

CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

AUGUST 29, 2016

Council Chamber

Special Session (Town Hall Meeting and Workshop)

6:00 PM

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.

SPECIAL SESSION - 6:00 P.M.**I. TOWN HALL MEETING (NOVEMBER 2016 BOND ELECTION)**

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

B. Introduction - Andrew S. Friedberg, Mayor.

C. Summary of Procedure - Paul A. Hofmann, City Manager.

D. Presentation:

Presentation regarding the City of Bellaire Bond Election to be held on Tuesday, November 8, 2016 - Presented by Paul A. Hofmann, City Manager.

E. Public Comment.

The Mayor will recognize speakers who have completed a sign-up sheet prior to the commencement of the town hall meeting. Each speaker shall have a time limit of up to three (3) minutes, with no extension, and with notice after two (2) minutes that one (1) minute is left.

F. Questions from the Mayor and City Council.

G. Adjourn.

II. BUDGET WORKSHOP #2

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

B. Budget Discussion:

Discussion regarding the FY 2017 proposed budget for the City of Bellaire, Texas.

C. Adjourn.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 08/29/16 06:00 PM
Department: City Manager's Office
Category: Presentation
Department Head: Paul A. Hofmann
DOC ID: 1890

**SCHEDULED
ACTION ITEM (ID # 1890)**

Item Title:

Presentation regarding the City of Bellaire Bond Election to be held on Tuesday, November 8, 2016 - Presented by Paul A. Hofmann, City Manager.

Background/Summary:

A brief presentation regarding the City of Bellaire Bond Election to be held on Tuesday, November 8, 2016, will be presented to City Council and the community during the Town Hall Meeting scheduled to be held on Monday, August 29, 2016. Members of the community will also have an opportunity to offer comments to the City Council on August 29th.

Previous Council Action Summary:

On August 15, 2016, the City Council of the City of Bellaire, Texas, voted unanimously to call a bond election on Tuesday, November 8, 2016, for the purpose of funding three projects: 1) streets, drainage, and sidewalk improvements; 2) construction of new municipal buildings; and 3) water and wastewater improvements.

Fiscal Impact:

The source of funding for the referenced projects, if approved, would be provided through the issuance of general obligation bonds.

Recommendation:

N/A

ATTACHMENTS:

- Bond Election 2016 Flyer FINAL (PDF)



Bond Election 2016

Bonds for Better Bellaire 2016

On November 8, 2016, the City of Bellaire will hold a bond election to allow residents to vote on the funding mechanism for three separate propositions.

Proposition 1 – Streets, Drainage and Sidewalks

\$24.00 million

- This program will continue the work of the Bellaire Millennium Renewal (2000) and Rebuild Bellaire (2005) bond programs to design and construct streets and drainage systems with sidewalks on at least one side of the street
- Projects will address replacement of streets and drainage systems in order to reduce the occurrence of flooding and improve street conditions
- Streets and drainage systems to be replaced are identified based upon relative priority as determined by condition

Proposition 2 - New Municipal Buildings

\$5.60 million

- Includes new city hall/civic center and police/municipal court building
- Maintains campus approach to Bellaire Town Square (Bellaire-Zindler Park)
- Allows for long range plans for a new library to be incorporated
- Supports desires expressed by citizens in multiple public meetings, including building locations and overall site planning
- Developed with guidance from two citizens' ad hoc advisory committees which address layout, adjacencies, and design aesthetics
- Allows larger and improved police work and training spaces and accommodates construction cost escalation

Proposition 3 - Water and Wastewater Improvements Program

\$24.38 million

- The advanced age and deterioration of water lines, meters, and facilities has led to a decrease in the overall efficiency of the system and rising maintenance costs
- Over 40% of utility lines are between 40 and 70 years old, 67% of water meters are over 15 years old, and the wastewater treatment plant is over 40 years old
- Water lines scheduled for upgrade are those identified as the most critically in need of replacement
- System and financial efficiency will be improved with upgrades to the wastewater treatment plant and the replacement of water meters and aging water and wastewater lines

English Visit our website for translation
 Español Visite nuestro sitio web para su traducción
 中文 访问我们的网站翻译
 Tiếng Việt Ghé thăm trang web của chúng tôi để dịch

www.bellairetx.gov/bonds2016



Bond Election 2016

Proposition 1 - Streets, Drainage and Sidewalks

Program Background

Over the last century Bellaire residents have suffered from numerous severe storms. Recent major storms, such as the 2015 Memorial Day event and the 2016 Tax Day event, continue to highlight the need for proactive drainage improvements that go beyond a typical storm event (commonly referred to as a 2-year storm event). Additionally, the City must consider issues outside our city limits which negatively impact citizens when a flood event occurs, such as the limited capacity of Brays Bayou.

Ongoing engineering studies have identified streets in need of rehabilitation, and some are beyond maintenance and in need of reconstruction. The 2013 Pavement Assessment categorized approximately 70 lane miles (44% of the City's total roadways) of Bellaire streets as unacceptable.

A condition assessment and inventory of sidewalks was completed in 2013 to determine the location of gaps in the City's sidewalk network. Within block lengths that include portions of sidewalks, approximately 30,000 linear feet of sidewalk gaps were identified. This study did not include gaps on street block lengths without sidewalks.

Basis for Program

The program will continue the City's practice to design and construct streets and drainage concurrently in one project with sidewalks to be installed on at least one side of the street. Prioritization of streets will be based on adequacy of the existing drainage system, the pavement condition, the lots served by street reconstruction and drainage improvements, traffic, and open ditch systems.

Proposed Budget

The total budget for replacing streets, drainage and sidewalks is \$24.00 million. Over 3-4 years, \$24.00 million has been allocated to cover street replacement projects with drainage and sidewalk improvements included.

Proposed Schedule

Design of the first project will begin once funding is received and construction will follow thereafter. Approximately one street/drainage/sidewalk project for multiple locations can be anticipated. Affected residents will be notified prior to each project's commencement.

English	Visit our website for translation
Español	Visite nuestro sitio web para su traducción
中文	访问我们的网站翻译
Tiếng Việt	Ghé thăm trang web của chúng tôi để dịch

www.bellairetx.gov/bonds2016



Bond Election 2016

Proposition 2 - New Municipal Buildings

Project Background

The New Municipal Buildings Project maintains the City's long-standing campus approach to civic buildings. The construction of the new city hall/civic center and police/municipal court facilities are included in this project.

In November 2013, Bellaire residents voted to support an \$11.00 million General Obligation Bond to finance the design and construction of the new municipal buildings: city hall, civic center, police station, and municipal courts. Responding to continued input from Bellaire citizens, City Council adjusted the original site plan and reconfigured the location and compatibility of the buildings and services.

Basis for Project

The configuration of the new two-story facilities will improve Bellaire citizens' access to services while enhancing the overall appearance of the campus. The senior activities program will be provided new and improved facilities which will be available for numerous program offerings. Customers of Development Services and Utility Billing will conduct business in a new centralized area. The new facilities will include publicly accessible meeting rooms, including the City Council chambers and civic center. The new police station includes spaces for enhanced officer training, investigative capacity, evidence management, and many other components that will have a positive impact on the provision of police services. The municipal court facility will provide for orderly jury assembly, improved management of the prosecutorial process, and increased interaction regarding warrant files.

Proposed Budget

Total supplemental funding needed to complete this phase of the New Municipal Buildings Project is estimated to be approximately \$5.60 million, of which \$3.83 million is due to inflation, rising construction costs, and additional space requirements as a result of reconfiguring the building locations in response to public input. The other \$1.77 million is necessary to cover the additional space and security needs of the police station. This supplemental funding will add to already approved funds to create a total project budget:

\$11,000,000	– authorized but unissued authority from November 2013
\$1,560,000	– authorized but unissued authority from November 2005
<u>\$5,600,000</u>	<u>– proposed authority from November 2016</u>
\$18,160,000	– total project budget

Proposed Schedule

The construction design phase for the New Municipal Buildings Project is scheduled for completion by the end of 2016. Once permitting, bidding, and contract award is completed, construction will begin in early 2017. Construction is estimated to take 19 months with occupancy of both the city hall/civic center and the police/municipal court buildings slated for late 2018.

English	Visit our website for translation
Español	Visite nuestro sitio web para su traducción
中文	访问我们的网站翻译
Tiếng Việt	Ghé thăm trang web của chúng tôi để dịch

www.bellairetx.gov/bonds2016



Bond Election 2016

Proposition 3 - Water and Wastewater Improvements Program

Program Background

The City's water and wastewater systems include approximately 70 miles of underground water lines, 65 miles of wastewater lines, 7,600 water meters, and a wastewater treatment plant. Within this infrastructure, 38% of the water lines are 50 to 70 years old, 3% of the wastewater lines are over 40 years old, 67% of the water meters are over 15 years old, and the wastewater treatment plant is over 40 years old.

Basis for Program

The April 20, 2015, Wastewater Collection System and Water Distribution System Report stated, "approximately 52,000 feet (9-10 miles) of the older water lines have been identified as needing replacement in the near future." These water lines are critical due to the frequency of service interruptions and a disproportionate amount of maintenance required. In the same report, approximately 10,000 feet (1-2 miles) of wastewater lines for future improvements were identified.

Water meter age leads to a degradation of meter accuracy. Of the 7,600 meters, 67% are over 15 years old. The aging meter inventory has led to approximately 15% of current water usage not being billed.

The wastewater treatment plant was constructed over 40 years ago and various systems within the plant do not function as designed due to aging and non-functioning components. The proposed improvements will leverage new efficiencies and energy savings that will offset their cost.

Proposed Budget

The total budget for design and construction costs is \$24.38 million. An allocation of \$11.00 million is for water lines, and \$580,000 for wastewater lines. The budget for water meter installation and improvements to the wastewater treatment plant is \$12.8 million, which is a performance based project. A performance project is one in which the efficiencies and cost savings to be generated are guaranteed by a contract. Additionally, a reduction in operational and energy costs will create a return on investment over the life of the improvements. This project will be revenue neutral over time and the replacement of new water meters will create new revenues.

Proposed Schedule

Design will begin once funding is received and construction will follow thereafter. Approximately one project per year which will include multiple locations can be anticipated for water and wastewater lines over the next 3-4 years. Residents in affected areas will be notified prior to each project's commencement. The design for the improvements to the wastewater treatment plant has been completed. The project, including the installation of new water meters, is anticipated to be completed within 15 months once funding is received.

English	Visit our website for translation
Español	Visite nuestro sitio web para su traducción
中文	访问我们的网站翻译
Tiếng Việt	Ghé thăm trang web của chúng tôi để dịch

www.bellairetx.gov/bonds2016



Bond Election 2016

Financial Information

Total Bond Proposal

\$53.98 million broken down as follows:

Streets, Drainage and Sidewalks \$24.00 million.....*proposition #1*
 New Municipal Buildings \$5.60 million.....*proposition #2*
 Water and Wastewater Improvements Program \$24.38 million.....*proposition #3*

Current Debt Carried by the City

The City will have \$77.30 million in principal outstanding at the end of Fiscal Year 2016, of which it is estimated that less than \$5.70 million is being supported by transfers from the City's Enterprise Fund. It is also estimated that \$24.38 million of the proposed 2016 Bond Election will be supported by transfers from the City's Enterprise Fund.

Impact to the Residents

FY 2016 debt rate is \$0.1304 and the proposed debt rate for FY 2017 is \$0.1323, which equates to approximately a \$15 increase annually per household in debt related property taxes based on an average taxable value assessed at \$778,442. FY 2018 will increase approximately \$65 while FY 2019 will decrease around \$10 annually. FY 2020 will increase approximately \$16 and rounding out our five-year fiscal forecast, FY 2021 will decrease approximately \$26 per household.

Projected Outstanding City Debt

	Existing Debt		Proposed Debt		Total Debt
	<i>Tax Supported</i>	<i>Enterprise</i>	<i>Tax Supported</i>	<i>Enterprise</i>	
FY 2016	\$71,540,266	\$5,769,734			\$77,310,000
FY 2017	\$67,667,083	\$5,302,917	\$27,160,000	\$16,125,000	\$116,255,000
FY 2018	\$64,041,616	\$4,868,384	\$33,589,158	\$18,835,842	\$121,335,000
FY 2019	\$60,591,806	\$4,433,194	\$40,793,334	\$23,066,666	\$128,885,000
FY 2020	\$57,009,450	\$3,980,550	\$39,782,873	\$22,407,127	\$123,180,000
FY 2021	\$53,310,417	\$3,514,583	\$38,526,270	\$21,593,730	\$116,945,000

Bonds for Water and Wastewater Improvement Debt Will Not Affect Tax Rates

Funding for the system improvements will come from water and wastewater revenues and identified efficiency savings which are included in the FY 2017 proposed budget. There will be no impact to Bellaire residents' tax rate as a result of funding for water and wastewater improvements.

Impact on the Debt Service Forecast

The maximum annual increase to debt service on the proposed \$66.54 million bond issuances (of which \$12.56 million is from the prior 2005 & 2013 bond elections, authorized but as-yet unissued) is approximately \$3.90 million and occurs in FY 2026. The debt rate associated with year 2026 is \$0.1219, which is lower than the current debt rate, and is a direct result of estimated annual growth in assessed valuations.



Bond Election 2016

Voter Resources

Learn More About These Projects

Visit www.bellairetx.gov/bonds2016 to learn more.

- Wastewater Collection System and Water Distribution System Report 2015
- Street and Sidewalk Condition Assessment 2013
- 8-1-16 Municipal Facilities
- 8-2-16 Performance Contracting Workshop Presentation

Questions can be emailed to bonds@bellairetx.gov

Voting Information

October 11, 2016	Last Day to Register to Vote
October 24, 2016	First Day of Early Voting
November 4, 2016	Last Day of Early Voting
November 8, 2016	Election Day

To find out your precinct and voting location, please visit: www.harrisvotes.com

Attend a Public Presentation

September 7, 2016	Environmental and Sustainability Board
September 13, 2016	Planning and Zoning Commission
September 14, 2016	Cultural Arts Board
September 15, 2016	Board of Adjustment
September 21, 2016	Parks Advisory Board
September 22, 2016	L.I.F.E. Advisory Board
September 28, 2016	Building and Standards Commission

English	Visit our website for translation
Español	Visite nuestro sitio web para su traducción
中文	访问我们的网站翻译
Tiếng Việt	Ghé thăm trang web của chúng tôi để dịch

www.bellairetx.gov/bonds2016