuing all individuals for their diverse backgrounds, experiences and ideas.
- We enrich our community by providing a well maintained, comfortable and safe facility, where residents can meet, share ideas and be educated, entertained and informed.
- We value our staff members and strive to provide a workplace where enthusiasm, innovation, accountability and a sense of purpose are combined to provide a rewarding experience.
- We are committed to being fiscally responsible; consistently seeking the most cost-effective uses of both public and private funds.
- We will continue to benchmark against the Texas State Libraries metrics as shown in Appendix B.
- We will apply other approved metrics as appropriate.

APPENDIX A

Accreditation Requirements and Benefits

Public libraries are accredited in the Government Code 441.127(a), Library Systems, under the authority of the Texas State Library and Archives Commission. Texas Administrative Code, Title 13, Part 1, Chapter 1, Subchapter C, Minimum Standards for Accreditation in the State Library System. Adopted by the Texas State Library & Archives Commission on November 7, 2014; effective November 30, 2014.

The following are the minimum requirements for membership in the state library system for a library serving a population of 10,001 – 25,000 persons:

- (1) have local expenditures of at least \$4.25 per capita in local fiscal years 2013, 2014, 2015; \$4.34 per capita in local fiscal years 2016, 2017, 2018; \$4.42 per capita in local fiscal years 2019, 2020, 2021; \$4.51 per capita in local fiscal years 2022, 2023, 2024;
- (2) have at least one item of library materials per capita or expend at least 15% of the local expenditures on the purchase of library materials, provided that in either case a minimum of 7,500 items are held;
- (3) have at least 1% of total items in collection published in the last five years;
- (4) be open for service not less than 30 hours per week; and
- (5) employ a library director for at least 30 hours per week in library duties.

Each public library applying for membership in the Texas Library System must meet the following requirements:

- (1) The library must have a website and a telephone with a published number.
- (2) The library must have available both a photocopier and a computer with Internet access for use by the library staff and at least one computer with Internet access and printing/copying capabilities for the general public.
- (3) The library must offer to borrow materials via the interlibrary loan resource sharing service for persons residing in the library's designated service area. A library must also participate in the interlibrary loan resource sharing service by lending its materials to other libraries, as requested. The library governing board [Bellaire's City Manager was granted this authority by council with Ordinance No. 00-071] may adopt policies regarding materials available for loan and the length of the loan, the good standing of the borrower, and other relevant issues; these policies must be available for the public.
- (4) The library director must have a minimum of ten hours of continuing education credits annually. Continuing education activities must be instructional and may include workshops, appropriate sessions at library association conferences, instructional webinars, and distance education courses. Board meetings, public hearings, other business meetings, author luncheons, and other non-instructional sessions are not considered continuing education activities. The director must maintain appropriate documentation of participation, duration, and relevance to the operation of a library.
- (5) The library must have a catalog of its holdings available to the public that is electronically searchable at a minimum by author, title, and subject.
- (6) The library must have a long-range plan that is approved by its governing board. This plan must be reviewed and updated at least every five years and must include a collection development element and a technology element.

APPENDIX A

Accreditation Benefits

Libraries that are accredited are eligible for certain services from the Texas State Library.

Accredited libraries can participate in the TexShare databases consortium. The TexShare databases are electronic database resources that are available at significant cost savings. There are 63 databases currently available from the Texas State Library that accredited libraries pay a formula-based participation fee to gain access for their patrons. In 2012 (latest published information available) Bellaire paid \$549 for databases valued at \$43,287 if purchased independently.

The TexShare card program is a reciprocal borrowing program. It is designed to allow the registered users of participating institutions, which could be public or academic, directly borrow materials from other participating institutions.

Accredited libraries are also eligible to participate in the statewide Inter-Library Loan program. It allows other libraries' patrons to request materials from your collection and allows your library patrons to request materials from participating libraries. The Navigator ILL program also provides a reimbursement to libraries for each loan through Navigator, with an additional reimbursement for net loans.

Accredited libraries are eligible to apply for E-rate. To be eligible for E-rate discounts, a library applicant must meet the statutory definition of library or library consortium found in the 1996 Library Services and Technology Act (Pub. L. 104- 208) (LSTA) and must be eligible for assistance from a state library administrative agency under that Act. For purposes of LSTA, the State Library has discretion with regard to the eligibility of applicants. In Texas, a library must be accredited. Bellaire receives an E-rate discount of 90% of telecommunications costs through HALAN.

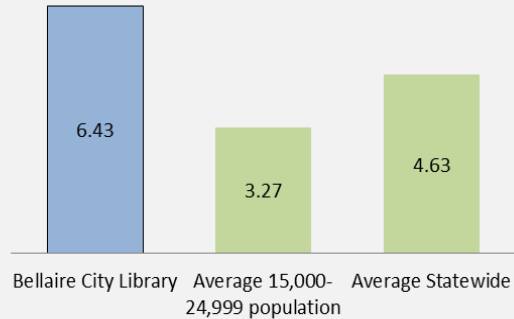
Accredited libraries can apply for any of the State Library's competitive grants. These are generally programmatic in nature and can vary from year-to-year.

Finally, the State Library occasionally offers additional programs or project opportunities for accredited public libraries.

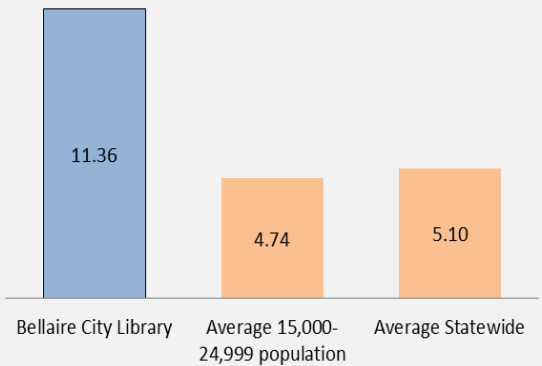
APPENDIX B

Comparisons

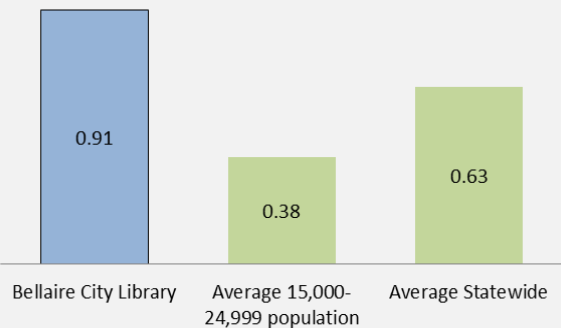
Library Visits Per Capita, FY2014



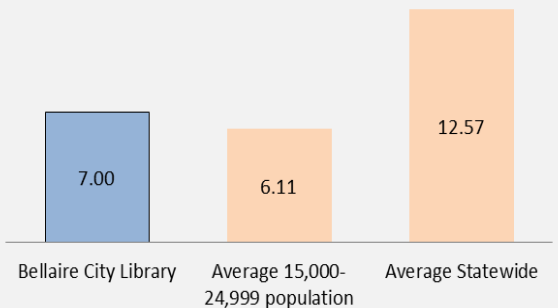
Total Circulation Per Capita, FY2014



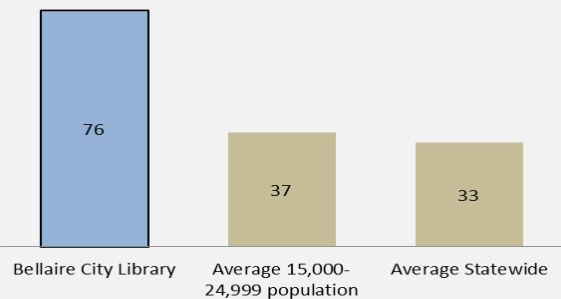
Program Attendance Per Capita, FY2014



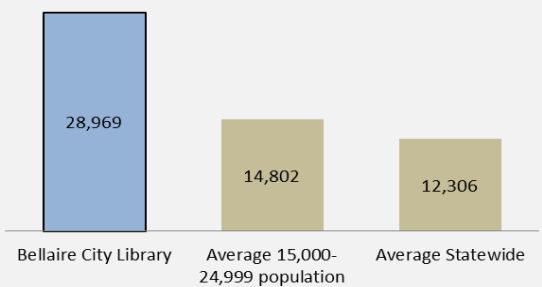
Total Full-Time Equivalent Library Employees, FY2014



Circulation per Hour, FY2014

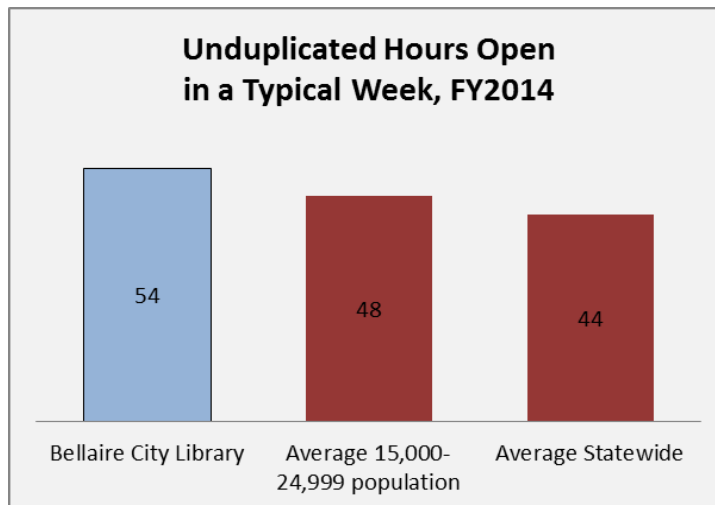
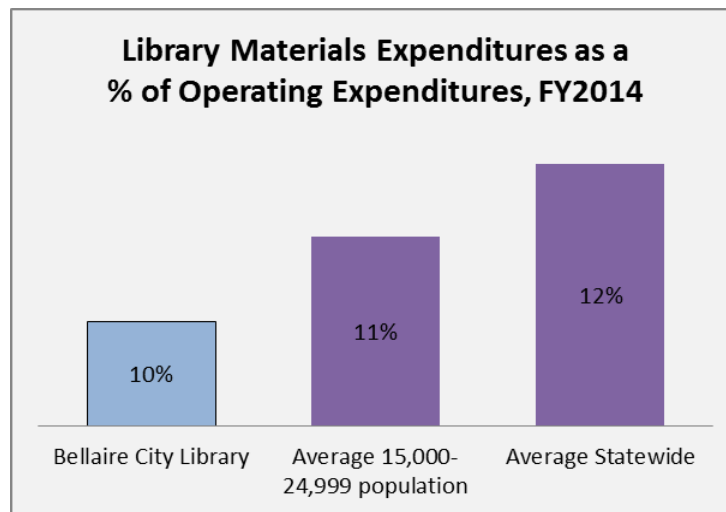
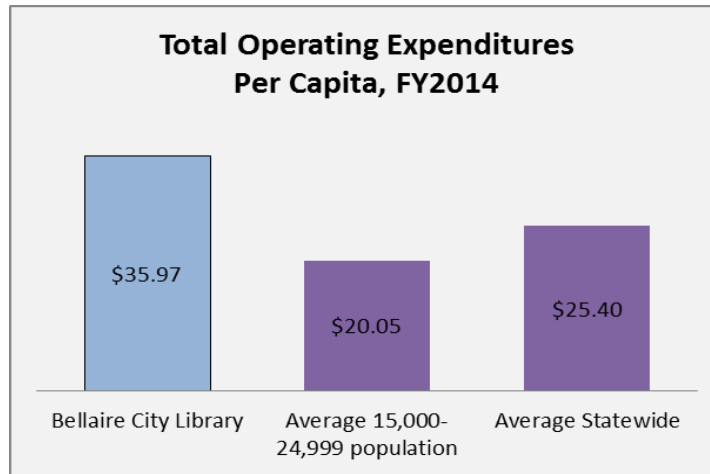


Circulation per paid Staff, FY2014



Attachment: Long range plan 2016-2021 (1707 : Presentation of the Library's Long-Range Plan)

APPENDIX B



Appendix C

Computer Information

Public Access Workstations

(not including information on BTOP laptops in this chart)

Name/Type	Operating System	Software
BELPUB1	Windows 7	Office 2010
BELPUB2	Windows 7	Office2010
BELPUB3	Windows 7	Office2010
BELPUB4	Windows 7	Office2010
BELPUB5	Windows 7	Office2010
BELPUB06	Windows 7	Office2010
BELPUB7	Windows 7	Office2010
BELPUB08	Windows 7	Office2010
BELPUB09	Windows 7	Office2010
BELPUB10	Windows 7	Office2010
BELPUB11	Windows 7	Office2010
BELPUB12	Windows 7	Office2010
BELPUB13	Windows 7	Office2010
BELPUB16	Windows 7	Office2010
BELLAPTOP06	Windows 7	Office2010
BELLAPTOP07	Windows 7	Office2010
BELLAPTOP15 (BELPUB15)	Windows 7	Office2010
Scanner (Touch Screen)	Windows 7	Office2010
Release Station	Windows XP	

Circulation Workstations

Name/Type	Operating System	Software
FRONTDESK1	WINDOWS 7	OFFICE2010
FRONTDESK2	WINDOWS 7	OFFICE2010
FRONTDESK3	WINDOWS7	OFFICE2010

Servers in Library

Brand	Location and Network	
HP Proliant Windows 2003 server	Front Desk Office	

Staff Workstations

Name/Type <i>(Who's desk)</i>	Operating System	Software
Mary	Windows 7	Office2010
Terri	Windows 7	Office2010
Youth Services	Windows 7	Office2010
Kathleen	Windows 7	Office2010
Rita	Windows 7	Office2010
Jackie	Windows 7	Office2010
Sally	Windows 7	Office2010
Workstation	Windows 7	Office2010

Printers

Brand	Location and Network	Color/BW
HP LASERJET 4600	Back Office BELLAIRE	Both
HP LASERJET 3800	Public HALAN	Both
HP LASERJET 4050	Front Desk HALAN	Black/white
HP LASERJET 600	Reference Librarian BELLAIRE	Black/white

Other

Type	Name/Brand	Location and Network
Scanner	HP Scanjet 8300	Public Not networked
Scanner	HP Scanjet 8300	Back office BELLAIRE
Data Projector	InFocus	
Data Projector	Sanyo	
Digital camera	Sony Cyber Shot	
Digital Video Camera	Eiki LC Color	

Telecommunications and Wifi information

Cisco
Meriki/Cisco

Monitors not attached to a workstation- (2) Dell monitors, 19" Samsung
TV/Monitor in conference room – Dyanex 23"
TV/Monitor on gaming cart – LG48"
TV – Sony 52" – adult seating area



Bellaire City Library User Survey 2015

We need your help! Whether or not you use this library, we urge you to complete this short survey. The survey is to help evaluate the library's current services and to help prepare for the future. It is important that we understand the ways you use the library now and how the library could better serve you. Individual answers will be kept confidential so please be frank and honest.

Thank you for your help!

Section A – Library Use and General Evaluation

1. How often do you use the following information sources?

	Daily	Weekly	Monthly	Yearly	Rarely	Never
Bellaire City Library	111 (3)	1111 1111 1111 1111 1 (21)	11 (2)			
Radio	1111 1111 1111 1 (16)	11 (2)			1 (1)	1 (1)
Newspapers	1111 11 (7)	1111 1111 (9)			111 (3)	1 (1)
TV	1111 1111 1111 1111 (19)	111 (3)	1 (1)		1 (1)	
Internet - use at home	1111 1111 1111 1111 1 (21)	11 (2)			1 (1)	
Own books, magazines	1111 111 (8)	1111 1 (6)	1111 11 (7)	11 (2)		
Other libraries		111 (3)	1111 1 (6)	1 (1)	1111 1111 (9)	1 (1)
Bookstores		1 (1)	1111 11 (7)	1111 (4)	1111 111 (8)	
Other (please specify)						
Amazon! [Bellaire City Library] –summer=weekly!						

2. How often do you visit the Bellaire City Library?

More than once per week - *Lately* ~~1111~~ 111 *Daily* (9)
 Weekly 1, *Average*, ~~1111~~ ~~1111~~ 111 (15)
 Monthly 1 (*also depends on time of year*) (1)
 Twice per month *Typically* 111 (3)
 Seldom
 Not at all

3. If you rarely use the Bellaire City Library we would like to know why. Please check all that apply.

I get my reading materials elsewhere 1 (1)
 Homebound
 I don't enjoy/choose to read
 Afraid I'll be late and fined

Lack of transportation
 Library doesn't have what I need
 Library is too noisy
 Library is too busy
 I purchase what I need
 Poor service
 Owe fines
 Limited time – too busy
 Inconvenient hours
 Can't find a parking spot
 Other (please specify)
 Not applicable. I use the library

1 (especially around the fish tank!) (1)

1 (1)

1111 (4)

4. What could we do to encourage you to use the library more often? Please check all that apply.

Nothing, I already use it as much as I need to ~~1111~~ 1111 (10)
 Open earlier in the morning 1111 (4)
 Improve selection of new materials ~~1111~~ (5)
 Add materials in new formats 11 (ebooks) ~~1111~~ 1 (more ebooks on Overdrive) (8)
 Add more library sponsored programming 111 (3)
 Reduce hold queues for popular material 1 (1)
 Open later in the evening 111 (3)
 Provide a quiet place to study 1111 (4)
 Offer a coffee bar ~~1111~~ God Forbid (5)
 Other (please specify)
 Love 9:00, but 8:00 may be nice too. Do appreciate 9:00 though. Thank you.
 [Quiet place to study] –individual rooms with doors
 Last 2 of 3 items I looked for were only available online. I'd rather have hard copy.

5. What are the best ways for you to learn about library news and events? (Please check all that apply)

Local newspapers ~~1111~~ 1 (6)
 Cable TV local access channel 11 (2)
 City of Bellaire's website ~~1111~~ 1 (6)
 Event monitor at the library ~~1111~~ 1 (6)
 Library's online calendar ~~1111~~ 1 (6)
 Posters around town 11 (2)
 Twitter 111 (3)
 Library staff ~~1111~~ ~~1111~~ 11 (12)
 Friends and neighbors ~~1111~~ (5)
 Handouts at the library ~~1111~~ ~~1111~~ ~~1111~~ ~~1111~~ (20)
 Facebook ~~1111~~ (5)
 Signs outside the library ~~1111~~ ~~1111~~ 1 (11)
 Other (please specify)
 [City of Bellaire's website] – Library website with ever-changing announcements of events
 Need a better mobile online calendar (updated more often)
 Email

6. If you have visited the Bellaire City Library in the last six months, what were the main reasons for your visit(s)? Please check all that apply

Browse shelves ~~1111~~ ~~1111~~ 111 (13)
 Check out new books ~~1111~~ ~~1111~~ ~~1111~~ 11 (17)
 Pick up a hold ~~1111~~ ~~1111~~ 1 (11)
 Read newspapers 1111 (4)
 Read magazines ~~1111~~ (5)
 Do homework 1 (1)
 Do research ~~1111~~ (4)
 Socialize 1 (1)
 Borrow books ~~1111~~ ~~1111~~ ~~1111~~ ~~1111~~ 111 (23)
 Borrow movies ~~1111~~ ~~1111~~ 1111 (14)

Borrow audio books ~~1111~~ 1111 (9)
 Use Interlibrary Loan 1 (1)
 Access the Internet 111 (3)
 Use library computers 1 (1)
 Use the WiFi ~~1111~~ (5)
 Use photocopier ~~1111~~ (5)
 Use fax machine 1 (1)
 Attend a children's program ~~1111~~ 1 (6)
 Attend an adult program 111 (movie) 1 (4)
 Attend a meeting
 Get specific questions answered ~~1111~~ (5)
 Increase cultural awareness 1 (1)
 Tax forms ~~1111~~ (5)
 Use the children's library ~~1111~~ 11 (7)
 Use the young adult area 11 (7)
 Use study areas ~~1111~~ (5)
 Homeschooling
 Meet with a tutor
 Buy books from the Friends of the Bellaire Library ~~1111~~ (5)

Other (please specify)

Recharge telephone battery. Use bathrooms while running errands. Great kids programs!

7. Is the Bellaire City Library your primary source for Internet access?

Yes 1 (1)
 No ~~1111~~ ~~1111~~ ~~1111~~ ~~1111~~ ~~1111~~ It shouldn't be 1 (26)

8. Do you own or plan to purchase an E-book reader or tablet?

I already own one ~~1111~~ ~~1111~~ 1 (11)
 Plan to purchase in the next year 1 (1)
 Not interested ~~1111~~ ~~1111~~ ~~1111~~ (15)

9. Please rate your overall satisfaction in each of the following areas:

	Very Satisfied	Satisfied	Unsatisfied	Very Unsatisfied	Don't Know
Helpfulness of staff	1111 1111 1111 1111 1111 (25)	11 (2)			
Knowledge of staff	1111 1111 1111 1111 111 (23)	1111 (4)			
Courteousness of staff	1111 1111 1111 1111 1111 (24)	11 (2)	1 (1)		
Overall service	1111 1111 1111 1111 111 (17)	1111 (4)			

Hours library is open	1111 1111 11 (17)	1111 111 (8)			1 (1)
Upkeep of the library	1111 1111 1111 1111 (19)	1111 1 (6)	1 (1)		
Other comments:	<p>Love the battery recharger. Bellaire Library 9:00 opening time is earlier than Houston's Meyer Branch and Harris County's West U Branch almost every day of the week. This is <u>very</u> helpful.</p> <p>The ladies at the library do a wonderful. They are very knowledgeable and professional[sic] in the job they do. Thanks for all your help.</p> <p>I admire each of staff. Very professional, hardworkers and kind.</p> <p>Awesome staff and hours!</p> <p>I love this library!</p> <p>☺</p> <p>This library is clean and nice but isn't as modern or "sleek" as other libraries in Houston area.</p>				

10. Please tell us about our collection:

	Just right	Need broader selection	Don't use	Didn't know you had this
Adult fiction	1111 1111 (10)	1111 (5)	111 (3)	
Adult mysteries	1111 1 (6)	1111 (4)	1111 1111 (9)	
Adult non-fiction	1111 111 (8)	1111 (4)	1111 (4)	
Large type books	1 (1)		1111 1111 111 (13)	
Audio books on CD	11 (2)	1111 11 (7)	1111 111 (8)	
Magazines	1111 (5)		1111 1111 (10)	
Children's picture books	1111 111 (8)	1 (1)	1111 111 (8)	
Children's chapter books	1111 11 (7)	111 (3)	1111 1111 (9)	
Children's non-fiction	1111 1 (6)	1111 (4)	1111 111 (8)	
DVDs – feature films	1111 (4)	1111 11 (7)	111 (3)	
DVDs – educational	1111 (4)	1111 (5)	1111 11 (7)	
DVDs – childrens	1111 (5)	111 (3)	1111 111 (8)	
Teen fiction	11 <i>keep up</i> 11 (3)	11 (2)	1111 11 (7)	
MP3-CD audio books	1 (1)	1 (1)	1111 111 (8)	1 (1)
Electronic books	1 (1)	111 (3)	1111 11 (7)	1 (1)
Educational tablets for children	11 (2)		1111 1 (6)	1111 (5)
Other (please clarify)		1 (1)		
Spanish Books What is the difference between MP3-CD and Electronic Books? Re magazines: "To [sic] many off brands"				

11. This question will help us learn what services you are accessing from your home or office:
Have you:

Visited the library website	1111 1111 1111 (14)
Used the on-line event calendar	11 (2)
Placed a hold request by phone	1111 (5)
Placed a hold request by computer	1 (yes!) 1111 1111 1 (12)
Renewed a library item by phone.	1111 1111 (9)
Renewed a library item by computer	1111 1111 1 (11)
Used one of the library's online databases	1111 (5)
Use the library's online catalog	1 (yes!!) 1111 11 (8)
Requested Interlibrary Loan	11 (2)

12. Choose three of the concepts below that you feel the library should be to the community:

Basic Literacy	1111 1111 1 (11)
Business and Career Information	1111 (4)
Gathering Place	1111 1 (6)
Community Referral	1111 (4)
Consumer Information	1111 (4)
Current Topics and Titles	1111 1111 111 (13)
General Information	1111 1111 (9)
Government Information	1111 (4)
Lifelong Learning	1111 1111 1111 (15)
Local History	1111 (5)

12. Overall, how important is the Bellaire City Library to you?

Very important	1111 1111 1111 1111 1111 (24)
Somewhat important	
Not very important	
Not important	

13. What do you believe are the three most important services, products or programming that the library currently offers?

1st Choice

Books to check out
Adult programs
Your summer children and adult reading program
children program
kids programs
Youth literacy
Variety of Books
Librarian suggestions
program for kid (activities, crafts etc)
new releases [sic] fiction

Books!
Online books
Lending books
children's programming
Books
Internet
source of Information and Literature
Current periodicals..would like to see *The Washington Post* replace the *NY times* (few read it)
Children's books/services

2nd Choice

Place for internet and resources
Sell of books or books-for-sale
Great and knowledgeable staff!!
children books
teen programs
Life long learning
Variety of Magazines
Adult programs
Internet and printing
ability to access e-mail

Children's program
meetings and programs for adults
DVD/Books; DVD's
Books
(Programming for) children (Early literacy toddlers to youth
Wish better movies were shown as Classic Movies
E-Books

3rd Choice

Place for studying/gathering
 Wi-Fi
 Your monthly Teenage programs
 children DVD-CD
 Family programs
 Variety of DVD (movies)
 teen programs
 Books; placing holds
 Community outreach programs
 meetings and program for kids

Life long learning through books magazine
 programs for adults
 staff help
 space to meet
 Access to Technology & Continuing Education
 Computers- but should have time limits kids watch too
 much junk
 Movies

14. What are three services, products or programming that the library could possibly reduce or eliminate if needed?

1st Choice

None
 Nothing
 None
 No-can't think of any
 None
 N/A

Eliminate the electrical outlets that too many "floaters" use to sit and watch movies and shows on their computers/phones and tablets for hours
 NONE

2nd Choice No answers

3rd Choice No answers

15. What suggestions do you have for improving library services?

Self Service Check-out
 Friendlier website that is more "dynamic" & updated with daily activities
 Services are really great. Just need some upgrades on the building, change carpet, actually a whole remodeling will not hurt. Notice some mold on ac vents.
 Keep update your web presences [sic]...I love the fact you encourage the Adult to participate in the Reading Program.
 The Bellaire Library is one of the best!
 Better computers
 A coffee bar
 Training in how to use resources of the library.
 More selection from children books
 Purchasing more books for children
 Improve facility – greater space for reading/studying
 All the ladies are very helpful! Move fish tank to north side of Interior Stairs!

Section B: Demographic Information (Individual survey information will not be identified)

Male 11 (2)
 Female ~~1111~~ ~~1111~~ ~~1111~~ ~~1111~~ 111 (23)

2. Age range:

Age 11 and under
 12-18
 19-24
 25-34 ~~1111~~ (5)
 35-64 ~~1111~~ ~~1111~~ 1111 (18)
 65+ ~~1111~~ 11 (7)

3. What are the ages of children living in your household?

Under 6 ~~1111~~ (5)
 6-11 ~~1111~~ 1 (6)
 12-18 ~~1111~~ 1 (6)
 No children in household ~~1111~~ ~~1111~~ 1 (11)

4. Please check the category(ies) which best describe(s) you. Check all that apply.

Full time student
 Part time student 1 (1)
 Work full time 11 (2)
 Work part time ~~1111~~ (5)
 At home parent ~~1111~~ 1111 (9)
 Currently unemployed 111 (3)
 Retired ~~1111~~ ~~1111~~ 1 (11)

5. What is the highest education level you have attained?

Elementary school
 Middle school
 Some high school or less
 High school graduate
 Vocational/Technical School 1 (1)
 Some college 11 (2)
 College graduate ~~1111~~ ~~1111~~ (10)
 Graduate degree (master's, doctorate) ~~1111~~ ~~1111~~ 111 (13)

6. Are you a Bellaire resident?

Yes ~~1111~~ ~~1111~~ 111 (13)
 No ~~1111~~ ~~1111~~ 111 (13)

7. How long have you been using the Bellaire City Library?

Never
 Less than one year 111 (3)
 1-5 years 6-10 years ~~1111~~ 111 (8)
 more than 10 years ~~1111~~ ~~1111~~ ~~1111~~ (15)

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Purchase
Department Head: Brant Gary
DOC ID: 1827 B

SCHEDULED**ACTION ITEM (ID # 1827)****Item Title:**

Consideration of and possible action on a request from the Public Works Department for City Council approval to purchase one trailer-mounted jet rodder and one VacHunter hydro-excavator from Texas Underground, Inc., for an amount not to exceed \$127,797.00 to replace a jet truck as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

With the approval of the FY 2016 Budget, the City Council provided \$1,215,000.00 in funding for the Vehicle Replacement Fund. From this fund, the Public Works Department intends to purchase one (1) 72728 Tandem Axle Trailer Jet Rodder and one VacHunter Hydro-Excavator from Texas Underground, Inc. for an amount not to exceed \$ 127,797.00.

Included in the vehicle purchase fund, is funding to purchase a new jet rodder truck for \$180,000.00. Public Works ins requesting to purchase these two trailer mounted pieces of equipment instead. The trailer mounted jet rodder will meet the needs of the Public Works and the purchase of the VacHunter will allow Public Works staff to take on routine maintenance projects which have otherwise been contracted out. The \$ 52,203.00 in savings will remain in the vehicle replacement fund for future use.

Public Works is replacing a 2001 truck mounted jet rodder.

The equipment pricing was received through the H-GAC Buy Board, using a manufacturer & vendor the City has established as a standard. Texas Underground Inc. provided the following quotes:

<u>Department</u>	<u>Vehicle</u>	<u>Quote</u>
-Public Works	72728 Tandem Axel Trailer – 2,000 PSI @ 80 GPM (Jet Rodder)	\$ 72,297.00
-Public Works	VacHunter Hydro-Excavator – 3,000 PSI @ 5 GPM	\$ 55,500.00

Previous Council Action Summary:

September 15, 2015 – Adopted Ordinance 15-056 approving the FY2016 Budget. January 4, 2016, City Council authorized the purchase of the police department's vehicles.

Fiscal Impact:

\$127,797.00 will be funded through the Vehicle Replacement Fund. The five items on the agenda will complete the City's Vehicle & Equipment purchases for the FY2016 Budget year. All five items total up to \$768,214.79. The Vehicle Replacement Fund which is funded by the City's two operating funds will come in under budget by \$93,885. One vehicle was purchased for under \$50,000 (Fire Marshall vehicle) that did not require Council approval

and there are equipment items that are also expended from this fund that do not require Council approval.

Operating Budget	Budget	Actual	Variance
General Fund	\$695,000	\$679,358	\$15,642
Enterprise Fund	\$520,000	\$441,757	\$78,243
Totals	1,215,000	1,121,115	\$93,885

This variance for FY2016 will reduce future year contributions to the fund and will be rolled over to next year to the fund.

Recommendation:

Brant Gary, Director of Public Works, recommends approval.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Purchase
Department Head: Brant Gary
DOC ID: 1788 A

**SCHEDULED
ACTION ITEM (ID # 1788)**

Item Title:

Consideration of and possible action on a request from the Public Works Department for City Council approval to purchase one Peterbilt 348 dump truck and one Peterbilt 348 garbage truck from Rush Truck Center - Houston for an amount not to exceed \$375,625.00 as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

With the approval of the FY 2016 Budget, the City Council provided \$1,215,000.00 in funding for the Vehicle Replacement Fund. From this fund, the Public Works Department intends to purchase one (1) Peterbilt 348 12/14 Cubic Yard dump truck and one (1) Peterbilt 348 garbage truck with a 32 cubic yard Heil Powertrack rear loader from Rush Truck Center, Houston for an amount not to exceed \$375,625.00. The original budget estimate for the purchase of these two vehicles was \$ 425,000.00.

Public Works is replacing a 1992 GMC Dump truck and a 2006 Freightliner Garbage Truck. The expected life cycle of the replacement dump truck is ten (10) years. The expected life cycle of the replacement garbage truck is nine (9) years.

The vehicle pricing was received through the H-GAC Buy Board, using a manufacturer & vendor the City has established as a standard. Rush Truck Center provided the following quotes:

<u>Department</u>	<u>Vehicle</u>	<u>Quote</u>
- Public Works	Peterbilt 348w/Warren 12/14 CU YD Dump Truck	\$135,197.00
- Public Works	Peterbilt 348 w/Heil "Powertrack Com 32 CU YD" Rear Loader	\$240,428.00

Previous Council Action Summary:

September 15, 2015 – Adopted Ordinance 15-056 approving the FY2016 Budget. January 4, 2016, City Council authorized the purchase of the police department's vehicles.

Fiscal Impact:

\$375,625.00 will be funded through the Vehicle Replacement Fund. The five items on the agenda will complete the City's Vehicle & Equipment purchases for the FY2016 Budget year. All five items total up to \$768,214.79. The Vehicle Replacement Fund which is funded by the City's two operating funds will come in under budget by \$93,885. One vehicle was purchased for under \$50,000 (Fire Marshall vehicle) that did not require Council approval and there are equipment items that are also expended from this fund that do not require Council approval.

Operating Budget	Budget	Actual	Variance
General Fund	\$695,000	\$679,358	\$15,642
Enterprise Fund	\$520,000	\$441,757	\$78,243
Totals	1,215,000	1,121,115	\$93,885

This variance for FY2016 will reduce future year contributions to the fund and will be rolled over to next year to the fund.

Recommendation:

Brant Gary, Director of Public Works, recommends approval.

Mayor and Council7008 S. Rice Avenue
Bellaire, TX 77401Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Purchase
Department Head: Brant Gary
DOC ID: 1826 A**SCHEDULED****ACTION ITEM (ID # 1826)****Item Title:**

Consideration of and possible action on a request from the Public Works Department for City Council approval to purchase one John Deere backhoe from Doggett Heavy Machinery Services, LLC, for an amount not to exceed \$86,400.00 as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

With the approval of the FY 2016 Budget, the City Council provided \$1,215,000.00 in funding for the Vehicle Replacement Fund. From this fund, the Public Works Department intends to purchase one (1) John Deere Model 310L EP Loader Backhoe from Doggett Heavy Machinery Services, LLC for an amount not to exceed \$ 86,400.

Public Works is replacing a 2006 John Deere Backhoe. The expected life cycle of the replacement backhoe is ten (10) years.

The equipment pricing was received through the H-GAC Buy Board, using a manufacturer & vendor the City has established as a standard. Doggett Heavy Machinery Services, LLC provided the following quotes:

<u>Department</u>	<u>Vehicle</u>	<u>Quote</u>
- Public Works	John Deere Model 310L EP Loader Backhoe	\$86,400.00

Previous Council Action Summary:

September 15, 2015 – Adopted Ordinance 15-056 approving the FY2016 Budget. January 4, 2016, City Council authorized the purchase of the police department's vehicles.

Fiscal Impact:

\$86,400.00 will be funded through the Vehicle Replacement Fund. The five items on the agenda will complete the City's Vehicle & Equipment purchases for the FY2016 Budget year. All five items total up to \$768,214.79. The Vehicle Replacement Fund which is funded by the City's two operating funds will come in under budget by \$93,885. One vehicle was purchased for under \$50,000 (Fire Marshall vehicle) that did not require Council approval and there are equipment items that are also expended from this fund that do not require Council approval.

Operating Budget	Budget	Actual	Variance
General Fund	\$695,000	\$679,358	\$15,642
Enterprise Fund	\$520,000	\$441,757	\$78,243
Totals	1,215,000	1,121,115	\$93,885

This variance for FY2016 will reduce future year contributions to the fund and will be rolled over to next year to the fund.

Recommendation:

Brant Gary, Director of Public Works, recommends approval.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Purchase
Department Head: Brant Gary
DOC ID: 1810 A

SCHEDULED**ACTION ITEM (ID # 1810)****Item Title:**

Consideration of and possible action on a request from the Public Works and Development Services Departments for City Council approval to purchase one Ford F-150 pickup, one F-350 dual rear wheel pickup, and two Ford F-350 single rear wheel pickups from Chastang Ford for an amount not to exceed \$102,600.00 as funded in the FY2016 Budget. - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

With the approval of the FY 2016 Budget, the City Council provided \$1,215,000.00 in funding for the Vehicle Replacement Fund. From this fund, the Development Services Department intends to purchase one (1) 2016 Ford F-150 Regular Cab pickup. Additionally, the Public Works Department intends to purchase one (1) 2016 Ford F-350 Dual Rear Wheel pickup and two (2) 2016 Ford F-350 single rear axle pickups. All four trucks will be purchased from Chastang Ford for an amount not to exceed \$102,600.00.

Development Services is replacing a 2001 Ford Ranger, while Public Works is replacing three Ford F-150's from 2000, 2003, and 2005. The expected life cycle of all three replacements is eight (8) years.

Multiple quotes were reviewed through the City's cooperative purchasing agreements, such as the H-GAC Buy Board and Texas Smart Buy. Based on this review, Chastang Ford was selected. Chastang Ford provided the following quotes:

<u>Department</u>	<u>Vehicle</u>	<u>Quote</u>
-Development Services	2016 Ford F-150 Regular Cab (short bed)	\$22,986.00
-Public Works	2016 Ford F-350 Dual Rear Wheel	\$29,618.00
-Public Works	2016 Ford F-350 Single Rear Axle x 2	\$24,998.00 (each)

Pricing does include the installation of dome amber flashing lights. Decals will be installed by the Public Works Department.

Previous Council Action Summary:

September 15, 2015 – Adopted Ordinance 15-056 approving the FY2016 Budget. January 4, 2016, City Council authorized the purchase of the police department's vehicles.

Fiscal Impact:

\$102,600.00 will be funded through the Vehicle Replacement Fund. The five items on the agenda will complete the City's Vehicle & Equipment purchases for the FY2016 Budget year. All five items total up to \$768,214.79. The Vehicle Replacement Fund which is funded by the

City's two operating funds will come in under budget by \$93,885. One vehicle was purchased for under \$50,000 (Fire Marshall vehicle) that did not require Council approval and there are equipment items that are also expended from this fund that do not require Council approval.

Operating Budget	Budget	Actual	Variance
General Fund	\$695,000	\$679,358	\$15,642
Enterprise Fund	\$520,000	\$441,757	\$78,243
Totals	1,215,000	1,121,115	\$93,885

This variance for FY2016 will reduce future year contributions to the fund and will be rolled over to next year to the fund.

Recommendation:

Brant Gary, Director of Public Works, recommends approval.

Mayor and Council7008 S. Rice Avenue
Bellaire, TX 77401Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Purchase
Department Head: Brant Gary
DOC ID: 1809 A**SCHEDULED****ACTION ITEM (ID # 1809)****Item Title:**

Consideration of and possible action on a request from the Public Works and Parks, Recreation, and Facilities Departments for City Council approval to purchase three Ford F-150 pickups from Sam Pack's Five Star Ford for an amount not to exceed \$75,792.79 as funded in the FY2016 Budget - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

With the approval of the FY 2016 Budget, the City Council provided \$1,215,000.00 in funding for the Vehicle Replacement Fund. From this fund, the Public Works Department intends to purchase one (1) 2016 Ford F-150 Regular Cab pickup. Additionally, the Parks, Recreation, and Facilities Department intends to purchase two (2) 2016 Ford F-150 Crew Cab pickups. All three trucks will be purchased from Sam Pack's Ford for an amount not to exceed \$75,792.79.

Public Works is replacing a 2000 Ford F-150, while Parks, Recreation, and Facilities is replacing a 1993 Chevrolet Ambulance (chassis only) and a 2002 Ford F-150. The expected life cycle of all three replacements is eight (8) years.

Multiple quotes were reviewed through the City's cooperative purchasing agreements, such as the H-GAC Buy Board and Texas Smart Buy. Based on this review, Sam Pack's was selected. Sam Pack's Ford provided the following quotes:

<u>Department</u>	<u>Vehicle</u>	<u>Quote</u>
-Parks, Recreation, & Facilities	2016 Ford F-150 Crew Cab (short bed) x 2	\$26,078.31 (each)
-Public Works	2016 Ford F-150 Regular Cab (long bed)	\$23,636.17

Pricing does include the installation of dome amber flashing lights. Decals will be installed by the Public Works Department.

Previous Council Action Summary:

September 15, 2015 – Adopted Ordinance 15-056 approving the FY2016 Budget. January 4, 2016, City Council authorized the purchase of the police department's vehicles.

Fiscal Impact:

\$75,792.79 will be funded through the Vehicle Replacement Fund. The five items on the agenda will complete the City's Vehicle & Equipment purchases for the FY2016 Budget year. All five items total up to \$768,214.79. The Vehicle Replacement Fund which is funded by the City's two operating funds will come in under budget by \$93,885. One vehicle was purchased for under \$50,000 (Fire Marshall vehicle) that did not require Council approval and there are equipment items that are also expended from this fund that do not require Council approval.

Operating Budget	Budget	Actual	Variance
General Fund	\$695,000	\$679,358	\$15,642
Enterprise Fund	\$520,000	\$441,757	\$78,243
Totals	1,215,000	1,121,115	\$93,885

This variance for FY2016 will reduce future year contributions to the fund and will be rolled over to next year to the fund.

Recommendation:

Brant Gary, Director of Public Works, recommends approval.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Ordinance
Department Head: Diane K White
DOC ID: 1774

**SCHEDULED
ACTION ITEM (ID # 1774)**

Item Title:

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, verifying and acknowledging the annual review of the City's Investment Policy and Investment Strategies (City of Bellaire Code of Ordinances, Chapter 2, Administration, Article I, In General, Section 2-10, Investment Policy) - Submitted by Diane K. White, Assistant City Manager.

Background/Summary:

Chapter 2, Administration, Section 2-10, Investment Policy, of the Code of Ordinances of the City of Bellaire, Texas, requires the governing body to annually review the City of Bellaire Investment Policy and Investment Strategies in compliance with the Texas Public Funds Investment Act, V.T.C.A., Government Code Ch. 2256 as amended (the "Act").

The Audit Finance Board met on Wednesday, February 17, 2016 to review and receive an update on the City's Investment Policy as well as consider any recommended changes. Only one change was made during 84th Legislation Session that allows Cities to be more lenient on training for investment officers. In section 2(g) of the policy titled *Investment training* it requires investment officers to have continuing public fund investment training every two years. The new language that came out of the last session would allow cities not to require continued training as follows:

"In the event the City does not invest municipal funds, or only deposits municipal funds in interest bearing accounts or certificates of deposits, the previously stated continuing investment training shall not apply."

At this time this language does not apply to the City, it was recommended by Staff and a consensus was given by the Audit Finance Board that we still require the training for the City's Investment Officers even if we were to only invest in interest bearing accounts or certificates of deposit. At this time the City's Investment Officers are Paul A. Hofmann, City Manager and William Mize, Accounting Manager as set out in Section d of the policy.

The City Attorney, Alan Petrov has reviewed the policy for compliance and agrees with the decision not to include the language above. An ordinance has been prepared to verify and acknowledge City Council's annual review of the City's Investment Policy and Investment Strategies with no changes. The attached ordinance is presented for your consideration.

Previous Council Action Summary:

Policy was reviewed and approved on March 2, 2015 with minor change:

"The committee evaluated our policy to ensure that all requirements of the Public Fund

Investment Act have been properly addressed in the policy. There was one recommended change. The words "and accrued interest" pertaining to market value was added to the Certificates of deposit section (h) (4) on page 4."

Fiscal Impact:

N/A

Recommendation:

Approval of attached ordinance as presented.

ATTACHMENTS:

- Ordinance with no changes (DOC)
- Investment Policy Approved March 2, 2015 (DOC)



ORDINANCE NO. 16-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, VERIFYING AND ACKNOWLEDGING THAT THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, HAS PERFORMED ITS ANNUAL REVIEW OF THE CITY OF BELLAIRE INVESTMENT POLICY AND INVESTMENT STRATEGIES.

WHEREAS, the City of Bellaire, Texas, has previously adopted *Chapter 2, Administration, Article I, In General, Section 2-10, Investment Policy*, of the Code of Ordinances of the City of Bellaire, Texas (*the "Code"*), in order to comply with the requirements of the Texas Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended (*the "Act"*); and

WHEREAS, pursuant to *Section 2256.005* of the Act and *Chapter 2, Administration, Article I, In General, Section 2-10(b), Investment Policy* of the *Bellaire City Code of Ordinances*, the City Council is required to annually review its Investment Policy and Investment Strategies and to adopt a written instrument by ordinance or resolution stating that such policies have been reviewed and recording any changes thereto; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:

1. **THAT** the recitals contained herein above are found to be true and correct.
2. **THAT** the City Council of the City of Bellaire, Texas, has hereby reviewed its Investment Policy and Investment Strategies found in *Chapter 2*,

Administration, Article I, In General, Section 2-10(b), Investment Policy of the Bellaire City Code of Ordinances

3. THAT the City Council of the City of Bellaire, Texas, finds that no changes to its Investment Policy and Investment Strategies are necessary at this time.

4. THAT this Ordinance shall be effective immediately upon its adoption.

PASSED, APPROVED, and ADOPTED this 7th day of March, 2016.

(SEAL)

ATTEST:

Tracy L. Dutton, TRMC, City Clerk
City of Bellaire, Texas

SIGNED:

Andrew S. Friedberg, Mayor
City of Bellaire, Texas

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney
City of Bellaire, Texas

Attachment: Ordinance with no changes (1774 : Investment Policy and Strategies Annual Review and Approval)

Sec. 2-10. Investment policy.

(a) *Policy statement.* It is the policy of the city to invest public funds in a manner that will ensure the preservation of capital, meet the daily cash flow needs of the city, conform to all applicable state statutes and city ordinances governing the investment of public funds, and provide reasonable investment returns.

The Texas Public Funds Investment Act, V.T.C.A., Government Code Ch. 2256 as amended (the “Act”) prescribes that each city shall adopt rules to govern its investment practices and to define the authority of the investment officers. This policy addresses the methods, procedures, and practices established to ensure effective and judicious fiscal management of the city’s funds worthy of the public trust.

(b) *Scope.* This investment policy shall apply to all financial assets and funds under control of the city, other than those expressly excluded herein or by applicable law or valid agreement. The city commingles its funds into one pooled investment fund for efficiency and maximum investment opportunity, except for monies held in demand and time deposits as provided under Chapter 105 of the Local Government Code or as stipulated by applicable laws, bond covenants or contracts. The funds are defined in the city's Comprehensive Annual Financial Report (“CAFR”) and include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, and any new funds created by the city unless specifically exempted by the city council and this policy.

This Policy shall not supersede the restrictions on investment and use applicable to any specific fund and, in the event of any conflict between this policy and the requirements of any fund subject hereto, the specific requirement applicable to such fund shall be followed as well as all other provisions of this policy other than those in conflict.

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The investment officers and city staff shall recognize that the investment activities of the city are a matter of public record.

(c) *Objectives and strategy.* The city strives to invest funds in a manner where the rate of return is secondary to safety and liquidity. To accomplish this, the city’s principal investment objectives in order of priority are as follows: 1) suitability, 2) preservation and safety of principal, 3) liquidity, 4) marketability, 5) diversification, and 6) yield.

(1) *Suitability.* Each investment must be in conformance with all federal regulations, state statutes, and other legal requirements—including the city charter, city ordinances, and this investment policy.

(2) *Preservation and safety of principal.* Investments shall be handled in a manner that seeks to ensure the preservation of capital and the protection of investment principal in the overall portfolio. All participants in the investment process shall act responsibly as custodians of the public trust.

(3) *Liquidity.* The city's investment portfolio will remain sufficiently liquid to enable the city to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

(4) *Marketability.* The city's policy is to buy and hold investments until maturity; however, marketability is of great importance should the need arise to liquidate an investment before maturity.

(5) *Diversification.* Investments shall be diversified by type and maturity to eliminate the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Portfolio maturities should be laddered in a way that protects interest income from the volatility of market and avoids the concentration of assets in a specific maturity sector. The majority of the city's funds will be invested in maturities of 12 months or less targeted to the projected cash flow needs of the city. Investments with maturities in excess of 12 months can be made to match specific cash flow requirements (e.g., funds held for future capital projects may be invested to meet anticipated cash flow requirements). The stated maturity of any investment in the city's portfolio will not exceed 36 months and the weighted average maturity of the city's portfolio will not exceed 365 days.

(6) *Yield.* The city's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the city's risk constraints and the cash flow characteristics of the portfolio. Given this strategy, the basis used to determine whether reasonable yields are being achieved shall be the average yield of the current three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio.

(d) *Authorization.* Authority to manage the investment program is derived from the Act, specifically; section 2256.005(f)--(h). Management responsibility for the investment program is hereby delegated to the chief financial officer including responsibility for all investment transactions and the related system of controls to

regulate the activities of subordinate officials. The chief financial officer and the finance manager shall serve as the investment officers of the city and shall invest city funds in legally authorized and adequately secured investments in accordance with this policy and the Act. In the event the position of chief financial officer becomes vacant, the city manager shall serve as an investment officer during such vacancy. The city investment officers shall be bonded.

(e) *Responsibility and control.* Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of capital and the income to be derived.

In determining whether investment decisions were made exercising prudence, consideration shall be given to the following: the investment of all funds, or funds under the city's control, taken as a whole, rather than the prudence of a single investment; and whether the investment decision is consistent with the written investment policy of the city at that time.

The chief financial officer shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures shall address safekeeping, repurchase agreements, wire transfer agreements, collateral/depository agreements, banking services contracts, and explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the chief financial officer.

(f) *Ethics and conflicts of interest.* In addition to any other requirements of law, investment officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. An investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the city or who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the city shall file a statement disclosing that relationship with the city and the Texas Ethics Commission. An investment officer has a personal business relationship with a business organization if the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization, the investment officer receives funds from the business organization exceeding 10 percent of the investment officer's gross income for the previous year, or the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(g) *Investment training.* The City shall provide periodic training in investments for the investment officers through courses and seminars offered by professional organizations and associations in order to insure the quality and capability of the City's investment officers making investment decisions in compliance with the Act. The investment officers shall attend at least one training session relating to the investment officer's responsibilities under the Act within 12 months after taking office or assuming the duties of investment officer. Further, the investment officers shall attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under the Act from an independent source approved by the governing body of the city. The designated training may be sponsored by the Government Finance Officers Association of Texas, the Government Treasurer's Organization of Texas, the Texas Municipal League, or the University of North Texas. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio, and compliance with the Act.

(h) *Authorized investments.* Authorized investments include the following:

- (1) Obligations of the United States or its agencies and instrumentalities;
- (2) Direct obligations of the state or its agencies and instrumentalities;
- (3) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
- (4) Certificates of deposit issued by a depository institution that has its main office or branch office in the state that are for the full amount of the principal and accrued interest that are guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union Share Insurance Fund or its successor, secured by an obligation issued directly by a federal agency or instrumentality, including any mortgage backed securities not disallowed by the Act, having a market value of not less than the principal and accrued interest of the certificates, or secured in any other manner and amount provided by the Act;
- (5) Fully collateralized repurchase agreements with a defined termination date of 90-days or less, secured by a combination of cash and an authorized investment, pledged to the city, held in the city's name and deposited at the time the investment is made with the city or with a third party selected and approved by the city. A repurchase agreement is a

simultaneous agreement to buy, hold for a specified time, and sell back at a future date at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The repurchase agreement shall be placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the state only after a Master Repurchase Agreement has been executed between the city and the securities dealer or the financial institution;

(6) An investment pool to the extent and manner provided by law if the city by rule, ordinance, order or resolution authorizes investment in the particular pool and if the investment pool has furnished to the chief financial officer an offering circular or similar disclosure document conforming to the requirements of the Act. To maintain eligibility, an investment pool must furnish to the city a confirmation of all investment transactions and a monthly report conforming to the requirements of the Act. Further, the investment pool must be continuously rated no lower than AAA or AAA-m or its equivalent by at least one nationally recognized rating service; and

(7) Such other investments as permitted by the Act and not specifically prohibited by this policy.

All investment transactions will be completed on a delivery versus payment (“DVP”) basis. The investment officers are authorized to solicit bids for investments orally, in writing, electronically, or in any combination of these methods. No investment of city funds shall be authorized unless it conforms to this investment policy and the seller of the investment has executed a Certification Form in favor of the city as set forth in this policy.

When the City invests in an investment that requires a minimum rating, it must establish at the time of the investment procedures to monitor rating changes. If an investment’s rating falls below the required minimum rating, it is no longer an authorized investment. The city shall take all prudent measures consistent with this policy to liquidate any investment that does not have the minimum rating.

The city shall verify prior to participation in an investment pool, that the pool’s investment policy has established, satisfactory procedures for monitoring investment rating changes sufficient for the City to determine whether investments in the pool have the required minimum rating.

(i) *Prohibited investments.* The following are not authorized investments under this policy:

(1) Obligations for which the payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and which pays no principal;

(2) Obligations for which the payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

(3) Collateralized mortgage obligations that have a stated final maturity greater than 10 years; and

(4) Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to changes in a market index.

Further, the city will not invest in derivatives including instruments with embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or are not correlated on a one-to-one basis to the associated index or market. Prohibited derivatives include arrangements in which an investor has swapped the natural cash flows or some portion of the natural cash flows of an instrument for a different set of cash flows. (e.g., interest rate swaps), over-the-counter exchange traded options or futures (e.g., option contracts or future contracts), inverse floating rate notes, range index notes, non-money market index based notes, dual index notes, index amortizing notes, inverse multi-index bonds, inverse index bonds, and stepped inverse index bonds.

(j) *Investment limits and diversification.* The asset allocation in the portfolio should be flexible and responsive to the outlook for the economy and the securities markets. Risk shall be controlled through portfolio diversification achieved by:

(1) Limiting investments to avoid over concentration in securities from a specific issuer or business sector, U. S. Treasury securities being the only exception;

(2) Limiting investment in securities that have higher credit risks;

(3) Investing in securities with varying maturities; and

(4) Maintaining the liquidity necessary to meet ongoing obligations.

The following standards shall be applied: the city shall maintain at least 10 percent of the total portfolio in investments maturing in 90-days or less; the city shall invest no more than 50 percent of the portfolio in federal agencies or instrumentalities or in certificates of deposit; and the city may invest any amount

of funds in U. S. Treasury securities or in repurchase agreements backed by U. S. Treasury securities.

(k) *Authorized broker/dealers.* The chief financial officer shall maintain a list of security broker/dealers authorized by the investment policy. All broker/dealers shall maintain complete records of all transactions conducted on behalf of the city and shall make those records available for inspection at the city's request. At least annually, the investment officers shall review the list of broker/dealers authorized to engage in investment transactions with the city and shall make a recommendation as part of the annual review of the investment policy. As part of this process, the chief financial officer shall review the quality of service and financial stability of each broker/dealer. The chief financial officer may remove an authorized broker/dealer from the list, if in the opinion of the chief financial officer, the firm has not performed adequately or its financial condition has become unacceptable. Currently, the following broker/dealers are authorized to engage in investment transactions with the city: Coastal Securities, Inc.; Duncan-Williams, Inc.; First Southwest Company; SAMCO Capital Markets; and Vining Sparks.

Nothing in this section relieves the city of the responsibility for monitoring the investments made by the city to determine that they are in compliance with this investment policy.

(l) *Investment management.* The investment officers shall exhibit prudence and discretion in the selection and management of securities in order that no individual or group of transactions undertaken shall jeopardize the total capital of the portfolio. The city will not allow speculation (e.g., anticipating an appreciation of capital through changes in market interest rates) in the selection of any investments. The chief financial officer shall monitor financial market indicators, study financial trends, and utilize available educational tools in order to maintain appropriate managerial expertise.

Each investment transaction – exclusive of investment pool transactions – must be based upon competitive quotations received from at least three broker/dealers authorized by this policy. An exception is a new issue debenture or discount note still in the primary market. In this case, the competitive offering process is not possible because competing broker/dealers do not have access to the security or all broker/dealers have access to the security at par. For these types of securities only, investment officers are authorized to purchase the security without seeking competitive offerings if the investment is deemed to be in the best interest of the city.

While the city utilizes a buy and hold strategy, active portfolio management may from time to time dictate the sale of securities to better position the overall portfolio. The chief financial officer must approve the sale of any security prior

to maturity. Any sale of a security for less than the book value of the security must be approved by the chief financial officer.

(m) *Reporting.* The investment officers shall submit to each member of the city council an investment report no less than on a quarterly basis signed by each investment officer. The report shall contain sufficient information to provide a comprehensive review of investment activity and current investments and shall address any variations noted from the investment strategy of the city. The report must contain a summary statement of each pooled fund group that states the beginning and ending market value and accrued interest for the period. It must state the maturity date, book value and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested and the fund or pooled group which acquired the investment. The chief financial officer may use any generally accepted method to monitor the market price of investments, including, but not limited to, periodic reports from any of the approved broker/dealers (whether or not that broker/dealer actually sold the security to the City) or nationally recognized business publications that provide daily market valuations on individual securities. Each report shall include a statement of compliance with the city's investment policy and the Act. The annual audit shall include a review of the quarterly reports and a compliance audit of management controls on investments and adherence to the city's established investment policies.

(n) *Internal controls.* A system of internal controls shall be documented in writing and shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and management of the city. Controls deemed most important shall include:

- (1) Control of collusion;
- (2) Separation of duties;
- (3) Separation of transaction authority from accounting and recordkeeping;
- (4) Custodial safekeeping;
- (5) Avoidance of bearer-form securities;
- (6) Clear delegation of authority;
- (7) Specific limitations regarding securities losses;
- (8) Written confirmation of telephone transactions; and

(9) Limiting the number of authorized investment officials.

These controls shall be reviewed periodically by the city's independent audit firm.

(o) *Depositories.* Consistent with the requirements of the Texas Public Funds Collateral Act, V.T.C.A., Government Code Ch. 2257 as amended (“Public Funds Collateral Act”), the city shall require all depository institution deposits to be federally insured or collateralized with eligible securities. Any financial institution serving the city as a depository institution will be required to sign a depository agreement and a tri-party safekeeping agreement. The safekeeping agreement shall define the city’s rights to collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations.

(p) *Collateral.* Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act and must meet the constraints of this policy. The market value of the principal portion of collateral pledged for deposits must at all times be equal to or greater than 105 percent of the total amount of deposits plus any accrued interest, less the insurance amount provided by the Federal Deposit Insurance Corporation (“FDIC”).

Depository institutions with which the city maintains collateralized deposits shall provide a monthly report of market values for the pledged securities. The chief financial officer shall monitor collateralization levels to verify market values and total collateral positions. If the value of the securities pledged falls below the required collateral level, the depository institution holding the deposit must pledge additional securities no later than the end of the next succeeding business day.

Collateralized deposits may require substitution of securities. Any depository institution requesting substitution of collateral must contact the chief financial officer for approval. Written approval is required before any pledged security is released. The value of the substituted security will be calculated and substitution approved if the substitution maintains the required collateral level.

(q) *Custody and safekeeping.* Investment securities purchased for the city, except investment pool funds and mutual funds, will be on a delivery versus payment basis. To protect against fraud, the cash and investments of the city shall be secured in accordance with third-party custody and safekeeping procedures approved by the city. Securities shall be held in a third-party safekeeping account at a custodian bank. A written safekeeping agreement shall be executed with each custodian bank, such bank being a permitted institution under the Public Funds Collateral Act. Upon receipt of purchased or pledged securities, the custodian bank shall promptly issue and deliver to the city a safekeeping receipt identifying and evidencing receipt of the security. The chief financial officer or their designee shall maintain the original safekeeping receipts. All securities shall be

confirmed in the name of the city and shall be held in an account naming the city as the customer. The market value of purchased or pledged securities shall be independently monitored by the custodian bank on a monthly basis and reported directly to the city. At least quarterly, the chief financial officer shall verify that all securities owned by or pledged to the city are documented and held in safekeeping in the city's account. These records shall also be subject to an annual compliance audit of management controls on investments and adherence to the city's established investment policies.

(r) *Certification form.* A written copy of the investment policy shall be provided to any person or organization offering to engage in an investment transaction with the city. Every seller of investments to the city must execute a certificate in favor of the city substantially in the form set out herein below, and the investment officers may not acquire or otherwise obtain any authorized investment from any seller until a signed certification form has been delivered to the city.

(s) *Other policy considerations.* The city is not required to liquidate investments that were authorized investments at the time of purchase.

(t) *Annual review.* The city council shall review this investment policy and investment strategies not less than annually. The city council shall adopt a written instrument by ordinance or resolution stating that it has reviewed the investment policy and investment strategies and the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

CERTIFICATION FORM

As required by V.T.C.A., Government Code § 2256.005(k)

CITY OF BELLAIRE, TEXAS (the "City")

The undersigned hereby acknowledges and certifies as follows:

1. The undersigned is a qualified representative of _____, a business organization (the "Organization"), offering to engage in an investment transaction with the City.
2. The Organization has received and reviewed the investment policy of the City.
3. The Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the Organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

Signature

Name: _____

Title: _____

Date: _____

(Ord. No. 96-020, 3-18-1996; amended by Ord. No. 98-008)

State law references: Public Funds Investment Act, V.T.C.A., Government Code § 2256.001 et seq.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Ordinance
Department Head: Brant Gary
DOC ID: 1813

**SCHEDULED
ORDINANCE (ID # 1813)**

Item Title:

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 31, Utilities, of the Code of Ordinances of the City of Bellaire, Texas, by adding Article IV, Sanitary Protection, for the purpose of establishing rules and regulations regarding sanitation and pollution control of the areas in proximity to the City's public water supply wells - Submitted by Alan P. Petrov, City Attorney.

Background/Summary:

On July 14, 2015 the Texas Commission on Environmental Quality (the "TCEQ") conducted an inspection of the City's water system. By correspondence dated August 25, 2015 the City was advised of an alleged violation of the TCEQ's rule regarding sanitary control easements surrounding public water supply wells. Specifically, the TCEQ's rules, 30 TAC Chapter 290.41(C)(1)(F), require a sanitary control easement surrounding a public water supply well that prohibits certain unsanitary conditions such as animal feed lots, septic systems, chemical storage tanks, etc., within 150 feet of the well. As an alternative to obtaining easements from neighboring landowners, the TCEQ allows municipalities to adopt these same restrictions by ordinance. All of these activities are currently prohibited by the City's zoning regulations; however, the TCEQ requires a specific ordinance that addresses the City's water wells to be adopted. The proposed ordinance has been approved by the TCEQ as satisfying the requirements of their rules and once adopted by City Council, an executed copy of the ordinance will be submitted to the TCEQ for their records.

Previous Council Action Summary:

None.

Fiscal Impact:

None.

Recommendation:

Adopt Proposed Ordinance.

ATTACHMENTS:

- Sanitary Sewer Control Easement (DOC)



ORDINANCE NO. 16-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AMENDING CHAPTER 31, UTILITIES, OF THE CODE OF ORDINANCES OF THE CITY OF BELLAIRE, TEXAS ("CODE"), BY ADDING ARTICLE IV, SANITARY PROTECTION, FOR THE PURPOSE OF ESTABLISHING RULES AND REGULATIONS REGARDING SANITATION AND POLLUTION CONTROL OF THE AREAS IN PROXIMITY TO THE CITY'S PUBLIC WATER SUPPLY WELLS.

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

Section 1. *Chapter 31, Utilities, of the Code of Ordinances of the City of Bellaire, Texas, is hereby amended by adding Article IV, Sanitary Protection, for the purpose of establishing rules and regulations governing the control of sanitary conditions around the City's public water supply wells. The amended Code shall read as set out in Appendix A, attached hereto. All other portions of Chapter 31 of the City's Code not specifically amended hereby shall remain in full force and effect.*

Section 2. All ordinances and parts of ordinances in conflict with this Ordinance are repealed to the extent of the conflict only.

Section 4. If any word, phrase, clause, sentence, paragraph, section or other part of this Ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Ordinance, nor the application of such word, phrase, clause, sentence, paragraph, section

or other part of this Ordinance to any other persons or circumstances, shall be affected thereby.

Section 5. The City Council officially finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this Ordinance was discussed, considered or acted upon was given in the manner required by the Texas Open Meetings Act, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action. The City Council ratifies, approves and confirms such notices and the contents and posting thereof.

Section 6. This Ordinance shall be effective immediately upon its passage and adoption.

PASSED, APPROVED and ADOPTED this, the 7th day of March, 2016.

Andrew S. Friedberg, Mayor
City of Bellaire, Texas

ATTEST:

Tracy Dutton, TRMC, City Clerk
City of Bellaire, Texas

APPROVED AS TO FORM:

Alan P. Petrov, City Attorney
City of Bellaire, Texas

Appendix A

(Language to be added shown by underline, language to be deleted shown by strike-out)

ARTICLE IV. – SANITARY PROTECTION

Sec. 31-80. – Purpose.

This Article sets forth uniform requirements for the users and the construction of facilities in or on land within one hundred fifty feet (150') of the Wells in order to promote sanitary conditions in and around such Wells, to secure all such land from pollution hazards, and to enable the City to comply with all applicable state and local regulations

The objective of this Article is to prevent certain uses and the construction of facilities in or on land surrounding the Wells, which might create a danger of pollution to the water produced from such Wells.

Sec. 31-81 – Definitions.

For the purpose of this chapter, the word "Wells" shall mean the public water supply wells owned and operated by City of Bellaire.

Sec. 31-82 – Prohibited Activities.

The following activities are prohibited within the designated areas of land surrounding the Wells:

- (1) Construction and/or operation of any underground petroleum and/or chemical storage tank, liquid transmission pipeline, stock pen, feedlot, dump grounds, privy, cesspool, septic tank, sewage treatment plant, sewage wet well, sewage pumping station, drainage ditch which contains industrial waste discharges or the wastes from sewage treatment systems, solid waste disposal site, land on which sewage plant or septic tank sludge is applied, land irrigated by sewage plant effluent, septic tank perforated drain field, absorption bed, evapotranspiration bed, area irrigated by low dosage, low angle spray on-site sewage facility, military facility, industrial facility, wood treatment facility, liquid petroleum and petrochemical production, storage, and/or transmission facility, Class 1,2,3, and/or 4 injection well, pesticide storage and/or mixing facility, abandoned well, inoperative well, improperly constructed water well of any depth, and all other construction or operation that could create an unsanitary condition is prohibited within, upon, or across all areas of land within a 150-foot radius of the Wells. For the purposes of this Article, "improperly constructed water wells" are those wells that do not meet the surface and subsurface construction standards for a public water supply well.
- (2) Construction and/or operation of tile or concrete sanitary sewers, sewer appurtenances, septic tanks, storm sewers, and cemeteries is specifically prohibited within, upon, or across any area of land within a 50-foot radius of the Wells.
- (3) Construction of homes or building upon any area of land within a 150-foot radius of the Wells is permitted, provided the restrictions described above are met.
- (4) Livestock shall not be allowed within a 50-foot radius of the Wells.

Sec. 31-83 – Right of Entry.

City employees, or authorized representatives of City of Bellaire, bearing proper credentials and identification, shall be permitted to immediately enter upon any premises located within a 150-foot radius of any Well to conduct an inspection or observation necessary to enforce this Article.

Sec. 31-84 – Penalty.

Any person who shall violate any provision of this Article shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed \$500. Each day of violation shall constitute a separate offense.

Sec. 31-85 – Required Removal.

Any person who shall violate any provision of this Article shall be required to remove the prohibited construction or potential source of contamination within two (2) days after notification that they are in violation of this Article.

Sec. 31-86 – Superceding Regulation or Statute.

Whenever any applicable statute, regulation, or permit of any state, federal, or other agency, having jurisdiction over the subject matter of this Article, is in conflict herewith, the stricter requirement shall apply, unless mandated otherwise.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Amendment
Department Head: Diane K White
DOC ID: 1824

**SCHEDULED
ACTION ITEM (ID # 1824)**

Item Title:

Consideration of and possible action on the adoption of an ordinance authorizing the Mayor of the City of Bellaire, Texas to execute, for and on behalf of the City of Bellaire, Texas, an Amendment to Ordinance No. 13-058 for the Retail Sales Interlocal Agreement with the Texas General Land Office for the purchase of electricity requirements for the City of Bellaire's public facilities to extend the term of the agreement for an additional 60 months by amending the date through service provided by deleting the date December 31, 2016, and inserting the following in lieu thereof: December 31, 2021, for extended term to commence effective the first meter read after December 31, 2016, at a rate not to exceed \$0.03994/kwh - Submitted by Diane K. White, Assistant City Manager.

Background/Summary:

The City has contracted with the Texas General Land Office (GLO) through their State Power Program since 2003. Cavallo Energy is an authorized Retail Energy Provider (REP) for the GLO. The City's agreement is due to expire on December 31, 2016.

The City of Bellaire is currently receiving its full-requirement electricity supply from the GLO. The GLO provides retail electricity exclusively to political sub-divisions of the State of Texas. The City has contracted with the GLO with via Interlocal Agreement for the past 11 years.

The rates being offered to the City for the 2017-2021 timeframe are the lowest available since 1999, and well below rates for the City over the past decade.

Current rates are in the 99.9 percentile, meaning less than 0.1% of the time since 1999 have prices been lower than what is currently available. From a statistical and budgetary perspective, these rates present an attractive opportunity for the City.

The continued decline in natural gas, which is the predominant fuel to create electricity in Texas, coupled with the mild 2015/2016 winter has created a market environment that provides the City an opportunity to secure material savings and additional years of budget certainty.

The GLO's contract and rate structure is more inclusive than other retail providers. As a client of the GLO the City does not incur separate pass-through charges related to reimbursement of gross-receipts, public utility commission assessments, and regional congestion known as hub to load-zone basis.

The removal of these separate pass-through costs provides the City with additional savings of nearly \$2.00 MWh, which equates to \$16,000 per year or \$80,000 over five years based on today's consumption.

The GLO offers the City 100% usage swing, a liberal add/delete provision to accommodate

future changes in usage.

The GLO provides expedited contracting via Interlocal Agreement, a more inclusive rate structure for additional budget certainty, a lower cost of service from elimination of certain pass-through costs, and a very competitive rate.

The purpose of this item is to lock in a fixed rate not to exceed \$ 0.3994/kwh for 60 months from December 31, 2016. This is the lowest the rates have been over the last 12 years. This will save the City a little over \$115,000 in electrical kwh costs per year starting January 2017.

The City uses approximately 8 million kwh per year and spends approximately \$65,000 per month or \$780,000 a year on electricity.

The City's last three contracts with the GLO were as follows:

March 2003-March 2006 - Rate \$0.0485/kwh - REP - Reliant Energy

April 2006-Feb 2010 - Rate \$0.0688/kwh- REP - Reliant Energy

March 2010-December 2013 - Rate \$0.0610/kwh- REP - Reliant Energy

January 1, 2014-December 31, 2016 - Rate \$0.05147/kwh - REP - Cavallo Energy

The City is exempt from bidding electricity as described in the Texas Local Government Code 252.022.15. We are confident that this is the best price the City will obtain . The State Power Program offers the best rate in addition to no aggregation or gross receipt taxes which add up to just over 1 cent per kwh.

Conflict of Interest:

The General Land Office had an attorney in its Office of General Counsel review the new HB 1295 law and related rules as it relates to the State Power Program agreements. They have also discussed the matter with the Texas Ethics Commission. The GLO attorney advised that the statute does not apply to "an interagency contract of a state agency", e.g., the contract between the GLO and City of Bellaire (Tex. Gov't Code, Sec. 2252.908(c)(2)), and further that by Texas Ethics Commission rule "the term [business entity] does not include a governmental entity or state agency" (1 TAC, Sec. 46.3(b)). As the GLO is not a business entity, and HB 1295 does not apply to interagency contracts, the GLO does not believe that it is required to file the Certificate of Interested Parties form.

Note to First Amendment Attachment:

On the attached amendment the following language appears at the top of the page:

"THIS AGREEMENT IS CONFIDENTIAL AND MAYBE EXEMPT FROM DISCLOSURE UNDER THE PUBLIC INFORMATION ACT: DO NOT DISCLOSE ANY PROVISION HEREIN WITHOUT FIRST CONTACTING THE GENERAL LAND OFFICE."

The GLO is the supplier of this agreement and does acknowledge through their designated representative David Roylance the following received via email:

"Thank you for checking on the confidentiality issue of including the amendment in the Council packet. We understand the inclusion of the amendment in the packet will make the document accessible to the Public as part of the packet. We are ok including the amendment in the packet, and the corresponding public access that accompanies the items being included in the Council packet."

Previous Council Action Summary:

Approval of Ordinance Number 13-058

Fiscal Impact:

Funds are available in the Enterprise and General Fund FY2016 Budget and will continue to be as a recurring cost to base operations.

Recommendation:

Approve attached ordinance as submitted

ATTACHMENTS:

- Scanned Amendment for Minitrak (PDF)
- Amendment to Ordinance No 13-058 - 2016 (DOC)

FIRST AMENDMENT TO RETAIL SALES AGREEMENT

GLO CONTRACT NO. _____

This is the First Amendment to the Retail Sales Agreement ("RSA") between Texas General Land Office ("Seller") and City of Bellaire ("Customer"). Seller and Customer entered into that certain Retail Sales Agreement between Seller and Customer with an Initial Term of January 1, 2014 through December 31, 2016 (the "Agreement"), GLO contract number 14-209-000-8272. This Amendment is effective upon the date fully executed by both parties. Customer and Seller may collectively be referred to as the "Parties".

The Parties now desire to extend the Term of the Agreement for an additional 60 months by amending the date through which service is provided by deleting the date December 31, 2016 and inserting the following in lieu thereof: December 31, 2021. Exhibits "A" through E" inclusive of Contract Price are replaced in their entirety effective the first meter read after December 31, 2016 with Exhibits "A-1" through Exhibits "E-1".

THE PERSON SIGNING THIS AMENDMENT ON BEHALF OF THE CUSTOMER CERTIFIES THAT HE OR SHE IS AUTHORIZED TO LEGALLY OBLIGATE THE CUSTOMER. IN WITNESS WHEREOF, SELLER AND CUSTOMER HAVE EXECUTED AND DELIVERED THIS AMENDMENT EFFECTIVE AS OF THE EFFECTIVE DATE.

**TEXAS GENERAL LAND OFFICE
SELLER:**

**CITY OF BELLAIRE
CUSTOMER:**

By: _____
Anne L. Idsal,
Chief Clerk/Deputy Land Commissioner

By: _____
Name: _____
Title: _____

Date: _____

Date: _____

SA _____ Deputy _____

DIV _____ GC _____

THE PERSON SIGNING THIS AMENDMENT ON BEHALF OF CAVALLO CERTIFIES THAT HE OR SHE IS AUTHORIZED TO LEGALLY OBLIGATE CAVALLO. Cavallo is a signatory to this Amendment for purposes of acknowledging its obligations to accept assignment as provided in the General Terms and Conditions.

**CAVALLO:
CAVALLO ENERGY TEXAS LLC**

By: _____
Teresa Kelly
Vice President

EXHIBITS TO RETAIL SALES AGREEMENT

Customer: CITY OF BELLAIRE

Contract Date: January 24, 2016

EXHIBIT "A-1"

Initial Term: 60

Start Date: January 1, 2017

End Date: December 31, 2021

Consumption Variance Allowance: N/A

Contract

Quantity: The monthly kWh quantity per ERCOT congestion zone shown below.

	Congestion Zone			
	Houston	South	North	West
Jan	534,174	0	0	0
Feb	530,570	0	0	0
Mar	596,578	0	0	0
Apr	656,493	0	0	0
May	656,648	0	0	0
Jun	724,135	0	0	0
Jul	803,063	0	0	0
Aug	868,123	0	0	0
Sep	762,567	0	0	0
Oct	740,020	0	0	0
Nov	612,044	0	0	0
Dec	645,259	0	0	0
Annual	8,129,674	0	0	0
Total Term	40,648,370	0	0	0

EXHIBIT "B-1"

ERCOT Costs (included in Contract Price)

Energy	Transmission and Distribution Line Losses	
REP Administration and Margin Fees	Unaccounted for Energy	Nodal Implementation Surcharge
Renewable Energy Charge	ERCOT Administration Fee	Gross Receipts Tax Reimbursements
Regulation Up Service Charge	ERCOT Credit Requirements	PUC Assessment Fee Reimbursements
Regulation Down Service Charge	PUCT Credit Requirements	Hub to Load Zone Basis
Non-Spinning Reserve Service Charge	Qualified Scheduling Entity Fees	
Responsive Reserve Service Charge	Balancing Energy Neutrality Adjustment	
Black Start Capacity Charge	EILS Uplift	
RMR Reserve Service Charge	Reliability Unit Commitment (Non-Index Products)	

EXHIBIT "C-1"

Pass-through Charges (passed through at cost)

TDSP Charges - regulated by Public Utility Commission of Texas and imposed and invoiced by the TDSP(s)

Transmission and Distribution Charges	Utility-imposed Reactive Power Charges	Sales Taxes (Not Applicable)
Transmission Cost Recovery Factor	Excess Mitigation Credits	
Competitive Transition Charges	System Benefit Fund Charges	
Meter Charges	Nuclear Decommissioning Charges	
Transition Charges	Charges for services, repairs & equipment	
Customer Charges	Other Charges TDSP(s) may impose from time-to-time	
Municipal Franchise Fees	Advanced Metering Cost Recovery Factor	

CITY OF BELLAIRE

EXHIBIT "D-1"

Delivery Point(s)

No.	ESI ID	SERVICE ADDRESS	CITY, STATE, ZIP	CONGESTION ZONE
1	1008901001900351870109	7000 S 5th A	Bellaire, TX, 77401	Houston
2	1008901001900601560112	5104 1/2 Jessamine St	Bellaire, TX, 77401	Houston
3	1008901006900351370109	7000 S 5th B	Bellaire, TX, 77401	Houston
4	1008901006900459940111	50191/2 Evergreen St #1	Bellaire, TX, 77401	Houston
5	1008901011900249210108	6801 S Rice Ave Temp	Bellaire, TX, 77401	Houston
6	1008901014129489549100	7625 Renwick Dr	Bellaire, TX, 77401	Houston
7	1008901014129559505100	74091/2 S Rice Ave	Bellaire, TX, 77401	Houston
8	1008901014129559695100	5100 Jessamine St	Bellaire, TX, 77401	Houston
9	1008901014129564425100	49111/2 Bellaire Blvd	Bellaire, TX, 77401	Houston
10	1008901014129564695100	4749 Bellaire Blvd	Bellaire, TX, 77401	Houston
11	1008901014129570790100	7112 Newcastle St	Bellaire, TX, 77401	Houston
12	1008901014129570796100	7116 Newcastle St	Bellaire, TX, 77401	Houston
13	1008901014129571759100	4503 Evergreen St	Bellaire, TX, 77401	Houston
14	1008901014129571874100	7200 Newcastle St	Bellaire, TX, 77401	Houston
15	1008901014129573863100	46001/2 Braeburn Dr	Bellaire, TX, 77401	Houston
16	1008901014129583685100	4337 Edith St	Bellaire, TX, 77401	Houston
17	1008901014129589160100	4403 Wendell St	Bellaire, TX, 77401	Houston
18	1008901016190886839100	62221/2 S Rice Ave	Houston, TX, 77081	Houston
19	1008901016900572800112	4535 Pine St	Bellaire, TX, 77401	Houston
20	1008901017126418870100	4300 Bellaire Blvd	Bellaire, TX, 77401	Houston
21	1008901017126419255100	800 Mulberry Ln	Bellaire, TX, 77401	Houston
22	1008901017126441675100	6400 Avenue B	Bellaire, TX, 77401	Houston
23	1008901017126441690100	6406 Avenue B	Bellaire, TX, 77401	Houston
24	1008901017126450240100	4640 Bellaire Blvd	Bellaire, TX, 77401	Houston
25	1008901017126475870100	4900 Fournace Pl	Bellaire, TX, 77401	Houston
26	1008901017126500668100	5201 Cedar St	Bellaire, TX, 77401	Houston
27	1008901017126504238100	52031/2 Bellaire Blvd	Bellaire, TX, 77401	Houston
28	1008901017126504784100	6906 S Rice Ave	Bellaire, TX, 77401	Houston
29	1008901017126506259100	51111/2 Jessamine St	Bellaire, TX, 77401	Houston
30	1008901022900195280108	4337 Lafayette St	Bellaire, TX, 77401	Houston
31	1008901022900411320110	5101 Jessamine St	Bellaire, TX, 77401	Houston
32	1008901023800518030100	6706 S Rice Ave	Bellaire, TX, 77401	Houston
33	1008901023800518110100	6704 S Rice Ave	Bellaire, TX, 77401	Houston
34	1008901023800518130100	6506 S Rice Ave	Bellaire, TX, 77401	Houston
35	1008901023800824990100	6809 S Rice Ave	Bellaire, TX, 77401	Houston
36	1008901023801417710100	52011/2 Bellaire Blvd	Bellaire, TX, 77401	Houston

37	1008901023801774160100 4715 Jessamine St	Bellaire, TX, 77401	Houston
38	1008901023802647570100 54001/2 Bellaire Blvd	Bellaire, TX, 77401	Houston
39	1008901023805839340200 43171/3 Edith St	Bellaire, TX, 77401	Houston
40	1008901023809759500100 4500 Evergreen St	Bellaire, TX, 77401	Houston
41	1008901023811533410100 5801 W Loop S	Bellaire, TX, 77401	Houston
42	1008901023811881220100 2837 Bellfort St	Houston, TX, 77051	Houston
43	1008901023813500640103 45381/2 Sunburst St	Bellaire, TX, 77401	Houston
44	1008901023813500740103 4999 Glenmont St	Bellaire, TX, 77401	Houston
45	1008901023818247340106 7001 S 5th	Bellaire, TX, 77401	Houston
46	1008901023900600650112 5112 Jessamine St	Bellaire, TX, 77401	Houston
47	1008901024900592470112 4401 Edith St A	Bellaire, TX, 77401	Houston
48	100890107660610GHA6200 Street Light Type Gha	Houston, TX, 77002	Houston
49	100890107660610GHE6200 Street Light Type Ghe	Houston, TX, 77002	Houston
50	100890107660610LHA6200 Street Light Type Lha	Houston, TX, 77002	Houston
51	100890107660610LHE6200 Streetlight	Houston, TX, 77002	Houston
52	100890107660610LHS6200 Street Light Type Lhs	Houston, TX, 77002	Houston
53	100890107660610PHA6200 Streetlight	Tomball, TX, 77002	Houston
54	100890107660610SHA6200 Street Light Type Sha	Houston, TX, 77002	Houston
55	100890107660610SHE6200 Street Light Type She	Houston, TX, 77002	Houston
56	100890107660610SHF6200 Street Light Type Shf	Houston, TX, 77002	Houston
57	100890107660610WBF6200 Street Light Type Wbf	Houston, TX, 77002	Houston

EXHIBIT "E-1"

Fixed Price Product

SELLER INVOICE

Seller will invoice Delivery Points on a monthly basis. Invoices may consist of the following components:

1. Contract Price (the per kWh price shown below);
2. Charges listed in exhibit "C-1";
3. Any additional charges that are expressly authorized in this Agreement.

Pricing: Customer will pay the Contract Price times the Actual Consumption. This Contract Price is \$0._____ per kWh and includes energy commodity charges and the initial costs listed on Exhibit "B-1". The costs in Exhibit "C-1" will be passed-through to Customer without markup. Customer may have involved a broker, aggregator or consultant in the negotiation of this contract and such fees or commissions are included in the Contract Price unless listed as a pass-through on Exhibit "C-1". Seller may, pursuant to the Regulatory Events clause of the Agreement, pass through without markup any increases in those costs and charges in Exhibit "B-1" during the Term of the Agreement. Seller may also, during the Term of this Agreement, adjust any Transmission and Distribution Charges included in Exhibit "B-1" to reflect implemented increases or reductions in tariff rates and changes in demand or other delivery components that occur during the Term.

Transition Charge and Consumption Variance Pricing: For periods during the Initial Term which Actual Consumption within a Congestion Management Zone varies from the Contract Quantity by a percentage greater than the Consumption Variance Allowance as shown on Exhibit "A-1", or for periods in which Actual Consumption occurs after the period between the Start Date and the End Date of the Initial Term, as listed on the Exhibit "A-1", Seller will charge, and Customer will pay the ERCOT Rate. The adder will be posted on the Site during the Term. The costs in Exhibit "C-1" will be passed through without markup. In the event of excess or deficient usage, if ERCOT charges certain incremental Ancillary Services for under or over procured loads, then Seller may also pass through these Ancillary Services to Buyer without markup.

Load Change Notification: Customer will promptly notify Seller of any event or circumstance that is likely to cause a significant change to the load at any Delivery Points(s) (a "Notice of Load Change"), including Customer's plans for new construction, facility replacement or equipment modification, planned closures, applications for new construction permits, or new environmental limits.

If Customer has a change in usage of 25% or more for two consecutive months; Seller may pass through the resulting cost increase to Customer. If Seller elects to pass through such cost increases, Seller will calculate the amount of such cost in a commercially reasonable manner and submit to Customer, which invoice will be due and payable pursuant to the payment terms of this agreement.

Adding and Deleting Delivery Points: Customer is permitted to add new Delivery Points at the Contract Price, or delete Delivery Points as a result of a sale or closure without any form of termination payment provided that (i) there is no Event of Default by Customer, (ii) any such Delivery Point to be added is located within the ERCOT area currently served by Seller; (iii) the aggregate volume of addition of Delivery Point(s), or deletion of Delivery Point(s) listed on Exhibit "D-1", does not exceed three (3) percent of the contract quantities specified in Exhibit "A-1", and (iv) such deletions are, in the reasonable judgment of Seller, for operational reasons and not an effort to access lower energy rates.

DEFINITIONS

"Ancillary Services" means, for each Delivery Point, all charges assessed by ERCOT for services necessary to maintain reliable operation of the transmission system in order to support the transmission of Energy from the source of generation to the points of demand.

"Congestion Management Zone" means the applicable congestion management zone as defined by ERCOT for the applicable Delivery Points and delivery period.

"ERCOT Rate" means the volume weighted sum of the Real Time Settlement Price (RT LMPZ) applicable to the Delivery Points for the specific delivery period, plus the applicable Exhibit "B-1" and "C-1" items, which may include retail margin, energy losses, capacity charges, RUC, replacement reserves, broker fees and commissions, congestion charges, ancillary service charges, ERCOT administrative fees, and delivery charges and other charges incurred by Seller for the Actual Consumption.

"Transmission and Distribution Charges" or "TDSP Charges" means, for each Delivery point, all transmission and distribution charges and other cost recovery charges and fees outlined in the TDSP's tariff and billed to Seller for TDSP's services to deliver Energy to the applicable Delivery point; .

CUSTOMER'S ACKNOWLEDGMENT

Customer acknowledges that Seller's representatives are in the business of buying and selling power within the ERCOT market for each of their own accounts and that such participation in the foregoing market may affect the calculation of the Day Ahead Settlement Price (DAM LMPZ) or Real-Time Settlement Point Prices. Notwithstanding the foregoing, Customer agrees to pay the amounts provided for in this Agreement that may be based upon the Day Ahead Settlement Price (DAM LMPZ) or Real-Time Settlement Point Prices, as promulgated by ERCOT. Subject to the right of Customer to dispute a Seller Invoice as set forth in this Agreement, Customer will not withhold payment for any reason, including, investigatory activities undertaken by ERCOT or PUCT, based on Seller's representatives' participation in the market and its effect on Real-Time Settlement Point Prices. Nothing in this Agreement restricts Seller or any of Seller's representatives from participating in ERCOT market activities that may affect the Day Ahead Settlement Price (DAM LMPZ) or Real-Time Settlement Point Prices.



ORDINANCE NO. 16-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE MAYOR OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE, FOR AND ON BEHALF OF THE CITY OF BELLAIRE, TEXAS, AN AMENDMENT TO THE *RETAIL SALES INTERLOCAL AGREEMENT* WITH THE TEXAS GENERAL LAND OFFICE, IN A FORM AS ATTACHED HERETO AND MARKED EXHIBIT "1," FOR THE PURCHASE OF ELECTRICITY REQUIREMENTS FOR THE CITY OF BELLAIRE'S PUBLIC FACILITIES TO EXTEND THE INITIAL TERM COMMENCING ON JANUARY 1, 2014, AND EXPIRING ON DECEMBER 31, 2016, TO EXPIRE ON DECEMBER 31, 2021, AT A RATE NOT TO EXCEED \$0.03994/KWH.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:

That the Mayor of the City of Bellaire, Texas, is hereby authorized to execute, for and on behalf of the City of Bellaire, Texas, an amendment to the *Retail Sales Interlocal Agreement* with the Texas General Land Office, in a form as attached hereto and marked Exhibit "1," for the purchase of electricity requirements for the City of Bellaire's public facilities to extend the initial term commencing on January 1, 2014, and expiring on December 31, 2016, to December 31, 2021, at a rate not to exceed \$0.03994/kwh.

PASSED, APPROVED, and ADOPTED this 7th day of March, 2016.

(SEAL)

ATTEST:

Tracy L. Dutton, TRMC
City Clerk

SIGNED:

Andrew S. Friedberg
Mayor

APPROVED AS TO FORM:

Alan P. Petrov
City Attorney

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Contract
Department Head: Brant Gary
DOC ID: 1815

**SCHEDULED
ACTION ITEM (ID # 1815)**

Item Title:

Consideration of and possible action on a request from the Public Works Department for City Council approval to award a contract for certain improvements to the City's municipal water works SCADA system to JACH Controls & Automations, LLC, for an amount not to exceed \$75,000.00, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor and City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, for and on behalf of the City of Bellaire, Texas, a Standard Form of Agreement with JACH Controls & Automations, LLC, for said improvements - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

This portion of the Phase II SCADA project will address SCADA connections to the 3 City's water plants, the 3 remote lift stations, and the City wastewater treatment plant.

Improvements being made under this phase include the purchase of a new computer for monitoring and controlling water and waste water locations, development of a new SCADA program to allow the main location to better communicate with remote locations, and development of a new SCADA graphic to take over existing SCADA monitor to control water and waste water.

On January 5, 2016 the City solicited quotes from three (3) qualified contractors, only Jach Controls submitted a quote.

Previous Council Action Summary:

On September 15, 2015, the City Council adopted the FY 2016 Budget which included the funding of this project in the CIP.

Fiscal Impact:

FY 2016 CIP - \$75,000.00

The cost is based on a quote from the Jach Controls in the amount of \$75,000.00.

Recommendation:

Brant Gary, Director of Public Works, recommends awarding this portion of Phase II of the SCADA Systems Upgrade project to Jach Controls.

ATTACHMENTS:

- Letter Of Recommendation Packet - SCADA Phase 2 FY 2015 CIP (PDF)
- SCADA Proposal - JACH Controls and Automations LLC - Phase 2 (DOCX)
- SFA with JACH Controls and Automation, LLC - SCADA Phase 2 (DOCX)



February 4, 2016

Mr. Brant Gary
Director of Public Works
City of Bellaire

Re: **Letter of Recommendation for SCADA Phase 2 - Programming**
City of Bellaire CIP Project No. 615-5-6000-999-605, FY 2015 Capital Project

Dear Mr. Gary:

On January 5th, 2016 solicitation letters were sent out to three qualified local contractors to request quotes to perform certain improvements to the City's SCADA system, as detailed in the attached letters. Letters were sent via US Mail and also via e-mail. Letters were sent to:

- Jach Controls – Mr. John Nguyen
- Electrical Field Services, Inc. – Mr. Van Johnson
- Unify Energy Solutions – Mr. Kirk Vaughn

The potential contractors were given two weeks to complete their quote and deliver to the City. As a result of the solicitation process, the City received one (1) quote to perform the requested improvements. The quote received was from Jach Controls in the amount of **\$75,000.00**, and is attached.

It is recommended that the City award the project to Jach Controls in the amount of \$75,000.00. Jach Controls is qualified to perform the work, and is familiar with the City's existing SCADA system.

If you have any questions, please contact me.

Sincerely,
ARKK ENGINEERS, LLC

A handwritten signature in black ink, appearing to read 'D. Kasper', is written over the typed name.

David W. Kasper, P.E.
Senior Project Manager/Principal

**JACH Controls & Automations, LLC
Enclosures, Designs, and PLC Programming
PO Box 2894
Cypress, TX 77410
Phone: (713) 498-1474 Fax: (281) 598-5772**

Proposal

Date: November 9, 2015

Customer: City of Bellaire

Proposal: SCADA 2015 – Revision 3

Contact: David Kasper

Details

New Computer

Purchase, install, and program a new Dell Precision computer workstation to monitor and control water and waste water locations through SCADA. Computer will be built according to specifications and will include Microsoft Office Package.

SCADA Programming

Develop a new SCADA program at main location to communicate with each remote location. Following is a list of locations:

Bellaire Lift Station (Remote)
Wendell Lift Station (Remote)
Rice Lift Station (Remote)
Feldpark Water Plant (Remote)
Central Water Plant (Remote)
Renwick Water Plant (Remote)

Software Development

Develop a new SCADA graphic to take over existing SCADA monitor to control water and waste water. Proposal includes a new Win CC Flexible tag runtime license graphic for SCADA.

Following are the locations to have new graphic developments:

Bellaire Lift Station (Remote)
Wendell Lift Station (Remote)
Rice Lift Station (Remote)
Feldpark Water Plant (Remote)
Central Water Plant (Remote)
Renwick Water Plant (Remote)

In addition, SCADA graphic will be prepared for future 7th location which will include one water plant and three lift stations.

Proposal is valid for 30 days.

Price: \$75,000.00

Warranty: JACH Controls & Automations, LLC warrants the supplied equipment for a period of (1) year from the date of customer receipt. This shall be voided upon any misuse or modification without prior notice and consent.

Acceptance: JACH Controls & Automations, LLC consider its full obligation according to the Purchase Order has been met upon final inspection or material receipt sign off.



CERTIFICATE OF LIABILITY INSURANCE

G.2.c.a
DATE
4/3/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to certificate holder in lieu of such endorsement(s).

PRODUCER TWFG Insurance Services Denise Davis 722 W Main St Tomball TX 77375	CONTACT NAME: Denise Davis PHONE (A/C, No, Ext): (832) 559-1595 E-MAIL ADDRESS: ddavis@twfg.com FAX (A/C, No): (832) 559-5518
INSURED JACH Controls & Automations LLC 12811 Mason Terrace Cypress TX 77433	INSURER(S) AFFORDING COVERAGE INSURER A: Burlington Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PER INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			133BW31252	4/2/2015	4/2/2016	EACH OCCURRENCE \$ 1,000,000
			DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000				
			MED EXP (Any one person) \$ 5,000				
			PERSONAL & ADV INJURY \$ 1,000,000				
						GENERAL AGGREGATE \$ 2,000,000	
						PRODUCTS - COMP/OP AGG \$ 2,000,000	
							\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$
							AGGREGATE \$
							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER
							E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

Information Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

[Signature]



January 5, 2016

JACH Controls & Automations, LLC
Attn: John Nguyen
PO Box 2894
Cypress, TX 77410
Phone: (713) 498-1474
Email: cilia@jachcontrolsandautomations.com

Re: **SCADA Improvements – Phase 2 – Programming
City of Bellaire, Texas**

The City of Bellaire is accepting quotes to perform improvements to its municipal water works SCADA system. The City has a working SCADA system in place that allows operators stationed at the City Wastewater Treatment Plant facility to remotely control certain equipment at its Central Water Plant facility and its Feld Park Water Plant facility. The City wishes to expand this existing system such that one (1) additional water plant is added to the SCADA system, and that three (3) remote lift stations would also be added to the SCADA system. Additionally, the City wishes to update its central SCADA computer, monitor, and software as part of the Phase 2 SCADA project. In Phase 1 of the City's SCADA improvements project, the City installed a cellular communications at six remote locations. Only the locations at the Central Water Plant and the Feld Park Water Plant were connected and activated. The following is a general scope of work for the project:

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Scope of Work: Purchase and install a new Dell Precision or HP computer workstation operating on Windows 8 or Windows 10 (I7-3.6 GHz processor, 64-bit, min 2 TB hard drive, min 32 GB RAM, 32-inch flatscreen display monitor, keyboard, mouse, DVD writer). Computer will include Microsoft Office Package license in the name of the City of Bellaire.

Part 2: SCADA Programming and Software Development

Develop a new SCADA program at the central computer location (City WWTP) to communicate with each remote location. Develop a new SCADA graphic to take over existing SCADA monitor to control water and waste water systems. Scope includes a new Win CC Flexible tag runtime license graphic for SCADA. The Following is a list of remote locations in which communication will be established via Verizon cellular network and for which a new SCADA graphic development:

1. Central Water Plant (Remote)
2. Feld Park Water Plant (Remote)
3. Renwick Water Plant (Remote)
4. Bellaire Blvd. Lift Station (Remote)
5. Wendell Lift Station (Remote)
6. Rice Lift Station (Remote)

All programing shall be open-source and non-proprietary.

Part 3: Warranty:

The scope includes providing a warranty for the supplied equipment for a period of (1) year from the date of customer receipt.

Your quote should provide for a turn-key installation of the computer, software, software development, programming, troubleshooting, and all services needed for a successful installation. The City of Bellaire requires that all contractors register with the City and obtain general liability insurance in the amount of \$300,000.00 dollars with the City of Bellaire named as a certificate holder.

If you have any questions, please do not hesitate to call me at 713-400-2755. We would appreciate having your quote by **January 20, 2016**. Quotes can be received by e-mail at david.kasper@arkkengineers.com or by mail, or in person.

For background and information purposes, the following is the list of SCADA communication equipment that has previously been installed (i.e. is not in the scope of work):

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Future Work – Not In Scope – For Information Only:

As part of next year's 2016-2017 Capital Improvement budget, the City plans to embark upon the 3rd phase of the SCADA program. Those scope of services are anticipated to include:

A. Central Water Plant

- Purchase & install two new chlorine analyzers for the EST and COH surface water line and connect all four (4) online meters to the SCADA program
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Sincerely,
ARKK ENGINEERS, LLC



David W. Kasper, P.E.

Senior Project Manager / Principal



January 5, 2016

Electrical Field Services
Attn: Van Johnson
27911 FM 2100
Huffman, TX 77336
Phone: (281) 361-7455
Email: vjohnson@efservices.net

Re: **SCADA Improvements – Phase 2 – Programming**
City of Bellaire, Texas

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ARKK ENGINEERS, LLC



David W. Kasper, P.E.

Senior Project Manager / Principal



January 5, 2016

Unify Energy Solutions
Attn: Kirk Vaughn
770 Bradfield Road, Suite 585
Houston, TX 77060
Phone: (281) 447-0777
Email: kirkv@unifytexas.com

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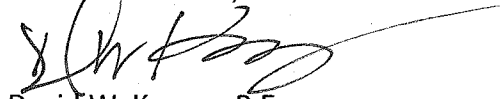
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Sincerely,

ARKK ENGINEERS, LLC



David W. Kasper, P.E.

Senior Project Manager / Principal



ORDINANCE NO. 16-_____

AN ORDINANCE AUTHORIZING THE MAYOR AND THE CITY CLERK OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE AND ATTEST, RESPECTIVELY, FOR AND ON BEHALF OF THE CITY OF BELLAIRE, TEXAS, A *STANDARD FORM OF AGREEMENT* BY AND BETWEEN JACH CONTROLS & AUTOMATIONS, LLC, AND THE CITY OF BELLAIRE, TEXAS, FOR CERTAIN IMPROVEMENTS TO THE CITY'S MUNICIPAL WATER WORKS SCADA SYSTEM IN AN AMOUNT NOT TO EXCEED \$75,000.00.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:

THAT the Mayor and the City Clerk of the City of Bellaire, Texas, are each hereby authorized to execute and attest, respectively, for and on behalf of the City of Bellaire, Texas, a *Standard Form of Agreement* by and between JACH Controls & Automations, LLC, and the City of Bellaire, Texas, in a form as attached hereto and marked "Exhibit A," for certain improvements to the City's municipal water works SCADA system in an amount not to exceed \$75,000.00.

PASSED and APPROVED this 7th day of March, 2016.

(SEAL)

ATTEST:

SIGNED:

Tracy L. Dutton, TRMC
City Clerk

Andrew S. Friedberg
Mayor

APPROVED AS TO FORM:

Alan P. Petrov
City Attorney

Attachment: SCADA Proposal - JACH Controls and Automations LLC - Phase 2 (1815 : Award SCADA Contract)

STANDARD FORM OF AGREEMENT

STATE OF TEXAS §

COUNTY OF HARRIS §

THIS AGREEMENT, made and entered into this, the ____ day of _____, A.D. 20____, by and between the CITY OF BELLAIRE, TEXAS, of the County of Harris and State of Texas, duly incorporated and existing under and by virtue of the Constitution and the laws of the State of Texas, acting by and through the undersigned Mayor, as attested to by the City Clerk of the CITY OF BELLAIRE, TEXAS, thereunto duly authorized to do so, hereinafter referred to as "OWNER", and JACH Controls & Automations, LLC, a limited liability corporation duly authorized to do business and existing under the laws of the State of Texas, acting by and through a duly authorized officer thereof of the City of _____, County of _____, State of _____, hereinafter referred to as "CONTRACTOR."

WITNESSETH:

That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the OWNER, and under the conditions expressed in the bond(s) bearing even date herewith (if any), the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction of certain improvements described as follows:

SCADA IMPROVEMENTS PHASE 2 - PROGRAMMING

and all necessary work of every kind or nature, including all extra work in connection therewith necessary to complete said improvements, under the terms as stated in the Proposal Letter and Solicitation Letter, and, at its own proper cost and expense, to furnish all materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction in accordance with the conditions and prices stated in the Proposal Letter attached hereto, and in accordance with the Solicitation Letter, as prepared by ARKK Engineers, LLC., hereinafter called "PROFESSIONAL", each of which has been identified by the CONTRACTOR and the PROFESSIONAL, together with CONTRACTOR's written Proposal, the

Solicitation Letter, all of which are made a part hereof and collectively evidence and constitute the entire Contract.

The CONTRACTOR hereby agrees to commence work within ten (10) days after the date written notice to do so shall have been given to it and to complete the same within the time specified in the Proposal Letter, subject to such extensions of time as shall be specifically agreed to in writing by the parties hereto, which writing shall be attached to this Contract as a part hereof.

The OWNER agrees to pay the CONTRACTOR in current funds for the performance of the Contract in accordance with the Proposal Letter submitted therefor, which forms a part of this Contract, and to make payment on account thereof as provided therein.

IN WITNESS WHEREOF, the Mayor of the CITY OF BELLAIRE, TEXAS, as attested to by the City Clerk of the CITY OF BELLAIRE, TEXAS, hereunto, has executed this Agreement in the year and date first above written, under the authority granted to them under the provisions of Ordinance No. _____, an Ordinance duly enacted by the City Council of the CITY OF BELLAIRE, TEXAS.

Andrew S. Friedberg, Mayor
City of Bellaire, Texas

ATTEST:

Tracy L. Dutton, TRMC
City Clerk

{Remainder of Page Intentionally Left Blank}

IN WITNESS WHEREOF, the undersigned does certify and attest that he/she has executed this Agreement in his/her capacity as herein stated, for and on behalf of said Limited Liability Company or partnership and that he/she has authority to do so.

JACH CONTROLS & AUTOMATIONS, LLC

Officer/Partner/Member

ATTEST:

Witness

Attachment: SFA with JACH Controls and Automation, LLC - SCADA Phase 2 (1815 : Award SCADA Contract)

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: Public Works
Category: Contract
Department Head: Brant Gary
DOC ID: 1782

**SCHEDULED
ORDINANCE (ID # 1782)**

Item Title:

Consideration of and possible action on a recommendation from the Public Works Department to award Bid No. 16-001 to Waste Management for the acceptance, treatment, processing, handling, storage, and disposal of commingled recycling material waste from the City of Bellaire, Texas, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute, for and on behalf of the City of Bellaire, Texas, a Recycling Services Agreement with Waste Management for said services - Submitted by Brant Gary, Director of Public Works.

Background/Summary:

On November 19, 2015 the City of Bellaire posted Bid No. 16-001 for the services necessary accept, treat, process, handle, store, and dispose of commingled recycling material waste from the City of Bellaire. Notice of the bid was posted in the Southwest News, Legal Notices Section on November 17 & 24, 2015. The two bids received, one from Waste Management and one from Independent Texas Recyclers. Both bids were opened publicly in City hall Council Chambers, located at 7008 S. Rice.

While Independent Texas Recyclers offered a slightly better processing fee (\$82.00 compared to Waste Management's \$85.00) and a slightly better value share (80% compared to Waste Management's 75%), the location of their disposal site (14.9 miles away, compared to Waste Management's 3.36) made Waste Management's bid the better choice for the City of Bellaire. Aside from distance; vehicle maintenance & use impacts, personnel time, and fuel costs were also taken into consideration.

Previous Council Action Summary:

Council, on December 6, 2010 awarded Bid No. 10-008 for the Purchase of Recycling Materials to Waste Management.

Fiscal Impact:

The Public Works Department anticipates recycling services to cost approximately \$42,558 for the remainder of FY 2016 and \$85,116.72 for FY 2017. Costs for FY 2016 will be absorbed into line item 500-5-8066-342 (Trash Hauls). This line item, including recycling costs, is expected to have a year-end balance of \$3,484.00.

Recommendation:

Brant Gary, Director of Public Works, recommend awarding Bid No. 16-001 to Waste Management.

ATTACHMENTS:

- WM Bid Packet (PDF)
- Recycling Services Agreement with Waste Management - Recycling Services (DOCX)
- Bellaire Processing Agreement 2016 Unexecuted (PDF)



ORDINANCE NO. 16-_____

AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE, FOR AND ON BEHALF OF THE CITY OF BELLAIRE, TEXAS, A *RECYCLING SERVICES AGREEMENT* BY AND BETWEEN WASTE MANAGEMENT OF TEXAS, INC., WM RECYCLE AMERICA, LLC, AND THEIR APPLICABLE AFFILIATED COMPANIES AND SUBSIDIARIES AND THE CITY OF BELLAIRE, TEXAS, FOR PROCESSING SERVICES FOR THE RESIDENTIAL RECYCLABLE SINGLE STREAM MATERIALS GENERATED WITHIN THE CITY OF BELLAIRE, TEXAS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:

THAT the Mayor of the City of Bellaire, Texas, is hereby authorized to execute, for and on behalf of the City of Bellaire, Texas, a *Recycling Services Agreement* by and between Waste Management of Texas, Inc., WM Recycle America, LLC, and their applicable affiliated companies and subsidiaries and the City of Bellaire, Texas, in a form as attached hereto and marked "Exhibit A," for processing services for the recyclable residential single stream materials generated within the City of Bellaire, Texas.

PASSED and APPROVED this 7th day of March, 2016.

(SEAL)

ATTEST:

SIGNED:

Tracy L. Dutton, TRMC
City Clerk

Andrew S. Friedberg
Mayor

APPROVED AS TO FORM:

Alan P. Petrov
City Attorney

Attachment: Recycling Services Agreement with Waste Management - Recycling Services (1782 : Award Recycling Contract)

RECYCLING SERVICES AGREEMENT

THIS RECYCLING SERVICES AGREEMENT ("Agreement") is made as of the ____ day of _____, 2016 by and between Waste Management of Texas, Inc., WM Recycle America, LLC, and their applicable affiliated companies and subsidiaries (collectively, "Company"), with an office located at 1001 Fannin, Suite 4000, Houston, TX 77002 and the City of Bellaire, Texas ("City").

1. TERM:

The term of the Agreement shall be for a period of three (3) years, commencing on _____, 20____ ("Effective Date"). The Agreement shall automatically renew thereafter for successive terms of one (1) year each, unless either party gives written notice of termination to the other party at least ninety (90) days prior to the expiration of the then-existing term.

QUANTITY AND QUALITY:

During the term of the Agreement, Company shall be the exclusive provider of the processing services for the residential single stream materials generated within the City of Bellaire. City agrees to provide one hundred percent (100%) of City's single stream materials ("Single Stream Materials") collected by or on the City's behalf within the City of Bellaire, Texas to Company. City agrees that it shall provide the Single Stream Materials in accordance with Company's Recyclables Specifications set forth in **Exhibit A** ("Specifications"). City acknowledges that maintaining the quality of the Single Stream Materials is City's responsibility and will affect the City's Value Share under this Agreement. City shall use reasonable effort to inform the persons or entities from whom it is collecting Single Stream Materials of the quality requirements under this Agreement and to enforce the quality standards for the acceptance of the Single Stream Materials.

In the event that the Single Stream Materials do not meet the Recyclables Specifications set forth in Exhibit A, the City shall have the sole responsibility for any resulting settlement or adjustments, including transportation and disposal costs. City shall not discontinue collection of any material listed as a Recyclable in Exhibit A, nor divert, retract, or withdraw from the Single Stream Materials any Recyclables listed in Exhibit A without Company's consent. City shall not allow scavenging of any Recyclables from the Single Stream Materials. Recyclables specifically exclude, and City agrees not to deposit or permit the deposit for collection of, any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, any materials containing information (in hard copy or electronic format or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), or other regulations or ordinances, ("Protected Information"), or other waste not approved in writing by Company (collectively "Excluded Materials"). Title to and liability for Excluded Materials shall remain with City or the generator at all times. Title to Recyclables provided by City to Company is transferred to Company upon Company's receipt or collection unless otherwise provided in this Agreement or applicable law.

2. RECYCLABLE VALUE; MARKET CHANGES:

The value of the Recyclables shall be determined as set forth on **Exhibit B**. It shall be conclusively presumed that the composition of the Recyclables delivered to the Company shall be identical to the composition of all Single Stream Materials processed by Company, as established from time to time by Company. Notwithstanding the foregoing, Company may perform a composition study of the Single Stream Materials to determine the composition percentage of each commodity for the Recyclables and may update or revise the percentage of each commodity in determining the Blended Value as set forth in Exhibit B to reflect the actual composition of City's Recyclables. City acknowledges that the value of the Recyclables may be negative.

Company makes no representations as to the marketability of the Recyclables and may dispose of Recyclables when no reasonable commercial market exists. Company shall provide City with written notice no more than ten (10) days after the decision is made to begin disposing of a Recyclable due to market conditions along with information and/or documentation substantiating such decision, if requested by City. Should no commercially reasonable available market for a Recyclable exist, such Recyclable shall be classified as a Non-Recyclable until such time as a commercially reasonable available market exists. Company reserves the right to add or delete materials from the list of Recyclables based upon uncontrollable circumstances, including without limitation governmental restraint, or changes in laws, rules, regulations, or ordinances, or changes in the enforcement thereof, changes in market conditions, including but not limited to lack of commercially reasonable market availability for processed Recyclables, whether for foreseeable or unforeseeable, that are not reasonably within the control of a Party, which materially affects this Agreement or a Party's ability to achieve the benefit(s) bargained for under this Agreement ("Uncontrollable Circumstances").

In the event that a change in applicable law or a material change in market conditions occurs, including but not limited to lack of commercially reasonable market availability for processed Recyclables, changes in market specifications affecting the salability of processed Recyclables, changes affecting the recyclability or marketability of Recyclables, changes in the

quantity, quality or composition of the Recyclables, (each a "Material Change"), that has the effect of materially altering the

terms of this Agreement, or preventing or precluding compliance with one or more provisions of this Agreement or the Lease between the parties, or preventing, precluding or substantially affecting the benefit(s) bargained for under this Agreement or the Lease between the parties, including profits of Contractor, this Agreement shall be modified or suspended as may be necessary to comply with, ameliorate, or prevent the detrimental effects on the Agreement of, such Material Change. A party detrimentally affected by a Material Change shall so notify the other party and request amendment to this Agreement accordingly, and the parties shall engage in good faith negotiations for a period of not more than six (6) months after such request regarding such amendments of this Agreement that reflect the extent to which the provisions hereof have been, or should be, so modified or suspended. If the parties fail to agree to a modification of the Agreement within six months, then either party may terminate this Agreement upon 75 days' written notice to the other party.

3. CHARGES; PAYMENTS; ADJUSTMENTS:

Payments to and/or charges owed by City shall be determined as set forth in this Agreement and its Exhibits. Where the City's Value Share is positive, the Company shall pay City the Value Share on or about the last day of each month following delivery of those Single Stream Materials meeting the Specifications delivered during the preceding month. If the difference between the Blended Value and the Processing Fee as set forth in Exhibit B is negative, the City shall pay Company the entire negative value within 30 days of receipt of Company's invoice. Any City payment not paid to Company within 30 days after the due date is subject to a late fee of 2.5% or the maximum allowed by law. Any City check returned for insufficient funds is subject to a NSF fee, to the maximum extent allowed by law. In the event that payment is not made by City when due, Company reserves the right to suspend service until the past due balance is paid in full. In the event that service is suspended for more than 30 days, Company may terminate this Agreement for default.

5. SERVICE:

City shall cause the Recyclables to be delivered, at City's expense, to Company's facility located at 4939 Gasmer Drive Houston, Texas or to such other location within the greater Houston area as Company may direct from time to time ("Designated Facility") between the hours of 8:00 a.m. and 4:30 pm, Monday through Friday, excluding holidays specified by the Facility. All Recyclables must be delivered in self-dumping trucks and will be weighed in and out by Company at the Facility.

6. DEFAULT:

Notwithstanding the term of this Agreement set forth in paragraph one (1) above, in the event of default by a party, which default is not cured within thirty (30) days after written notice from the non-defaulting party, the non-defaulting party, at its option, may terminate this Agreement, upon written notice.

7. LIABILITY/INDEMNIFICATION:

Company agrees to indemnify, defend and save City harmless from and against any and all liability which City may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law, to the extent caused by any negligent act, negligent omission or willful misconduct of Company or its employees which occurs (a) during the collection or transportation of City's Recyclables, or (b) as a result of the disposal of City's Non Recyclables, in a facility owned by a subsidiary of Waste Management, Inc., provided that Company's indemnification obligations will not apply to occurrences involving Excluded Materials.

The City is responsible and liable for bodily injuries (including death), property damage, or any violation or alleged violation of law to the extent caused by City's breach of this Agreement or by any negligent act, negligent omission or willful misconduct of the City or its employees, agents or contractors in the performance of this Agreement or City's use, operation or possession of any containers furnished by Company.

Neither party shall be liable to the other for special, consequential, incidental or punitive damages arising out of the performance of this Agreement.

8. REMEDIES AND WAIVER:

A party's remedies hereunder are not exclusive and are in addition to any other remedies at law or in equity. A party shall not be deemed to waive any remedy available to it or any right under this Agreement, at law or in equity, by virtue of any act of forbearance in enforcing such rights or remedies.

9. FEES, COSTS AND TAXES:

City shall pay all license fees, assessments and sales, use and other taxes imposed as a result of this Agreement, excepting only taxes imposed on or measured by income of the Company.

10. NOTICES:

Any notice to be given hereunder shall be sent certified mail or by a recognized National overnight carrier service to the address set forth above and in the case of COMPANY a copy shall be sent to 1001 Fannin, Suite 4700, Houston, TX 77002 Attn: President and to 9708 Giles Lane, Austin, TX, 78754, Attn: Legal Counsel. Notices to the City shall be sent to

11. MISCELLANEOUS:

(a) Except for the obligation to make payments hereunder for services already provided, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control whether or not foreseeable, including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, acts of God, and the inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events; (b) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns; (c) This Agreement represents the entire agreement between the parties and supersedes any and all other recycling services agreements for the Recyclables whether written or oral, that may exist between the parties or its affiliates; (d) This Agreement shall be construed in accordance with the law of the state in which the services are provided; (e) If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the severed provision; and (f) In the event Company successfully enforces its rights against City hereunder, the City shall be required to pay Company's attorneys' fees and court costs.

BY SIGNING BELOW, EACH SIGNATOR WARRANTS THAT HE OR SHE IS AUTHORIZED TO ENTER INTO A BINDING AGREEMENT ON BEHALF OF THE PARTY SET FORTH.

Dated as of the date first above written.

Waste Management of Texas, Inc.

City of Bellaire, Texas

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

EXHIBIT A
SPECIFICATIONS

RECYCLABLES shall be dry, loose, not bagged, and include only the following:

Aluminum food and beverage containers - empty	Glass food and beverage containers – brown, clear, or green - empty
Ferrous (Iron) cans – empty	PET plastic containers with the symbol #1 – with screw tops only - empty
HDPE natural plastic containers with the symbol #2 (milk and water bottles) – empty	HDPE pigmented plastic containers with the symbol #2 (detergent, shampoo bottles, etc.) - empty
Plastics with symbols #3, #4, #5, #6, #7 – empty	Newsprint
Old corrugated containers	Magazines, glossy inserts and pamphlets
Catalogs	Cereal boxes; detergent, gift and snack boxes
Telephone books	Printer paper
Copier paper	Mail
All other office paper without wax liners	

All materials not specifically listed above as Recyclables are “Non-Recyclables.”

RECYCLABLES exclude the following, which are Non-Recyclables:

Bagged materials (even if containing Recyclables)	Microwave trays
Mirrors	Window or auto glass
Light Bulbs	Ceramics
Porcelain	Plastics unnumbered
Plastic bags, expanded polystyrene	Wire/metal hangers
Glass cookware/bakeware	Household items such as cooking pots, toasters, etc.
Flexible packaging and multi-laminated materials	Wet fiber
Excluded Materials	Fiber containing, or that has been in contact with, food debris
Any recyclable materials, or pieces of recyclable materials, less than 2” in size in any dimension	Materials: (a) that contain chemical or other properties deleterious, or capable of causing material damage, to any part of Company's property, its personnel or the public; and/or (b) that may materially impair the strength or the durability of the Company's structures or equipment.

DELIVERY SPECIFICATIONS:

Single stream materials delivered by or on behalf of City may not contain more than fifteen percent (15%) Non-Recyclables.

In the event a load of Recyclables does not meet Specifications, the load may be rejected and/or City may be charged additional processing, transportation, return or disposal costs. Company has the right to dispose of all Non-Recyclables, and such disposal shall not be a breach of this Agreement.

EXHIBIT B VALUE

1. VALUE SHARE

Where the Blended Value is greater than the Processing Fee, City's Value Share is seventy-five percent (75%) of the difference between the Blended Value and the Processing Fee (Blended Value minus Processing Fee). If the difference is negative, the City shall be responsible for payment of the entire negative value pursuant to Section 4 of this Agreement.

2. BLENDED VALUE

To calculate the Blended Value per ton of the Single Stream,

- (a) The percentage of each Recyclable and Non-Recyclable component set forth below contained in the Single Stream Materials as may be established and revised from time-to-time by Company or by a composition audit of the Single Stream Materials, is multiplied by the current value of each commodity set forth below; and
- (b) Each commodity value per ton is added together to obtain the Blended Value per ton.
- (c) City acknowledges that the value of a commodity or the Blended Value may be negative.

Blended Value is calculated monthly.

"PPW" means the higher of the prices issued by *RISI PPI Pulp & Paper Week* for the Southwest USA, Domestic Price, 1st issue of the month retroactive to the first of the month.

"SMP" means the average price published at www.SecondaryMaterialsPricing.com, for the South Central Region, first dated price each month, retroactive to the first of the month.

"Actual Value" means the average price paid to or charged to the Designated Facility during the month of delivery of the Single Stream Materials. Freight, customs charges, duties, or other charges paid to third parties for the sale of such Recyclables are excluded from the definition of Actual Value.

If PPW or SMP (or both) is no longer reflective of prevailing market conditions or if an alternative publication more accurately reflects such market conditions, then Company may propose to use any such alternative publication(s) or alternate method to determine the value of each commodity set forth below. City's consent, which shall not be unreasonably withheld, conditioned or delayed, to the use of such alternate publication or method shall be required.

"T & D" or "Transportation and Disposal" means the Designated Facility's charge for transportation and disposal at a properly permitted landfill for Non-Recyclables per Ton in the month of delivery.

Material Component	Commodity Value
Newspapers, magazines and inserts	PPW #2 Mixed Paper
Cardboard and other brown papers	PPW OCC #11
All other paper	PPW #2 Mixed Paper
Aluminum / beverage cans	SMP for Aluminum Cans
Steel/Tin	SMP for Steel Cans
Plastic #1	SMP for PET
Plastic #2 Natural	SMP for Natural HDPE
Plastic #2 Colored	SMP for Colored HDPE
#3-#7 Plastics	Actual Value
Rigid Plastics	Actual Value
Glass	Actual Value
Non-Recyclables (includes residue)	T & D

3. PRICING & PAYMENTS

Where the Net Value of the Single Stream Recyclables is positive, Company shall pay City on or about the last day of the month following delivery for those Single Stream Recyclables meeting the Specifications delivered during the preceding month. Where the monthly Net Value is negative, the City shall pay the Company.

4. CHARGES

- (a) City shall pay the Processing Fee for each Ton of Single Stream Materials delivered by or on behalf of the City. The initial Processing Fee is \$85.00 per ton.

(b) The Company has the right to adjust the Processing Fee in accordance with changes in the Consumer Price Index (CPI) for All Urban Consumers for Water and sewer and trash collection services, Not Seasonally Adjusted, published by the Bureau of Labor Statistics, as calculated below on the anniversary of the Effective Date ("Anniversary Date"). Such CPI adjustment shall be effective on such Anniversary Date and shall be recalculated and effective each Anniversary Date thereafter. The increases to the Processing Fee shall be based on the percentage increase in the CPI for the twelve (12) month period ending two months prior to the Anniversary Date. In the event this CPI is no longer viable or no longer reflective of consumer prices in City's geographic region, another consumer pricing index or method of adjustment may be used as a replacement for the CPI, subject to the mutual consent of the Parties. Failure by Company to submit such CPI price adjustment shall not preclude the implementation of such adjustment as of the Anniversary Date.

(c) Company shall also be entitled to an increase in the Processing Fee from time to time during the term of this Agreement, and upon thirty (30) days' written notice to the City, to offset any Uncontrollable Circumstances.

(d) Company agrees to provide City with back-up documentation of the charges that Company incurs for Transportation of Non-Recyclables and Residue to the disposal facility.

5. BLENDED VALUE/REVENUE SHARE/NET VALUE EXAMPLE (the numbers in the table below are for purposes of illustrating how the total Blended Value will be determined)

Blended Value Per Ton

A Material Component	B Commodity Value	C Nov. 2015 Value (Example) in \$/Ton	D Material Composition Percentages	E Blended Value Contribution C x D (Example) \$/Ton
Newspaper, magazines, inserts	PPW #2 Mixed Paper	\$60.00	0.00%	\$0.00
Cardboard	PPW OCC #11	\$95.00	18.95%	\$18.00
Mixed paper	PPW #2 Mixed Paper	\$60.00	41.27%	\$24.76
Aluminum/beverage cans	SMP for Aluminum Cans	\$1,000.00	0.74%	\$7.41
Steel/Tin	SMP for Steel Cans	\$25.00	0.34%	\$0.08
Plastic #1	SMP for PET	\$220.00	1.59%	\$3.49
Plastic #2 Natural	SMP for Natural HDPE	\$480.00	0.84%	\$4.02
Plastic #2 Colored	SMP for Colored HDPE	\$280.00	1.06%	\$2.95
#3 through #7 Plastics	Actual Value	\$63.80	0.70%	\$0.45
Cartons	Actual Value	\$60.00	0.07%	\$0.04
Glass	Actual Value	- \$18.09	11.94%	-\$2.16
Non-Recyclables (includes residue)	Transportation & Disposal from Designated Facility to Landfill	- \$57.83	22.50%	-\$13.01
TOTAL	BLENDED VALUE		100%	\$46.04

Example Calculation:

City's Value Share is 75% of the Blended Value calculated monthly.

Processing Fee is \$85.00 per ton

By way of the example (from above), where the:

- Blended Value is \$46.04 per Ton, for each Ton delivered; and
- the Processing Fee is \$85.00 per Ton delivered; and
- the City's Value Share is 75%; and

the Net Value per Ton, for each Ton delivered, paid/charged to City is:

- \$46.04 (Blended Value per ton) - \$85.00 Processing Fee = (\$38.96) per ton.
- **(\$38.96) per ton charged to and payable by City.**

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Ordinance
Department Head: Paul A. Hofmann
DOC ID: 1811

**SCHEDULED
ACTION ITEM (ID # 1811)**

Item Title:

Consideration of and possible action on a request to direct the City Attorney of the City of Bellaire, Texas, to draft a "safe passage ordinance" for the City of Bellaire for consideration and possible action by the City Council on March 21, 2016, and to direct City Staff to determine the costs of signage to inform and educate residents and other motorists in Bellaire of this ordinance - Submitted by Council Member Trisha S. Pollard.

Background/Summary:

In 2013, the City of Houston enacted a "safe passage" ordinance. The ordinance establishes a "safe distance" that motor vehicle operators must maintain, should conditions allow, between the motor vehicle and "vulnerable road users." Vulnerable road users include pedestrians and bicyclists.

Considerations include:

- The lack of a complete bike and pedestrian network in Bellaire creates more need for pedestrians and cyclists to share travel lane space with motor vehicles, which creates a dangerous situation; and
- The expectations for Houston drivers should not be lessened when they pass through Bellaire.

Previous Council Action Summary:

N/A

Fiscal Impact:

Minimal one-time costs for signage.

Recommendation:

Direct the City Attorney to draft a "safe passage" ordinance for the City of Bellaire for consideration and possible action by City Council on March 21, 2016, and to direct City Staff to determine the costs of signage to inform and educate residents and other motorists in Bellaire of this ordinance.

ATTACHMENTS:

- Houston Chronicle Article - Safe Passage Ordinance (PDF)
- City of Houston Ordinance No. 2013-429 - Vulnerable Road Users and Safe Passage (PDF)

Sections

THE HIGHWAYMAN

UPDATE: Safe passing ordinance passes Houston council

By [Dug Begley](#) on May 7, 2013 at 3:00 PM

Houston officials put some distance between drivers and other vulnerable road⁰ users — at least in the rulebook.



A sign on Washington Avenue warns motorists to watch for bicyclists, who are not protected by a law on safer driving. Photo: Nick De La Torre/ Chronicle

The City Council on Wednesday approved a safe passing ordinance requiring drivers to give cyclists, pedestrians, equestrians and other non-vehicular road users three feet of space at all times. Commercial trucks will have to give the vulnerable users six feet of space if the ordinance passes.

"This is about awareness by everyone that the road is for everybody," said Councilman Ed Gonzalez, a supporter of the ordinance.

Houston was the only major city in Texas that does not have a safe passing law, though officials have aggressively encouraged cycling in the region. The new law covers anyone not in an automobile or truck, including tow truck drivers.

Bicyclists pressed for the law to combat what some said are dangerous drivers who come too close to cyclists with whom they're required to share the road.

Proponents said the purpose is more educational, though drivers can be fined up to \$500 for violating the law.

Some are skeptical the law will do much good, and pointed out some cyclists also need to show greater courtesy to drivers.

State legislators also are discussing a safe passing law as part of an overall change to street design and function. Sens. Rodney Ellis, D-Houston, and Bob Deuell, R-Greenville, filed SB 565 in February to require the state to consider all users, including cyclists and pedestrians, when designing and modifying roads.

The bill has not advanced beyond the Senate Transportation Committee.

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City of Houston, Texas, Ordinance No. 2013- 429

AN ORDINANCE AMENDING ARTICLE II, CHAPTER 45, OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, RELATING TO THE PROTECTION OF VULNERABLE ROAD USERS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, by law, bicyclists, pedestrians and other vulnerable road users are allowed to use the roadway under certain circumstances in Texas, but these users do not have the same physical protection as conventional motorists and are at a greater risk of injury or death in connection with use of the roadway; and

WHEREAS, the City of Houston is dedicated to ensuring that the City's streets are safe for vulnerable road users; and

WHEREAS, it is advisable to amend Chapter 45 of the Houston Code of Ordinances to add new regulations for the protection of vulnerable road users; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as a part of this Ordinance.

Section 2. That Article II of Chapter 45 of the Code of Ordinances, Houston, Texas, is hereby amended by adding a new Section 45-44 that reads as follows:

"Sec. 45-44. Vulnerable road users.

(a) **Definitions.** The following words, terms and phrases, when used in this section will have the meanings set forth in this subsection, except when the context clearly indicates a different meaning:

Safe distance means:

- (1) While passing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision

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with a vulnerable road user but, in any event, not less than 3 feet if the operator's vehicle is a passenger car or light truck and not less than 6 feet if the operator's vehicle is a truck (other than a light truck) or a commercial vehicle as defined by Texas Transportation Code Section 522.003; or

- (2) While trailing, a separation between a motor vehicle and a vulnerable road user that, when all road, traffic and weather conditions are considered, provides the motorist sufficient space and time to avoid a collision with a vulnerable road user.

Vulnerable road user means:

- (1) A pedestrian (including a runner), physically disabled person (including a person in a wheelchair), stranded motorist or passenger, highway construction or maintenance worker, tow truck operator, or utility worker in the roadway;
- (2) A person on horseback or operating a horse-driven conveyance, in the roadway;
- (3) A person operating a bicycle (including an electric bicycle), hand cycle, or other human-powered wheeled vehicle in the roadway; or
- (4) A person operating a moped, motor-driven cycle, or motor-assisted scooter, as those terms are defined in sections 541.201 and 551.351 of the Texas Transportation Code, as applicable.

(b) **Action required.** An operator of a motor vehicle or motorcycle shall:

- (1) When passing a vulnerable road user on a highway or street;
 - a. Vacate the lane in which the vulnerable road user is located if the highway or street has two or more marked lanes running in the same direction if such action can be taken safely; or
 - b. Pass the vulnerable road user at a safe distance; or

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- (2) When making a turn at an intersection (including an intersection with an alley or private road or driveway), yield the right-of-way to a vulnerable road user who is approaching from the opposite direction and is in the intersection, or is in such proximity to the intersection as to be an immediate hazard.
- (c) **Prohibited action.** An occupant of a motor vehicle may not:
 - (1) Knowingly throw or project any object or substance at or against a vulnerable road user, or the user's animal, equipment, vehicle or conveyance;
 - (2) Overtake a vulnerable road user traveling in the same direction and subsequently make a turn in front of the vulnerable road user unless the operator is safely clear of the vulnerable road user, taking into account the speed at which the vulnerable road user is traveling and the braking requirements of the motor vehicle making the right-hand turn; or
 - (3) Maneuver the vehicle in a manner that is intended to cause intimidation or harassment to a vulnerable road user or threatens a vulnerable road user.
- (d) **Affirmative defense.** It is an affirmative defense to prosecution under this section that, at the time of the offense, the vulnerable road user was acting in violation of any applicable traffic law.
- (e) **Offenses.** The penalty for any violation of this section shall be a fine not to exceed \$500."

Section 3. That, if any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained

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herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 4. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

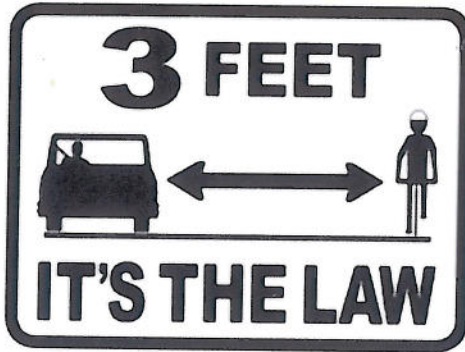
PASSED AND ADOPTED this 8th day of May, 2013.

APPROVED this 8th day of May, 2013.

Annise D. Parker
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is _____.

Prepared by Legal Dept. Tiffany Evans
TNE:jmb 5/2/2013 Assistant City Attorney
Requested by: The Office of the Mayor
L.D. File No. 0421300025001



AYE	NO	
<input checked="" type="checkbox"/>		MAYOR PARKER
....	COUNCIL MEMBERS
<input checked="" type="checkbox"/>		BROWN
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<input checked="" type="checkbox"/>		COHEN
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<input checked="" type="checkbox"/>		CHRISTIE
CAPTION	ADOPTED	

MAY 017 Rev. 12/12

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Budget
Department Head: Diane K White
DOC ID: 1802

**SCHEDULED
ACTION ITEM (ID # 1802)**

Item Title:

Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board to authorize the Board to work with the Design By Principle Group to develop preliminary concepts for creating a brand for the City of Bellaire to be funded from the CIP Beautification Project Budget - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.

Background/Summary:

Due to their exclusive partnership with Evelyn's Park Conservancy, where their firm is creating the park's new logo and brand identity system, Principle was asked to present the benefits of an overarching brand platform to the Bellaire Cultural Arts Board in January. Based on that presentation, the Board believes there is opportunity to evolve the City of Bellaire's logo and identity, both verbally and visually, to truly capture the vision of our City moving forward. Principle is a graphic design and branding firm who's Founder and Creative Director, Allyson Lack, is a long-time resident of Bellaire. Women-owned and operated, they staff brand strategists, writers and designers to craft a total package for their clients. Principle has worked with non-profits and institutions, as well as corporations, retailers and restaurants, and their experience provides them a well-rounded approach to each project. (See Addendum)

Rationale

This project is intended to update the City of Bellaire's current seal, secondary logo applications, typography, color scheme, and graphic approach and bring cohesion and consistency to usage throughout our City. In addition, foundational language, including core values and brand pillars, will be created to help establish, clarify and differentiate Bellaire among its counterparts.

A new Bellaire visual and verbal identity will live on the City website, newsletters, magazine masthead, stationery, vehicles, employee uniforms, utility billing, future light post banners, monument and esplanade signage, future City Hall signage and other new facilities, possible logo fabrication into Rice Blvd intersection streetscape, to name a few.

Previous Council Action Summary:

N/A

Fiscal Impact:

- 1. Immersion & Research** - Principle will gain a thorough understanding of the project and goals by conducting immersion interviews with key stakeholders, including City Council members, Bellaire Cultural Arts Board members, historian, etc. \$2,750
- 2. Brand Audit** - Principle will spend several days touring Bellaire and photographing

documenting logo and language usage throughout the city, in addition to reviewing stationery, collateral, bills, newsletters, digital presence, etc. PDF Presentation \$3,500

- 3. Verbal Platform** - Principle's strategists/writers will craft Bellaire's brand language (i.e. overarching mission statement) that captures our core values and brand pillars. This unique positioning will serve as an internal reference and guide by which we can develop future materials and messaging. Deliverable: Brand Language \$7,500
- 4. Visual Platform** - Principle will explore ways by which they can refine the look and feel for all future brand expressions, namely an updated/reimagined City seal, secondary logo applications, typography, color scheme, and graphic approach. The goal is to evolve the current treatments and create a brand system that is timeless and reproducible across many mediums. Deliverable: New Set of Brand Assets \$12,500
- 5. Project Management** - Flat fee to cover all aspects of client relationship management, including meetings, emails, calls and presentations. \$2,000

Recommendation:

The Bellaire Cultural Arts Board President Terry Leavitt-Chavez requests that the Art Board be given direction to move forward with this project.

ATTACHMENTS:

- Company background information (PDF)
- Principle Presentation for Council Packet(PDF)

PRINCIPLE www.designbyprinciple.com

CLIENTS

Adair Family Restaurants | *Houston, Texas*
 Bella Cucina | *Atlanta, Georgia*
 Black Walnut Café | *Houston, Texas*
 Brighter Bites | *Houston, Texas*
 Chandos Interiors | *Houston, Texas*
 Chronicle Books | *San Francisco, California*
 DePelchin Children's Center | *Houston, Texas*
 Evelyn's Park Conservancy | *Houston, Texas*
 Found for the Home | *Houston, Texas*
 Goode Company Restaurants | *Houston, Texas*
 Larson-Juhl | *Norcross, Georgia*
 Lovett Homes | *Houston, Texas*
 Maryland Institute College of Art | *Baltimore, Maryland*
 Microsoft | *Redmond, Washington*
 NapaStyle | *Napa, California*
 National Building Museum | *Washington D.C.*

The Natural Light | *Lynn Haven, Florida*
 Nichole Sloan Photography | *McDonough, Georgia*
 Nordstrom | *Seattle, Washington*
 OmegaFi | *Atlanta, Georgia*
 Paddywax Candles | *Atlanta, Georgia*
 Philips | *Atlanta, Georgia*
 Progressive Insurance | *Mayfield Village, Ohio*
 Rockport Publishers | *Minneapolis, Minnesota*
 Studio Communications | *Houston, Texas*
 Texan Bank | *Houston, Texas*
 Texas Children's Hospital | *Houston, Texas*
 Theatre Under The Stars (TUTS) | *Houston, Texas*
 The Walters Art Museum | *Baltimore, Maryland*
 The Woodhouse Spas Corporation | *Victoria, Texas*
 UTHealth, School of Public Health | *Houston, Texas*
 Wing Aviation | *Houston, Texas*

RECOGNITION

2006-2007

Print Magazine | *regional design annual*
 Vizual | *Commarts newsletter, Vol 3, No. 1*
 Communication Arts | *packaging: design on the frontline*
 Communication Arts | *50 essential bookmarks*
 How Magazine | *profile: A tale of 3 cities*
 Print Magazine | *regional design annual*
 GD USA | *2007 People to Watch Issue*
 How Magazine | *promotion design awards*
 The ONE Show | *judge*
 DSVC Show | *judge*
 AIGA National Design Conference "Next" | *speakers*

2008-2009

Communication Arts | *Exhibit*
 AIGA 365: Annual Design Competition | *judge*
 Art Director's Club of Metropolitan Washington | *judge*
Design Matters: Brochures 01 | *Rockport Publishers*
Design Matters: Packaging 01 | *Rockport Publishers*
Women of Design: Influence and Inspiration from the
Original Trailblazers to the New Groundbreakers | *How Books*
 Communication Arts | *design annual 2008*
 Communication Arts | *feature article*

Communication Arts | *design annual judge*
 Commarts.com | *exhibit*
 AIGA South | *seed awards jury*
 ADDY Award | *silver, district 10 regional*

2010-2012

Letterhead & Logo Design 11 | *Rockport Publishers*
 University of Maryland Design Week | *keynote speaker*
 Houston Chronicle | *business section*
 The Texas Show | *exhibit*
 Communication Arts | *design annual judge*
 Typography Referenced | *Rockport Publishers*
 Neenah Paper UNshow | *identity design award*

2013-2015

HOW Packaging | *feature on food packaging*
 ADDY Award | *gold, silver, merit awards, Houston*
 ADDY Award | *silver, district 10 regional*
 Mohawk Felt & Wire | *design feature*
 Print Magazine | *regional design annual*
 AIGA Awards Houston | *gold award, identity*
 Art of the Menu | *design feature*
 AIGA | CASED | *national finalist*

DESIGN TEAM PROFILE + CAPABILITIES

PRINCIPLE is a decade-young design and branding boutique based in Houston, Texas. With roots in high-end, exquisitely produced packaging and printed matter, Principle has expanded its capabilities over the years to include brand strategy, naming, writing and web design. From small niche brands to Fortune 100s, what our clients hold in common is an appreciation for engaging concepts, inspiring design and forward-thinking collaboration. Principle has produced noted campaigns, publications, packaging systems, identities and more, building long-standing relationships with clients who have come to rely upon our expertise and passion for work that is both beautiful to experience and delivers a resonant message. From Nordstrom to Napa and non-profits to nationally recognized icons, our mission is simple: to help translate a brand's potential into a purpose.

Partner, Creative Director

ALLYSON LACK is a partner and co-founder of Principle. She graduated with a business degree in Marketing from the University of Maryland but soon thereafter, with design as her true calling, headed to Atlanta to attend graduate school at Portfolio Center. With meaningful stints at Houston's Rigsby Design and later as Senior Designer for Rutka Weadock in Baltimore, Ally honed her talents for rich typography and masterful production. Before forming Principle, Ally ran her own one-woman studio where she made a name for herself with exceptional work for museums, art schools and cultural institutions. Her work has been featured in *Print*, *AIGA*, *Communications Arts*, and the *New York Type Directors Club*.

Partner, Creative Director

PAMELA ZUCKER is a partner and co-founder of Principle. Pamela graduated with a BFA from the University of Michigan and continued her design studies at the Portfolio Center in Atlanta. She began her career at Rigsby Design in Houston, working with clients such as Dell and International Paper where her responsibilities ranged from conceptual development to design to highly-crafted production. Prior to establishing Principle in 2004, Pamela ran her own design office, landing national accounts that encompassed everything from book design to advertising. Outside the office, she serves as a portfolio advisor to senior design students, has juried international design competitions and is a past board member of the AIGA, Houston.

Brand Strategist

INA RILEY is a senior strategist for Principle. She has expertise in developing integrated branding, verbal and creative strategies for high-profile consumer and corporate clients. After spending several years at Interbrand New York, Ina is now based in Houston. She holds a BBA in International Business and Marketing from the University of Texas at Austin. Ina's experience includes naming, architecture and brand identity initiatives for clients including AT&T, Walgreens, Johnson & Johnson, Unilever, Exxon, Disney Digital, Tiffany + Co., Bank of America and Avon Foundation.

Brand Strategist, Design Writer

ERIN O'CONNOR is the brand verbalist at Principle. She graduated with a BA in Journalism from the University of Georgia, where she fell in love with branding's ability to tell a story, share an idea — set an expectation. She sharpened her pencil at the Portfolio Center in Atlanta before bringing her talents west to The Richards Group in Dallas, currently the nation's largest independent branding agency, and then to Greatest Common Factory in Austin, a strategic branding, advertising and production firm. While she specializes in the wordier aspects of a project, Erin is fluent in the language of design, bringing graphic savvy and a keen eye for detail to every collaboration.

Graphic + Web Designer

NADIA USMANI is a graphic designer at Principle. She graduated from University of Houston's design BLOCK program with emphasis on both print and digital mediums. Having worked for PH Design after graduation, she then went on to Baylor College of Medicine as a web designer, focusing on user interface and experience. Nadia's strength lies in her ability to translate design solutions from print to pixels and back again, ensuring a seamless experience across any communication.

Graphic Designer

RACHEL ROTHBERG is a graphic designer at Principle. After earning her BA from University of Houston's design BLOCK program, she began her career in-house for Transwestern. Rachel then spent several years honing her skills at PH Design where she became proficient in typography, identity and experimentation with paper and production.

IMPACT OF REBRAND FOR CITY OF BELLAIRE

MAGAZINE, STATIONERY SYSTEM, FLYERS,
NEWSLETTERS, BILLS / INVOICES,
CORRESPONDENCE TO RESIDENTS

FUTURE

ARCHITECTURAL IMPROVEMENTS
NEW BUILDINGS / SCHOOLS
STREET SCAPES GRAPHICS

PRINT

PRESS

TV SCREEN GRAPHIC,
YOUTUBE CHANNEL,
NEWS OUTLETS

MERCH

STICKERS FOR RESIDENTS
T-SHIRTS FOR FUN RUNS
TOTE BAGS AT THE LIBRARY

IDENTITY

VISUAL & VERBAL

DIGITAL

WEBSITE
E-BLASTS
DIGITAL NEWSLETTER
E-SIGNATURES
SOCIAL MEDIA

ENVIRO

CITY VEHICLE GRAPHICS
CITY UNIFORMS
SIGNAGE SYSTEM
CITY BANNERS

SIGNAGE

PERMANENT MONUMENT SIGNS
EVENT SIGNS
SPONSORSHIP SIGNAGE
CITY LIMITS SIGNS

OTHER OPPS

BADGES, STICKERS, PROMOS,
HOLIDAY EVENTS

PRINCIPLE

MARCH 7, 2016

BRAND VISION

The City of Bellaire

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Why we're here today:

To walk you through how an *integrated brand system*—the visual and verbal articulation of who you are + what you stand for—can convey the pride, beauty, and sense of community represented in the City of Bellaire.

To demonstrate how a solid brand platform helps inform + inspire the visual evolution of your brand.

To share examples of brand development and evolutions and that our firm has completed.

Branding is more than a logo.

It is a system that interrelates and builds upon itself.
It is an opportunity to inspire and form an experience.

Ultimately, your brand system serves as your foundation and your North Star—your way to ensure that all is defined and aligned, because successful brands are built on strength and consistency.

The City of Bellaire has a unique opportunity:

With the addition of Evelyn's Park, the new Condit Elementary School, and other beautification efforts, the city is poised to be in the spotlight— not only among its residents, but in Greater Houston as well.

If the City of Bellaire has the opportunity to reface its image and solidify the brand,
where could it be improved?

BELLAIRE BRANDING

Brand Evaluation

THE CITY OF BELLAIRE, TEXAS



BELLAIRE BRANDING

BELLAIRE BRANDING



Many municipalities employ a seal which can be a very useful asset across numerous brand touchpoints. However, the seal currently being used feels somewhat generic in it's execution.



In addition, the drawing style is over-simplified, which gives the impression the artwork isn't customized to reflect Bellaire.

BELLAIRE BRANDING



The color palette might also be a place to consider evolving the brand. The primary shades of green and blue selected aren't highly versatile across all mediums.

BELLAIRE BRANDING



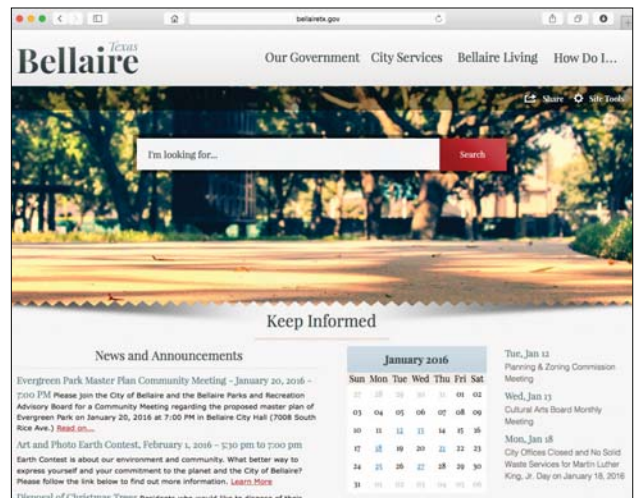
Examples of the seal being paired with a mix of typography that isn't cohesive and a part of a greater brand system. Also, the seal appears with and without a border.

BELLAIRE BRANDING



Correspondence with Bellaire residents isn't consistent. Logos on envelope and interior invoices should match. The utility bill appears as though the "font" didn't load correctly, spacing is extremely irregular.

BELLAIRE BRANDING



BELLAIRE BRANDING



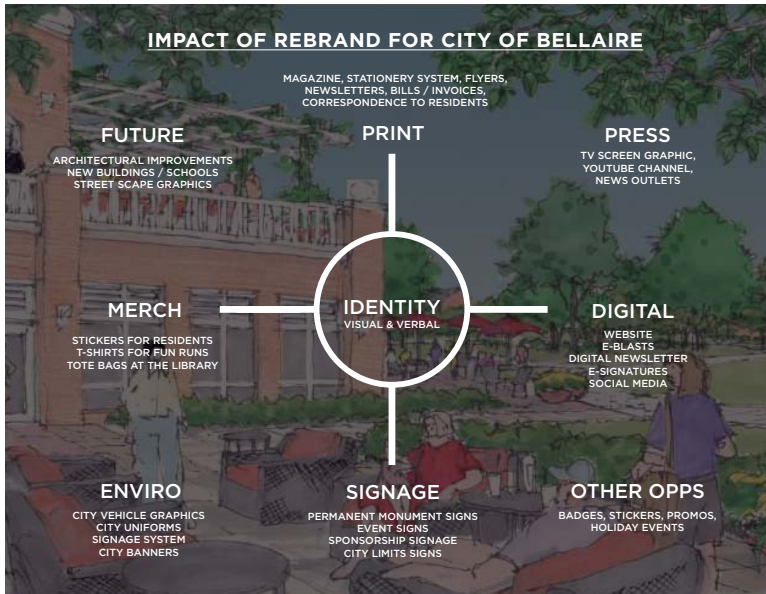
Beyond print and digital applications, there are a host of opportunities around Bellaire to improve the signage that greets visitors / residents as they cross into our city. This monument sign is a prime example of a branding opportunity.

In short, Bellaire has a unique opportunity to “facelift” the current identity and think holistically about the brand.

While we believe the brand should feel welcoming, user-friendly and reflect our strong community, it should also evolve in order to be:

Timeless. Well-crafted. Versatile across many mediums.

IMPACT OF REBRAND FOR CITY OF BELLAIRE



Before & Afters

CASE STUDIES OF OUR BRAND EVOLUTIONS

Black Walnut Cafe

HOUSTON, DALLAS, AUSTIN & BEYOND

BWC, ORIGINAL VS. MODIFIED TREATMENT



BWC, ORIGINAL VS. MODIFIED TREATMENT



BLACK WALNUT
CAFE

YOUR PLACE | YOUR PACE

Attachment: Principle Presentation for Council Packet (1802 : Presentation, consideration of and possible action on a recommendation from

BWC, LOGO IN MULTIPLE LOCKUPS

PRIMARY LOCKUP

BLACK WALNUT
CAFE

STACKED LOCKUP

BLACK
WALNUT
CAFE

BWC, LOGO IN MULTIPLE LOCKUPS

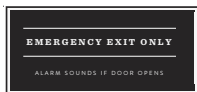
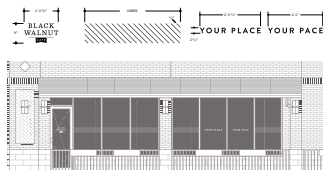
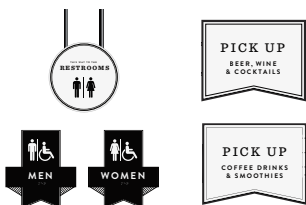
PRIMARY LOCKUP



STACKED LOCKUP



BWC, LOGO IN THE BUILT ENVIRONMENT



BWC, MERCHANDISE DESIGN



Sometimes, simple is best. If you don't need pretty graphics and colors, don't use them. This uniform quickly says "be green," "beach town," "beach help you, and my teachers is so beach and close to the establishment."



On the contrary, color can help a guest easily navigate different options.





WING, ORIGINAL VS. MODIFIED TREATMENT



WING, ORIGINAL VS. MODIFIED TREATMENT



WING AVIATION



WING, LOGO IN MULTIPLE LOCKUPS

PRIMARY LOCKUP



PRIMARY LOCKUP WITH TAGLINE



SECONDARY LOCKUP



WING SPEC SHEET, ORIGINAL VS. MODIFIED



WING, STATIONERY / COLLATERAL DESIGN



WING, MERCHANDISE DESIGN





BRIGHTER BITES, LOGO DESIGN



BRIGHTER BITES, TAGLINE



Attachment: Principle Presentation for Council Packet (1802 : Presentation, consideration of and possible action on a recommendation from

BRIGHTER BITES, MANIFESTO

OUR MANIFESTO

We believe in fresh food. Color. Crispness.
Crunch over crumbles. Food that's not been fiddled with—and that's as easy to find as it is to eat.

Brighter Bites™ brings healthier choices into the homes, minds and mouths of our children and their families. It's a locally started, globally minded initiative that delivers fresh fruits and vegetables directly into our kids' hands, teaching them how to use and choose a different kind of fast food. Every week, students bring home fifty servings of fresh produce from school, along with recipe cards, nutrition facts and ideas for preparation.

Brighter Bites is rooted in the belief that if we give our kids something better to munch on, they will. And the lives they lead will be as vibrant as the foods they crave.

Brighter choices. Brighter outlooks. Brighter Bites.™

BRIGHTER BITES, COLLATERAL

Roots, Fruits & Super Smoothies

Adding your own grains and toppings from a variety of produce to healthier than having sugar drinks.

SMOOTHIE IDEAS:

- Add one banana and one apple to a blender. Blend until smooth.
- Add one banana and one apple to a blender. Blend until smooth. Add a handful of spinach leaves.
- Add one banana and one apple to a blender. Blend until smooth. Add a handful of spinach leaves and a handful of frozen blueberries.

WHY DRINK?

- Add one banana and one apple to a blender. Blend until smooth.
- Add one banana and one apple to a blender. Blend until smooth. Add a handful of spinach leaves.
- Add one banana and one apple to a blender. Blend until smooth. Add a handful of spinach leaves and a handful of frozen blueberries.

*Sugary drinks, like sodas, fruit punch, and commercial teas and coffees, are **NOT** drinks.*

NUTRITIOUS KNOW-HOW

HEALTHY EATING TIPS:

- Choose fruits and vegetables that are in season.
- Choose fruits and vegetables that are in season.
- Choose fruits and vegetables that are in season.

3 simple smoothie recipes

Apple, banana, spinach

Apple, banana, spinach, blueberries

Apple, banana, spinach, blueberries, frozen blueberries

BRIGHTER BITES, DIGITAL

BRIGHTER BITES, MERCH AND BAGS

Attachment: Principle Presentation for Council Packet (1802 : Presentation, consideration of and possible action on a recommendation from

Packet Pg. 261

Goode Co. Restaurants

HOUSTON, TEXAS

GOODE, LOGO EVOLUTION



GOODE, LOGO EVOLUTION



GOODE, SYSTEM APPROACH



GOODE, SYSTEM APPROACH



Thank you for your time.

THE PRINCIPLE TEAM

Attachment: Principle Presentation for Council Packet (1802 : Presentation, consideration of and possible action on a recommendation from

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Budget
Department Head: Diane K White
DOC ID: 1787

SCHEDULED**ACTION ITEM (ID # 1787)****Item Title:**

Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board for additional seasonal banners and fixturing to enhance the current seasonal banner program on Bellaire and Bissonnet corridors - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.

Background/Summary:

During 2015, The Bellaire Cultural Arts Board (BCAB) worked with Cheryl Bright to recommend graphics for the seasonal banner initiative on the Bellaire and Bissonnet corridors as part of Bellaire's ongoing beautification of the City. After execution of the program the Bellaire Cultural Arts Board noticed that there were light posts on the Bellaire and Bissonnet corridors that didn't have banners installed due to a small initial inventory of brackets to hold the banners. On the corridor there are a total of 57 poles. 31 of those poles are missing banners.

Addition of Seasonal Banners and Fixtures To Enhance The Current Seasonal Banner Program on the Bellaire and Bissonnet Corridors.

The BCAB requests that the City Council support adding additional seasonal banners and fixtures on the Bellaire and Bissonnet corridors. The cost of the program will include a \$7,285 one-time setup of 31 light pole brackets and \$10,000 for additional banners for the current rose Spring/Summer banners. Total cost \$17,285.

Rationale

This project is intended to add visual impact on the Bellaire and Bissonnet corridors. Spring and Summer banners are ideal for benefiting the season with a warm welcome into the City. Holiday banners are the best way to share the holiday spirit with our neighbors and visitors and leave a smile on their face. The banners give Bellaire a sense of identity in the City. A sufficient number of pole banners in the area will give Bellaire Blvd. and Bissonnet a visual impact creating a sense of community where thousands of people see them each day.

Previous Council Action Summary:

FY2016 approved recurring budget enhancement for a seasonal banner program for \$16,000

Fiscal Impact:

FY2016 Beautification Capital Improvement Project- \$17,285

Recommendation:

The Bellaire Cultural Arts Board President Terry Leavitt-Chavez request that the Art Board be given direction to proceed with this project.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Budget
Department Head: Diane K White
DOC ID: 1800

**SCHEDULED
ACTION ITEM (ID # 1800)**

Item Title:

Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board for the addition of double seasonal banners and fixtures in Paseo Park - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.

Background/Summary:

During 2015, The Bellaire Cultural Arts Board (BCAB) discussed adding double-sided banners to Paseo Park as part of Bellaire's ongoing beautification initiative. The board voted to go forward with the recommendation of adding seasonal double banners on all the decorative light poles in Paseo Park.

Addition of Seasonal Banners and Fixtures To Paseo Park

The BCAB requests that the City Council support adding seasonal double banners on all 26 decorative light poles in Paseo Park. The cost of the program will include a one-time hardware setup. This includes 26 sets or 52 brackets at a cost of \$6,110 and installation of one season of Spring/Summer banners with a cost of \$6,500. Total cost \$12,610.

Rationale

Well-designed and appropriate banners will enhance Paseo Park's visual appearance and sense of vitality. Paseo Park is a great area to welcome visitors to the city of Bellaire at this location. They can also be used for holiday or seasonal events. By utilizing all decorative light poles in the park area on Bellaire Blvd. the city will experience a big visual impact creating a sense of community where thousands of people see them each day.

Previous Council Action Summary:

N/A

Fiscal Impact:

FY2016 Beautification Capital Improvement Project- \$12,610

The recurring fiscal impact will result in an additional budget enhancement request of \$13,390 in FY 2017 and a recurring cost of \$26,000 in later budgets to keep the Paseo Park seasonal banner program ongoing.

Recommendation:

The Bellaire Cultural Arts Board President Terry Leavitt-Chavez request that the Art Board be given direction to proceed with this project.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Budget
Department Head: Diane K White
DOC ID: 1801

**SCHEDULED
ACTION ITEM (ID # 1801)**

Item Title:

Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board to acquire five (5) art doors from the Open the Door program, a Texan-French Alliance for the Arts community art project - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.

Background/Summary:

In 2011, The Texan-French Alliance for the Arts partnered with the Paris Collective 9eme Concept to create the "Open the Door" project, in which 60 doors were painted by over 100 French and Texan artists (established, emerging, students and professors) and installed in 19 locations across Houston. Some of these spots included the Houston public library, Hermann Park, Heights Blvd. Park, River Oaks Park, Houston City Hall's Hermann Square, Texas Children's Cancer Center, and Memorial Park. By serving and connecting different geographical and cultural areas through a storyline, this installation invited the public (tourists and Houstonians) to discover parts of the city that they may never have visited before. "Open the Door" gave them a sense of the cultural richness and diversity of our city, while revealing the power of imagination and creativity to transform spaces and lives.

With over 50 partnerships, "Open the Door" provided an opportunity for over 50 diverse communities and over 100 artists to come together, to inspire each other, and to dare to use their creativity in a new format and new locales. Students, artists, and community members had the chance to exhibit and perform across the city of Houston (19 locations), giving them a greater sense of the art world and art community. The participants shared ideas, emotions, and moments of life. This project showed student artists — some as young as 11 — that their art and creativity could affect the world in a positive way. The doors' installations provided a tremendous level of exposure; over 500,000 people visited the different parks featuring this citywide public art installation throughout the year that it was exhibited.

After the exhibition doors were purchased by public and private entities. These doors are currently permanently installed in: **(See attached for pics and bios)**

Sugarland, Oyster Creek Park
Altharetta Yeargin Museum
Hong-Kong Market 5
Lonestar College University Park
University of Houston Downtown
French Consular Residence
Winter Street Studio

CherryHurst Park

Artisan Restaurant

As well as in collectors' homes including Lynn Wyatt

5 Door Recommendation Includes artwork reflecting artists established in the careers, emerging, and student:

The BCAB requests that the City Council support installing 5 art doors located at the endcap of Paseo Park at the North Side Of Second Street within Paseo Park for the ongoing beautification efforts in Bellaire. Paseo Park is such a wonderful gem within the city, and can be a wonderful venue for public art. Many families within Bellaire and neighboring communities don't get to experience to view international or local artwork and this will provide everyone with the avenue to do so.

The cost of the program should be no more than \$17,500. \$15,000 for steel painted doors and frames. \$2,500 Installation of doors. Information stands to be donated by The Texan-French Alliance for the Arts.

Rationale

The 5 doors will make a lasting contribution to Bellaire's vibrant cultural diversity and international exposure. OPEN THE DOOR stems from the idea that every new experience we encounter be it a new phase of life, learning about a new culture, or meeting new people, can be represented by the image of a door. We can choose either to leave the door closed or open it and step across the threshold. OPEN THE DOOR's symbolism does not stop at the interaction of French and Texan cultures. Although Houston was the first city to premiere this project, it will likely be presented in other major cities around the world, and the Bellaire Cultural Arts Board recommends that Bellaire be part of this incredible undertaking. OPEN THE DOOR reflects and will bring to the world Bellaire's vibrant cultural scene, quality of life, and its wonderful diversity.

Previous Council Action Summary:

N/A

Fiscal Impact:

FY2016 Beautification Capital Improvement Project- \$17,500

Recommendation:

The Bellaire Cultural Arts Board President Terry Leavitt-Chavez request that the Art Board be given direction to proceed with this project.

Action Item (ID # 1801)

Meeting of March 7, 2016

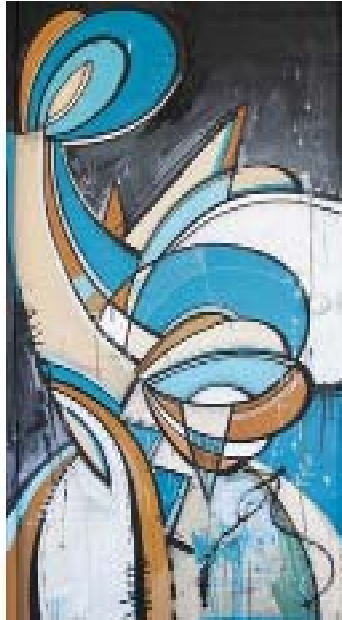
ATTACHMENTS:

- Art Door pics (PDF)

MARCH 7, 2016 ART BOARD ART DOOR ATTACHMENT

5 Door Recommendation Includes artwork reflecting artists established in the careers, emerging, and student:

Romain Froquet both sides

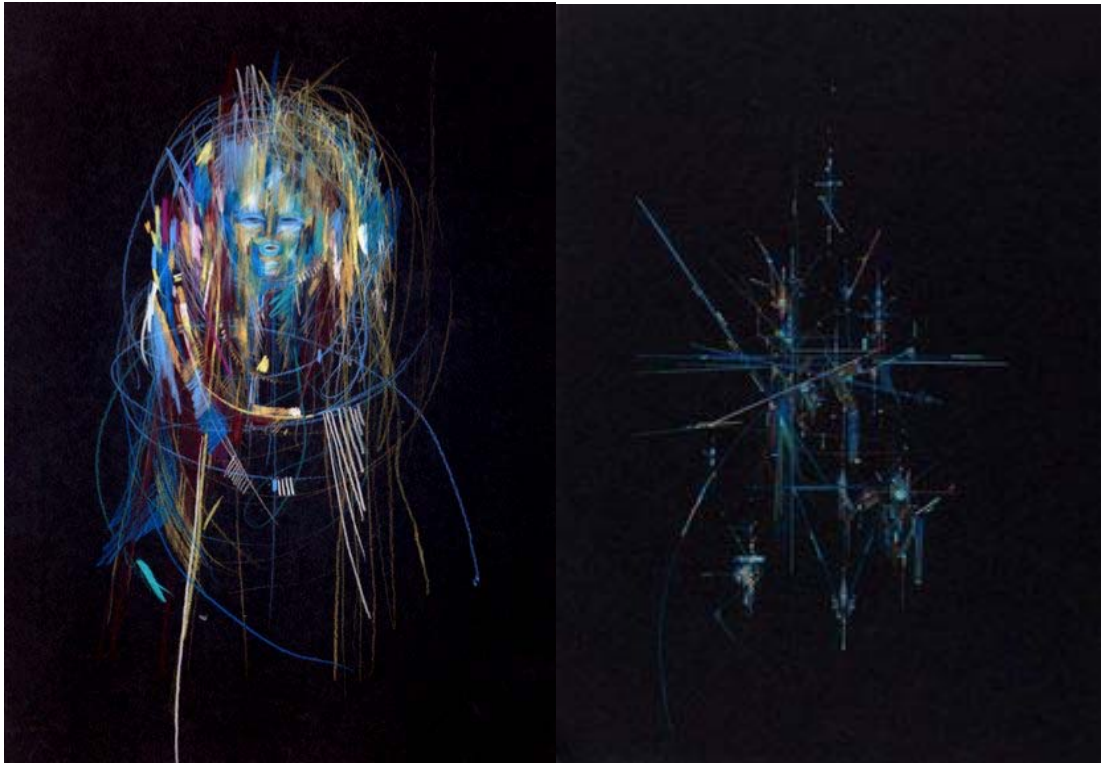


Romain Froquet was born in France in 1982. He lives and works in Paris with a long list of solo/group exhibitions and publications.

His early encounter with the 9e Concept's founders gave him the opportunity to form and reveal his artistic universe. Firstly, he starts drawing his line through faces whose expressions and scars reveal his sensitiveness. Then, his drawing line becomes

thicker, sometimes vigorous, and sometimes vegetal and clear which is represented by arabesque and abstract volutes lines.

From his first lines spontaneously splashed on the canvas, Romain draws the frame of what he is going to reveal: a chaotic urbanization, a genealogical tree or African masks which represent his ancient passion. His work has changed into a coherent and structured abstraction, handling colors and provoking the space. A spontaneous drawing released from expressions.

Stephane Carricondo both sides

Stephane Carricondo lives and works outside of Paris. After studying graphic arts he founded with Jerk 45 and Ned the artists collective the 9th Concept. His work is a tribute to the Human Being: an introspective quest but also his way to figure out the other. He tries to express the map-making of an inner land through his striated faces made by closed line segments.

Jin Young ho + Michael Martin

**Jin Young Oh – Glassel School of Arts**

His work is inspired by the 4th location, 'The Wall'. He is a Korean immigrant who settled in Houston, Texas. His experience as an alien staying in the United States made him curious of this project, which is based on the purpose of intercultural understanding.

Michael Martin-UHD Art

The artwork designed for the door is about one's self-realization and finding one's purpose in life.

Anne Maizia + Sylvie Delusseau



Anne Maizia is a Toronto-based abstract & figurative artist painter. Originally from Brussels, she moved to Manhattan, NY where she got the inspiration to do art. She attended various art classes, primarily at the Art Students League of NYC, but also at the Fashion Institute of Technology (F.I.T.) and Parsons School of Design. She explored different mediums such as life drawing, fashion drawing, sculpture, jewelry design, photography and pottery.

After moving to Houston in 2009, she pursued her painting full-time. She first enrolled at the Art League of Houston, and then become a student at the Glassell School of Art. Anne predominantly uses the medium of acrylic painting, does mixed media, printmaking, watercolors, collages. In 2011, she had her first solo show. Since then, she has done various group exhibitions.

Sylvie Delusseau

She is a French artist graduated from the school of fine arts of Toulouse and started her career as an illustrator in French beauty press and advertising. She has been displaying her paintings since 2000 in personal or group exhibitions in Angola, Nigeria, France and USA. She received the Jury' Prize of the City of Biarritz for the 2008 Brouillarta. She dedicates her work to celebrate body and soul and catching the essence and the fragility of the very moment.

Karla Morales + Daniel Anguilu



Karla Morales –UHD

Her design “Invisible” describes an octopus swimming through human garbage. She wants to send a message to our younger generation and the general public about how important is to care for our ecosystem. In this new age we know about recycling and how to save energy but she still believes that people need to spread the word about helping our oceans.

Daniel Anguilu

Daniel Anguilu started painting graffiti at an early age. Mostly using freight trains and walls as his canvases, his art is increasingly visible around his hometown of Houston, Texas. Anguilu has been invited and traveled to many cities in the US, Mexico, Peru, Spain, and Italy to paint graffiti and to participate in graffiti art exhibits. He has also visited Asia, Africa, and Central America to enrich his knowledge of pre- colonial art and the cultures in those regions. Anguilu’s style is deeply inspired by his Mexican heritage, and mostly manifests itself as large scale, aerosol murals. Anguilu strongly believes in freedom of expression and the need to use this expression to decorate public space.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 03/07/16 07:00 PM
Department: City Manager's Office
Category: Budget
Department Head: Diane K White
DOC ID: 1821

**SCHEDULED
ACTION ITEM (ID # 1821)**

Item Title:

Presentation, consideration of, and possible action on a recommendation from the Bellaire Cultural Arts Board for the adoption of a Utility Box Beautification Program - Submitted by Terry Leavitt-Chavez, Chair of the Bellaire Cultural Arts Board, on behalf of the Bellaire Cultural Arts Board.

Background/Summary:

During 2015, The Bellaire Cultural Arts Board (BCAB) had considered the merits and feasibility of adopting an art program whereby the 5 City-owned utility boxes in Bellaire would act as a canvas and be tastefully decorated by an artist. Utility painting programs are popping up all over the United States. Our neighboring City of Houston has implemented this program in many different neighborhoods including Meyerland.

10/19/15 City Council supported Bellaire's "pilot project" starting with one of the City's five "utility boxes" located at the corner of S. Rice and Bellaire Blvd. located within the Paseo Park at 7408 South Rice Ave. Streetlight signal and control box.

December 2015 all prerequisite agreements regarding responsibilities/liabilities were signed between the City Of Bellaire and Up Studio to commence the "mini mural" project in Bellaire. Anat Ronen completed a rose mural on the streetlight signal and control box within Paseo Park. The pilot program has been a huge success. Hundreds of Bellaire and Houston residents have commented how much they enjoy the box. The box has been publicized through both social media and print channels. Rose imagery is being utilized in the Spring/Summer banners along the Bellaire and Bissonnet corridors.

Completion of an additional 4 City-owned utility boxes

The BCAB requests that the City Council support completing the remaining 4 utility boxes at:

- 1) Bissonnet & Bellaire on north side of street- H (64"), W (32 ¾"), D (24 ¼")
- 2) Intersection of Evergreen & Newcastle on the streetlight signal and control box- H (64"), W (24"), D (32 ½")
- 3) 6600 block of South Rice Ave (at Bissonnet) - H (82 ¾"), W (143 ¾"), D (67 3/8")
- 4) 7409 South Rice Ave. - Streetlight signal and control box- H (66 ¼"), W (30 ¼"), D (24")

Rationale

This project is intended to introduce some artwork into the community through decorating an object that is otherwise quite unattractive. The artwork will continue to be required to meet a "nature theme" that would complement the environment in which it is located. The conceptual design will be agreed upon by the BCAB prior to painting. The BCAB will work closely and has consulted with Public Works Director Brant Gary on this project. Painting would occur during 2016.

Previous Council Action Summary:

10/19/15 City Council supported Bellaire's "pilot project" starting with one of the City's five "utility boxes" located at the corner of S. Rice and Bellaire Blvd. located within the Paseo Park at 7408 South Rice Ave. Streetlight signal and control box.

Fiscal Impact:

FY2016 Beautification Capital Improvement Project- \$10,000

Development of a program to paint boxes on a routine schedule every few years as needed.

Recommendation:

The Bellaire Cultural Arts Board President Terry Leavitt-Chavez request that the Art Board be given direction to proceed with this project.